



California Sanitation Risk Management Authority  
 c/o ALLIANT INSURANCE SERVICES, INC.  
 560 Mission Street, 6th Floor, San Francisco, CA 94105

Insurance License No.: 0C36861  
 Tel: 415.403.1400 Fax: 415.874-4813

**OFFICERS:**

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

**PAST PRESIDENTS:**

Craig Murray  
 2020-2024  
 Greg Baatrup  
 2018-2020

**EXECUTIVE BOARD MEETING AGENDA**

Meeting Via Teleconference at the Following Location(s):

500 Davidson Street, Novato, CA 94945  
 1301 Andersen Dr, San Rafael, CA 94901  
 21040 Marshall Street, Castro Valley, CA 94546  
 2695 Manchester Avenue, Cardiff by the Sea, CA 92007  
 2500 Pittsburg-Antioch Hwy, Antioch, CA 94509  
 300 Smith Ranch Road, San Rafael, CA 94902  
 2655 Grant Avenue, San Lorenzo 94580

1400 Radio Road, Redwood City, CA 94065  
 204 Universe Avenue, Bakersfield, CA 93308  
 450 Walnut Meadows Drive, Oakley, CA 94561  
 170 Dogwood Lane, Vallejo, CA 94591  
 3480 Buskirk Avenue, Suite 200, Pleasant Hill, CA 94523  
 17862 E. 17th Street, Suite 111, Tustin, CA 92780

Date/Time: Monday, June 8, 2026  
 10:00 AM

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

Phone One-Tap: +16694449171,,98411227398#,,,,\*902654#

Meeting URL: <https://alliantinsurance.zoom.us/j/98411227398?pwd=z1E8grqdlJwSVzqdlONKa1jwqBUkPv.1>

<b>A. CALL TO ORDER</b>		<b>A: Action</b>
		<b>S: Separate</b>
<b>B. PUBLIC COMMENTS</b>		<b>V: Verbal</b>
		<b>I: Information</b>
<b>C. EXECUTIVE BOARD MEMBER COMMENTS</b>		<b>H: Handout</b>
<b>D. CONSENT CALENDAR</b>		
1. Meeting Minutes: March 3, 2026 <i>Recommendation: Approve minutes from their last meeting.</i>	A	p. 7
2. Demands as of February 15, March 1 & 15, April 1 & 15, May 1 & 15, 2026 <i>Recommendation: Approve demands issued for payment.</i>	A	p. 12
3. Budget to Date Report as of March 31, 2026 <i>Recommendation: Review the budget to date report.</i>	I	p. 18
<b>E. CLOSED SESSION TO DISCUSS PENDING CLAIMS</b>	A	
Action may be taken per Government Code Section 54956.95 See Reverse for Full Listing of Claims that may be Discussed		
<b>F. GENERAL ADMINISTRATION</b>		
1. Reporting and Ratification of Claim Settlements <i>Recommendation: Receive report and ratify claims settlements approved in closed session.</i>	A/V	
2. AI Project Update <i>Recommendation: Receive report on Phase II of the AI Project.</i>	I	p. 33
3. Captive Update <i>Recommendation: Receive an update on CWIC captive insurance company.</i>	I	p. 38
4. Estimated Actual 25/26 Budget & Proposed 26/27 Budget - DRAFT <i>Recommendation: Review and approve the proposed 26/27 FY budget.</i>	A/S	p. 41
5. LRP Action Plan 2026-27 <i>Recommendation: Review and approve the 2026/27 Long Range Action Plan.</i>	A	p. 46

<b>G. OFFICER/PROGRAM DIRECTORS/COMMITTEE REPORTS</b>			
1.	<b>CSRMA Program Director Performance Standards 2025-26</b> <i>Recommendation: Review the Performance Standards grading sheet for 2025-26.</i>	I	p. 57
<b>H. POOLED LIABILITY PROGRAM</b>			
None.			
<b>I. WORKERS' COMPENSATION PROGRAM</b>			
1.	<b>Athens Contract Renewal</b> <i>Recommendation: Review and approve the Athens Administrators contract renewal.</i>	A	p. 62
2.	<b>Program Renewal</b>		
a.	<b>Actuarial Study</b> <i>Recommendation: Receive the actuarial study from Willis Towers Watson.</i>	I	p. 69
b.	<b>Retrospective Rating Calculation as of June 30, 2026</b> <i>Recommendation: Review and approve the retrospective rating calculation.</i>	A	p. 99
c.	<b>PY 37 (2026-27) Renewal Costs</b> <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 102
3.	<b>Dividend Calculation as of June 30, 2025</b> <i>Recommendation: Discuss the dividend calculation.</i>	I	p. 104
<b>J. PROPERTY PROGRAM</b>			
1.	<b>Property Program Renewal</b> <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 105
a.	<b>Cyber Liability Coverage Renewal</b> <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 120
b.	<b>Prospective New Member: DERWA</b> <i>Recommendation: Review and recommend approval of the prospective new member.</i>	A	p. 121
2.	<b>Deadly Weapons and Crisis Response Coverage Renewal</b> <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 122
<b>K. PRIMARY INSURANCE PROGRAM</b>			
None			
<b>L. LOSS CONTROL</b>			
1.	<b>Spring/Summer/Fall 2026 Area Training Update</b> <i>Recommendation: Receive an update on upcoming area trainings.</i>	I	p. 139
2.	<b>Sewer O&amp;M Academy (Formerly Sewer Summit)</b> <i>Recommendation: Receive an update on the Sewer O&amp;M Academy.</i>	I	p. 141
<b>M. INFORMATION ITEMS</b>			
1.	<b>Poem of the Day</b>	I	p. 145
2.	<b>CAJPA Conference Attendance 2026</b>	I	p. 147
3.	<b>Article - CAJPA - SB 827 Mandate Clarification</b>	I	p. 148
4.	<b>Article - California community sues county over million-gallon sewage spill - SF Chronicle</b>	I	p. 156
5.	<b>Article - From Experiment To Exposure - Executive Strategies To Contain Shadow AI - Travelers RMplusonline</b>	I	p. 164
6.	<b>CSRMA 2026 Meeting Calendar</b>	I	p. 168
7.	<b>CSRMA Organizational Chart</b>	I	p. 169
8.	<b>CSRMA Service Team</b> <i>Recommendation: Review the presented Information Items.</i>	I	p. 170
<b>N. ADJOURNMENT</b>			
<i>The next meeting is scheduled for August 4, 2026 in conjunction with the CASA Annual Conference in Napa.</i>			

*Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant at (415) 403-1400 twenty-four hours in advance of the meeting. Entrance to the meeting location requires routine provision of identification to building security. However, CSRMA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.*



Report Criteria: Feature Status <-> C And Tier 1 = CAL SANITATION RMA And As-Of Transaction Begin Date = And As-Of Transaction End Date = And Loss Run? = Yes | Row Count: 58 | Report Run: 6/1/2026 04:32 AM

Member District	Claim Number	Claimant Name	Coverage	Claimant Number	Date Of Loss	Claim Date Reported
CARPINTERIA SANITARY DISTRICT	3123853	Baynard Bouden, James	PROPERTY DAMAGE	1	03/09/2026	03/20/2026
CARPINTERIA SANITARY DISTRICT	3124833	Unknown, Alma	PROPERTY DAMAGE	1	04/24/2026	04/24/2026
DELTA DIABLO	3124970	Moon, Darrell Woodrow.	BODILY INJURY	1	06/06/2024	04/29/2026
DUBLIN SAN RAMON SERVICES DISTRICT	3122338	Shah, Vivek	LIABILITY PERSONAL INJURY	1	12/09/2025	02/09/2026
DUBLIN SAN RAMON SERVICES DISTRICT	3123053	Jeffries, Shandra and Chrisine	PROPERTY DAMAGE	1	02/25/2026	02/26/2026
DUBLIN SAN RAMON SERVICES DISTRICT	3125908	Harris, Vanessa	AUTO COLLISION	1	05/22/2026	05/29/2026
ENCINA WASTEWATER AUTHORITY	3074475	Salinas, Dario	BODILY INJURY	1	07/01/2024	08/12/2024
FAIRFIELD/SUISUN SEWER DISTRICT	3115501	Fox, Josh	INCIDENT	1	08/13/2025	08/20/2025
LAKE ARROWHEAD COMMUNITY SERVICES DISTRI	3108148	Ayou, Camille	BODILY INJURY	1	08/10/2024	03/27/2025
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT	3118838	Rodarte, Valentin	PROPERTY DAMAGE	1	11/24/2025	12/09/2025
MID-COASTSIDE	3061621	Kitz , Madison	SUBROGATION	2	09/01/2023	09/06/2023
MONTARA	3109904	Kim, Nayoung Susie.	PROPERTY DAMAGE	1	03/13/2025	05/27/2025
MONTARA	3109904	Peterson, Carl & Mary	PROPERTY DAMAGE	10	03/13/2025	05/27/2025
MONTARA	3109904	Boston, Andrew	PROPERTY DAMAGE	2	03/13/2025	05/27/2025
MONTARA	3109904	Witt Family Trust, Lawrence & Lana	PROPERTY DAMAGE	3	03/13/2025	05/27/2025
MONTARA	3109904	Noel, Nancy & Matthew	PROPERTY DAMAGE	4	03/13/2025	05/27/2025
MONTARA	3109904	Kennedy, Thomas & Jennif	PROPERTY DAMAGE	5	03/13/2025	05/27/2025
MONTARA	3109904	Vaccari, Sergio	PROPERTY DAMAGE	6	03/13/2025	05/27/2025
MONTARA	3109904	Dobie, Christine	PROPERTY DAMAGE	7	03/13/2025	05/27/2025
MONTARA	3109904	Bierdeman, Edgar	PROPERTY DAMAGE	8	03/13/2025	05/27/2025
MONTARA	3109904	Ravella, Sarah	PROPERTY DAMAGE	9	03/13/2025	05/27/2025
MONTARA	3115225	Moss, Alan	PROPERTY DAMAGE	1	02/15/2025	08/13/2025
MONTARA	3115225	Guion, Carol	PROPERTY DAMAGE	2	02/15/2025	08/13/2025
MONTARA	3115621	Kresge, John	PROPERTY DAMAGE	1	03/27/2025	08/26/2025
NOVATO SANITARY DISTRICT	3110088	Liddle, Ed	SUBROGATION	1	02/27/2025	06/03/2025
ORO LOMA SANITARY DISTRICT	3117168	Velazquez, Roberto Aguilera.	BODILY INJURY	1	05/02/2025	10/21/2025
ORO LOMA SANITARY DISTRICT	3117226	Cuello, Victoria	BODILY INJURY	1	04/09/2025	10/22/2025
ROSS VALLEY SANITARY DISTRICT	3107809	[REDACTED]	EMPLOYMENT PRACTICES	1	02/14/2025	03/14/2025
ROSS VALLEY SANITARY DISTRICT	3124992	Hopkins, Skyler	PROPERTY DAMAGE	1	10/02/2025	04/30/2026
SANTA MARGARITA WATER DISTRICT	3041926	Mobasherifar, Najmeh	BODILY INJURY	1	12/13/2022	01/12/2023
SANTA MARGARITA WATER DISTRICT	3068531	Progressive Ins a/s/o, Gruszczynski	PROPERTY DAMAGE	1	03/13/2024	04/05/2024
SANTA MARGARITA WATER DISTRICT	3068531	Gruszczynski, Andrew	BODILY INJURY	2	03/13/2024	04/05/2024
SANTA MARGARITA WATER DISTRICT	3068531	Gruszczynski, Justin	BODILY INJURY	3	03/13/2024	04/05/2024
SANTA MARGARITA WATER DISTRICT	3069123	GUYOT, CAESAR & IRENE	PROPERTY DAMAGE	1	04/20/2022	04/24/2024
SANTA MARGARITA WATER DISTRICT	3078391	[REDACTED]	EMPLOYMENT PRACTICES	1	10/15/2024	01/07/2025
SANTA MARGARITA WATER DISTRICT	3116241	Green, Kara	BODILY INJURY	1	07/12/2025	09/18/2025
SANTA MARGARITA WATER DISTRICT	3117689	Graham, Derek	PROPERTY DAMAGE	1	10/01/2025	11/06/2025
SANTA MARGARITA WATER DISTRICT	3123043	Hedjazi, Khalig	PROPERTY DAMAGE	1	11/26/2025	02/26/2026
SANTA MARGARITA WATER DISTRICT	3124291	Ramsey, Adrina	BODILY INJURY	1	10/24/2025	04/06/2026
SANTA MARGARITA WATER DISTRICT	3124923	Prieto, Kelly	PROPERTY DAMAGE	1	04/28/2026	04/29/2026
SILICON VALLEY CLEAN WATER	3107114	[REDACTED]	EMPLOYMENT PRACTICES	1	09/20/2023	02/19/2025
STEGE SANITARY DISTRICT	3066967	Wolter, Jonathon and Lynn	PROPERTY DAMAGE	1	09/08/2023	09/08/2024
TAHOE-TRUCKEE SANITATION AGENCY	3116541	[REDACTED]	EMPLOYMENT PRACTICES	1	03/31/2024	09/30/2025
TRIUNFO SANITATION DISTRICT	3123649	Haro , Aleesa and Chris	PROPERTY DAMAGE	1	03/12/2026	03/16/2026
UNION SANITARY DISTRICT	3117092	Cuello, Victoria	BODILY INJURY	1	04/09/2025	10/17/2025
VALLEJO FLOOD AND WASTE WATER DISTRICT	3073566	Vincenty, Clifford	BODILY INJURY	1	03/27/2023	07/09/2024
VALLEJO FLOOD AND WASTE WATER DISTRICT	3117693	Beale, Lisa	BODILY INJURY	1	07/02/2025	11/06/2025
VALLEJO FLOOD AND WASTE WATER DISTRICT	3125083	CSAA aso Christine Shore	PROPERTY DAMAGE	1	04/14/2026	05/05/2026
VICTOR VALLEY WASTEWATER RECLAMATION AUT	1980783	[REDACTED]	EMPLOYMENT PRACTICES	1	05/21/2018	05/21/2018
VICTOR VALLEY WASTEWATER RECLAMATION AUT	2005386	[REDACTED]	EMPLOYMENT PRACTICES	1	01/01/2014	12/17/2019
WEST BAY SANITARY DISTRICT	3106422	Lim, Kyna	PROPERTY DAMAGE	1	07/23/2024	01/29/2025
WEST BAY SANITARY DISTRICT	3118187	Myers, Shawna	BODILY INJURY	1	11/13/2025	11/20/2025
WEST BAY SANITARY DISTRICT	3124550	Tesla a/s/o, Bae	PROPERTY DAMAGE	1	09/11/2025	04/15/2026
WEST BAY SANITARY DISTRICT	3125462	Short, Connor	PROPERTY DAMAGE	1	05/12/2026	05/15/2026
WEST BAY SANITARY DISTRICT	3125677	Peek, Ibrahim	PROPERTY DAMAGE	1	10/30/2025	05/21/2026
WEST COUNTY WASTEWATER DISTRICT	3039920	[REDACTED]	EMPLOYMENT PRACTICES	1	11/09/2022	11/09/2022
WEST COUNTY WASTEWATER DISTRICT	3077882	Shapiro, Matt	PROPERTY DAMAGE	1	12/15/2024	12/16/2024
WEST COUNTY WASTEWATER DISTRICT	3115615	[REDACTED]	EMPLOYMENT PRACTICES	1	04/01/2025	08/26/2025

**CSRMA WORKERS' COMPENSATION PROGRAM**  
**CLAIMS INCURRED AS OF 05.31.26**

<b>Claimant Name</b>	<b>Account Name</b>	<b>Loss Date</b>
<b>INDEMNITY</b>		
Acosta, Gilbert	Lake Arrowhead Community Services District	05/12/2022
Alejos, Sylvia	Silicon Valley Clean Water	10/19/2022
Alejos, Sylvia	Silicon Valley Clean Water	08/17/2021
Alexander, Jeffrey	Delta Diablo	02/05/2025
Baxter, Kenneth	Dublin San Ramon Services District	03/01/2021
Buffham, Michael	Truckee Sanitary District	01/26/2026
Carrera, Benjamin	Victor Valley Wastewater Reclamation Authority	11/04/2019
Chavarela, Jesse	Santa Margarita Water District	02/21/2023
Chavez, Ruben	Goleta West Sanitary District	08/21/2023
Covarrubias, Jose	Napa Sanitation District	11/14/2024
Egan, Mark	Napa Sanitation District	04/10/2021
Escobedo, Lucas	Ventura Regional Sanitation District	10/30/2025
Espinoza, Gilbert	Castro Valley Sanitary District	04/15/2025
Ford, Thomas	Central Contra Costa Sanitary District	08/13/2019
Franzi, Justin	Napa Sanitation District	12/16/2025
Gallaher, Raymond	Ventura Regional Sanitation District	02/24/2019
Gray, Mark	South Tahoe Public Utility District	02/06/2015
Griewe, Adam	Santa Margarita Water District	10/05/2020
Harris, Garland	Central Contra Costa Sanitary District	08/05/2025
Herrera, Jason	Silicon Valley Clean Water	04/21/2021
Hill, Nathan	Central Contra Costa Sanitary District	11/06/2024
Hughes, Tim	Union Sanitary District	02/03/2024
Hughes, Timothy	Union Sanitary District	09/10/2024
Hunsaker, James	Victor Valley Wastewater Reclamation Authority	07/13/2022
Jacobo, Cirino	Ventura Regional Sanitation District	08/03/2012
Kiser, Paul	Napa Sanitation District	04/10/2025
Kupel, Nora	West Valley Sanitation District	10/21/2013
Laucirica, Leon	Ironhouse Sanitary District	03/03/2021
Lucia, Jesse	Central Contra Costa Sanitary District	01/18/2024
Lucia, Jesse	Central Contra Costa Sanitary District	06/30/2025
Mayor, Joseph	Ross Valley Sanitary District	12/08/2013
McDuffie, Jacqueline	Delta Diablo	07/22/2022
Medina, Estevan	Monterey Water One	03/24/2025
Miller, Tricia	Selma Kingsbury Fowler County Sanitation District	09/23/2025
Morales, Hugo	Monterey Water One	11/16/2022
Petersen, Blake	Central Marin Sanitation Agency	08/30/2023
Pimm, Michael	Central Marin Sanitation Agency	03/16/2022
Proschold, Darrell	Ross Valley Sanitary District	10/01/2024
Proschold, Darrell	Ross Valley Sanitary District	12/10/2024
Sandoval, Ruperto	West Bay Sanitary District	12/02/2024
Sargiotto, Sean	Dublin San Ramon Services District	08/14/2025
Smith, Michael	Tahoe Truckee Sanitation Agency	09/08/2022
Smith, Michael	Fairfield/Suisun Sewer District	04/07/2026
Valdez, Ivan	Santa Margarita Water District	02/06/2023
Valikonis, John	Carpinteria Sanitary District	08/30/2024
Villafana, Miguel	Montecito Sanitary District	12/27/2024
Woolwine, Dwight	Ojai Valley Sanitary District	12/06/2024
Wright, Robert	Delta Diablo	09/01/2018

**CSRMA WORKERS' COMPENSATION PROGRAM**  
**CLAIMS INCURRED AS OF 05.31.26**

<b>Claimant Name</b>	<b>Account Name</b>	<b>Loss Date</b>
<b>FUTURE MEDICAL</b>		
Alsbury, Jay	South Tahoe Public Utility District	04/23/1999
Alsbury, Jay	South Tahoe Public Utility District	05/05/2008
Anderson, Frederick	Silicon Valley Clean Water	11/21/2021
Armstrong, Albert	West Valley Sanitation District	11/10/1998
Ayers, James	Vallejo Flood and Wastewater District	09/11/2002
Bally, Robert	Central Marin Sanitation Agency	08/20/2020
Benitez, Victor	Ironhouse Sanitary District	03/31/2016
Bish, Mark	West County Wastewater District	05/12/2015
Brough, Robert	Dublin San Ramon Services District	04/01/2014
Brough, Robert	Dublin San Ramon Services District	07/28/2016
Comito, Anthony	Montecito Sanitary District	11/16/1995
Dimalanta, Cornelia	Fairfield/Suisun Sewer District	07/25/2023
Dugan, Jodey	Santa Margarita Water District	03/28/2007
Eastland, Jerry	Delta Diablo	05/15/2015
Fiore, Alan	Central Marin Sanitation Agency	05/24/2016
Flanders, Dolores	Central Contra Costa Sanitary District	04/16/2009
Ford Sr, Thomas	Central Contra Costa Sanitary District	06/22/2009
Ford Sr, Thomas	Central Contra Costa Sanitary District	03/27/2019
Freitas, Ronald	Dublin San Ramon Services District	11/09/2015
Godinez, Ignacio	Ventura Regional Sanitation District	09/06/2010
Golshani, Sahar	Las Gallinas Valley Sanitation District	10/30/2023
Gonzales, Frank	Carpinteria Sanitary District	06/19/2001
Grabowski, Mathew	Union Sanitary District	11/09/2015
Gregory, Leonard	Union Sanitary District	09/10/1993
Hernandez, Ralph	Delta Diablo	04/17/1997
Horton, Cristina	Dublin San Ramon Services District	11/11/2019
Inman, Erin	Ventura Regional Sanitation District	05/06/2014
James, Gregory	South Tahoe Public Utility District	08/18/2015
Jannings, Andrew	Vallejo Flood and Wastewater District	10/27/2010
Jones, Lorine	Silicon Valley Clean Water	10/05/2005
Kaur, Akusha	Selma Kingsbury Fowler County Sanitation District	07/09/2024
Keeton, Bonnie	Central Contra Costa Sanitary District	05/17/2014
Kurz, Charles	Dublin San Ramon Services District	01/17/2001
Lawhon, Lance	Carpinteria Sanitary District	09/09/2022
Lofgren, Russell	Delta Diablo	11/25/1997
Lucia, Jesse	Central Contra Costa Sanitary District	06/10/2020
Marin, James	Union Sanitary District	11/01/1990
Martin, Brian	Goleta Sanitary District	10/23/1999
Martinez, David	Central Contra Costa Sanitary District	10/10/2015
Moore, James	Ironhouse Sanitary District	11/25/2015
Moore, Paul	Vallejo Flood and Wastewater District	04/23/2007
Mosing, James	Fairfield/Suisun Sewer District	07/20/2021
Myers, Charles	West County Wastewater District	06/14/2016
Plascencia, Jose	Central Contra Costa Sanitary District	04/19/2022
Potter, Timothy	Central Contra Costa Sanitary District	02/27/2007
Potter, Timothy	Central Contra Costa Sanitary District	04/11/2018
<b>FUTURE MEDICAL (CONTINUED)</b>		
Prentice, Robert	Santa Margarita Water District	10/14/2022

**CSRMA WORKERS' COMPENSATION PROGRAM**  
**CLAIMS INCURRED AS OF 05.31.26**

<b>Claimant Name</b>	<b>Account Name</b>	<b>Loss Date</b>
Prieto, Tony	South Tahoe Public Utility District	10/12/2004
Raphael, Zandra	Delta Diablo	02/11/2010
Rojo, Jamie	Union Sanitary District	09/24/2020
Schmidt, Christian	Carmel Area Wastewater District	04/15/2020
Sharp, Noah	Ojai Valley Sanitary District	08/27/2024
Strickland, David	South Tahoe Public Utility District	08/25/1998
Tarnowski, Allen	Union Sanitary District	11/07/2016
Tarnowski, Allen	Union Sanitary District	10/03/2018
Tyler, Alan	Santa Margarita Water District	04/24/2019
Van Horn, James	Carmel Area Wastewater District	08/04/2011
Vasut, Victor	Union Sanitary District	11/26/2011
Whitman, Joshua	Central Contra Costa Sanitary District	07/19/2017
Wilkinson, Edward	South Tahoe Public Utility District	01/24/2014
Wright, Robert	Delta Diablo	04/09/2013

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
EXECUTIVE BOARD MEETING  
TIBURON, CA  
March 3, 2026**

**MEMBERS & OFFICERS PRESENT**

Mr. Vince De Lange, Vice President, Delta Diablo  
Mr. Jason Dow, Treasurer-Auditor, Central Marin Sanitation Agency  
Mr. Roland Williams, Secretary, Castro Valley Sanitary District  
Mr. Michael Thornton, San Elijo Joint Powers Authority  
Mr. Patrick Ostly, North of River Sanitary District  
Mr. Tyson Zimmerman, Ironhouse Sanitary District  
Mr. Jimmy Dang, Oro Loma Sanitary District  
Mr. Curtis Paxton, Las Gallinas Valley Sanitary District  
Mr. Matt Anderson, Silicon Valley Clean Water

**MEMBERS & OFFICERS ABSENT**

Mr. Sandeep Karkal, President, Novato Sanitary District

**GUESTS & CONSULTANTS**

Mr. Seth Cole, Alliant Insurance Services, Inc.  
Mr. P.J. Skarlanic, Alliant Insurance Services, Inc.  
Mr. Myron Leavell, Alliant Insurance Services, Inc.  
Mr. Steve Davidson, Alliant Insurance Services, Inc.  
Mr. David Patzer, DKF Solutions Group  
Mr. Byrne Conley, Gibbons & Conley  
Mr. Bill Kirker, Carl Warren & Company  
Ms. Beth Tavares, Carl Warren & Company

**A. CALL TO ORDER**

The meeting was called to order by Vice President Vince De Lange at 10:00 a.m.

**B. PUBLIC & BOARD MEMBER COMMENTS**

None.

**C. CONSENT CALENDAR**

**C.1. Meeting Minutes: January 13, 2026**

The minutes of the meetings on January 13, 2026 were reviewed.

**C.2. Demands as of January 15, February 1, 2026**

The Executive Board reviewed the demands as of January 15, February 1, 2026.

**C.4. Long Range Action Plan 2025/26 Update**

The Executive Board reviewed the Long Range Action Plan document.

A motion was made to approve the Consent Calendar as presented above.

**MOTION:** Jason Dow                      **SECOND:** Tyson Zimmerman                      **MOTION CARRIED**

**AYES:** Anderson, Dang, De Lange, Ostly, Paxton, Thornton, Williams, Zimmerman  
**NAYS:** None  
**ABSTAIN:** None  
**ABSENT:** Karkal

**D. CLOSED SESSION TO DISCUSS PENDING CLAIMS**

The Board entered Closed Session at 10:01 a.m. pursuant to Government Code Section 54956.95. The Board left Closed Session at 10:25 a.m., at which time it was announced that legal counsel was provided direction concerning the disposition of certain claims, however no final settlements were approved, nor was any action taken.

**E. GENERAL ADMINISTRATION**

**E.1. Reporting and Ratification of Claims Settlements**

None.

**E.2. CAJPA Conference Attendance 2026**

Seth Cole announced to the Executive Board that the Annual CAJPA Conference will be held from September 15-18 in South Lake Tahoe. CSRMA budgets to send representatives to the conference each year, covering conference registration and reasonable travel expenses. Members of the Executive Board were advised to contact the Program Administrators, who will assist with arrangements for attendance, if they are interested in attending.

**E.3. Captive Update**

P.J. Skarlanic provided an update on the Clean Water Insurance Captive, Inc (CWIC), CSRMA's wholly owned captive insurance company. CWIC has been reinsuring CSRMA's Workers' Compensation Program since its formation in July 2023, and began reinsuring CSRMA's Pooled Liability Program effective 12/31/2023.

CWIC's Board met virtually for a meeting on February 17, 2026. The Table of Contents from the meeting agenda was provided for the Executive Board's review. CWIC's Investment Manager PFM provided their investment report for the quarter ending 12/31/2025, indicating a great year for CWIC's investments. Returns for the quarter examined were 1.66%, with Year End 20256 returns of 12.53%. Total returns since inception of CWIC's investment portfolio on 12/1/2023 are 11.6%.

As part of the CSRMA Long Range Action Plan, the Executive Board asked the CWIC Board to create a Mission Statement for the captive. P.J. read aloud the draft Mission Statement adopted by the CWIC Board:

*To provide innovative, cost-effective, and stable risk financing solutions for CSRMA and its members, ensuring long-term financial viability through enhanced investment opportunities and increased control over insurance programs to effectively manage the unique risks associated with the clean water industry.*

A suggestion was made to remove the word "innovative" to better demonstrate that captive insurance companies are not a new innovation by CSRMA and have demonstrated value for organizations like CSRMA. The revised Mission Statement will be presented to the CWIC Board at their next meeting for consideration of adoption.

Returns on CWIC's investments were compared to returns on CSRMA's investments. As of 12/31/2025, CWIC's investments outperformed those of CSRMA by about 5.65%.

#### **E.4. CAJPA Accreditation**

Seth Cole reviewed the item with the Executive Board. CSRMA completed the accreditation process with the California Association of Joint Powers Authority (CAJPA) and was found to be in substantial compliance with current Accreditation Standards and has been Accredited with Excellence for another three years, conditioned on fulfilling subjectivities as follows:

##### **1. Accounting and Finance:**

It is recommended in the future that CSRMA staff provide the prior five years of equity targets. The CSRMA and CWIC equity ratios will be provided to the Board of Directors at their next scheduled meeting in June.

##### **2. Funding and Actuarial Standards:**

It is a requirement for Accreditation with Excellence that the Workers' Compensation Program actuary provides claims funded factors or measures for at least one of the factors below or similar:

1. 98% confidence level (1:30)
2. 99% confidence level (1:100)
3. 99.5% confidence level (1:200)

The Workers' Compensation Program currently provides factors up to 70%, 80% and 90% confidence levels. Willis Towers Watson, the Workers' Compensation Program actuary,

has been requested to provide the required factors and will include them in the Program's next actuary study.

## **F. OFFICER/PROGRAM DIRECTORS/COMMITTEE REPORTS**

None.

## **G. POOLED LIABILITY PROGRAM**

### **G.1. Refine Strategies for Controlling Employment Practices Liability Risk**

Seth Cole reviewed the item with the Executive Board. As part of CSRMA's 2024-25 Long Range Action Plan, the Executive Board tasked the Pooled Liability Committee with evaluating and refining strategies to reduce the frequency and severity of employment practices liability (EPL) claims. CSRMA currently employs several strategies to reduce EPL claims' frequency and severity, including engaging with Liebert Cassidy Whitmore (LCW) to provide ten two-hour employment law virtual seminars each year, reducing EPL claim deductibles for Pooled Liability Program members who meet certain training criteria, and recently introducing interpersonal and soft-skills training into the annual CSRMA training schedule.

The Pooled Liability Committee discussed this topic at their February 2026 meeting and directed the Program Administrators to continue with current efforts and report back at the February 2027 meeting.

## **H. PROPERTY PROGRAM**

None.

## **I. WORKERS' COMPENSATION PROGRAM**

### **I.1. Workers' Compensation Excellence Award Criteria**

David Patzer reviewed the item for the Executive Board. Typically, CSRMA uses the same award criteria for two consecutive years to allow more members the time needed to meet the criteria. The criteria were last updated in 2024.

The Workers' Compensation Committee met in February 2026 and is recommended continuing items 1-16 on the application and making the following changes to the criteria:

- Additional requirement for Task #4: Add the Risk Scores from Task #3 for this task prominently at the top of each SOP to alert employees reviewing the SOP to the relative degree of risk when performing the task.
- Task #10: For 5 tasks identified elsewhere, conduct a brief video-based task review to visually validate that the modified task, as performed in the field, reflects the intended ergonomic improvements and does not introduce new strain or overexertion risks.

A motion was made to adopt the proposed changes to the Workers' Compensation Program Excellence Award Criteria as presented.

**MOTION:** Curtis Paxton

**SECOND:** Roland Williams

**MOTION CARRIED**

**AYES:** Anderson, Dang, De Lange, Ostly, Paxton, Thornton, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None

**ABSENT:** Karkal

**J. PRIMARY INSURANCE PROGRAM**

None.

**K. LOSS CONTROL**

None.

**L. INFORMATION ITEMS**

**L.1. *Poem of the Day***

**L.2. *Article – Edison Sues LA County Over Fire Deaths for Delayed Alerts***

**L.3. *Article – AGRiP – Intelligence – Five Myths and Truths About AI and Pooling***

**L.4. *Article – New NCH Analysis Reveals Shift in Large Claim Emergence Patterns***

**L.5. *Article – OSHA Issues LOI on Recording Workplace Injuries Related to Lithium-Ion Batteries***

**L.6. *CSRMA 2026 Meeting Calendar***

**L.7. *CSRMA Organizational Chart***

**L.8. *CSRMA Service Team***

The Executive Board reviewed the information items.

**M. ADJOURNMENT**

The meeting was adjourned at 11:11 a.m. The next meeting is scheduled for June 8, 2026 via teleconference.

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
 DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488  
 DEMANDS AS OF February 15, 2026

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ARCLIGHT MEDIA - CCD				
ACH - 897	Total for ARCLIGHT MEDIA - CCD	02/01/2026	12799	675.00	RCO Web Hosting/Consulting
	ATHENS INSURANCE SERVICE, INC. - CCD			\$ 675.00	
ACH - 898	Total for ATHENS INSURANCE SERVICE, INC. - CCD	03/01/2026	ivc0000000043416	33,358.91	Claim Admin
	BRIAN BIEHLE - CCD			\$ 33,358.91	
ACH - 899	Total for BRIAN BIEHLE - CCD	02/01/2026	778	400.00	CSRMA Website Maint
	CARL WARREN & CO. - CCD			\$ 400.00	
ACH - 900	Total for CARL WARREN & CO. - CCD	01/31/2026	January 26	4,216.80	Monthly Claims Admin & Billings
	GIBBONS & CONLEY - CCD			\$ 4,216.80	
ACH - 901	Total for GIBBONS & CONLEY - CCD	02/06/2026	26 Jan 5595	3,755.24	Program/Gen Fees & Exp
	LIEBERT CASSIDY WHITMORE - CCD			\$ 3,755.24	
ACH - 902	Total for LIEBERT CASSIDY WHITMORE - CCD	10/31/2025	307918	1,060.50	Program Consulting
	PATZER RISK CONTROL SERVICES LLC - CCD			\$ 1,060.50	
ACH - 903	Total for PATZER RISK CONTROL SERVICES LLC - CCD	02/04/2026	1119	414.39	CASA handouts
	TOTAL			\$ 414.39	
				\$ 43,880.84	

I HEREBY CERTIFY THAT THE ABOVE LISTED DISBURSEMENTS ARE FOR CORRECT AND JUST SERVICES OR MATERIALS RECEIVED THAT PAYMENT HAS NOT BEEN PREVIOUSLY MADE, AND THAT FUNDS ARE AVAILABLE TO COVER THESE PAYMENTS.

Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488  
DEMANDS AS OF March 1, 2026

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ARCLIGHT MEDIA - CCD				
ACH - 904	Total for ARCLIGHT MEDIA - CCD CARL WARREN & CO. - CCD	03/01/2026	12858	675.00 <u>\$ 675.00</u>	RCO Web Hosting/Consulting
ACH - 905	Total for CARL WARREN & CO. - CCD DKF SOLUTIONS GROUP, LLC - CCD	02/28/2026	February 26	7,458.39 <u>\$ 7,458.39</u>	Monthly Claims Admin & Billings
ACH - 906	Total for DKF SOLUTIONS GROUP, LLC - CCD LIEBERT CASSIDY WHITMORE - CCD	03/01/2026	23338	2,000.00 <u>\$ 2,000.00</u>	Vector Solutions
ACH - 907	Total for LIEBERT CASSIDY WHITMORE - CCD US Bank - CCD	01/31/2026	316367 314517	2,529.50 <u>\$ 2,529.50</u>	program consulting & training
ACH - 908	Total for US Bank - CCD ENCINA WASTEWATER AUTH.	03/01/2026	WC Awards	50,000.00 <u>\$ 50,000.00</u>	WC Awards
25278	Total for ENCINA WASTEWATER AUTH. Erik Brown	03/01/2026	2026 03 Encina	1,374.60 <u>\$ 1,374.60</u>	Wellness/Safety
25277	Total for Erik Brown MONTECITO SANITARY DIST.	03/01/2026	2026 03 Brown	29.68 <u>\$ 29.68</u>	WC meeting
25281	Total for MONTECITO SANITARY DIST. Rodeo Sanitary District	04/24/2024	Property - Montecito	17,604.39 <u>\$ 17,604.39</u>	Property Claim
25279	Total for Rodeo Sanitary District SAUSALITO-MARIN CITY S.D.	02/18/2026	2026 02 Rodeo	1,744.00 <u>\$ 1,744.00</u>	Rodeo PIP delete vehicle
25280	Total for SAUSALITO-MARIN CITY S.D. TOTAL	06/30/2025	WC payroll audit	8,052.00 <u>\$ 8,052.00</u> <u>\$ 91,467.56</u>	WC payroll audit

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Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488  
DEMANDS AS OF March 15, 2026

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	<b>BRIAN BIEHLE - CCD</b>				
ACH - 909	Total for BRIAN BIEHLE - CCD MYRON D. LEAVELL - CCD	03/01/2026	779	400.00 \$ 400.00	CSRMA Website Maint
ACH - 910	Total for MYRON D. LEAVELL - CCD STEVE DAVIDSON - CCD	03/11/2026	2026 03 Leavell	4,677.21 \$ 4,677.21	LRP
ACH - 911	Total for STEVE DAVIDSON - CCD WILLIS TOWERS WATSON US, LLC. - CCD	03/01/2026	2026 03 Davidson	9,008.78 \$ 9,008.78	meeting - deposit
ACH - 912	Total for WILLIS TOWERS WATSON US, LLC. - CCD BRUSH STROKES CONSULTING	03/10/2026	150141716087	26,820.00 \$ 26,820.00	WC Actuary Services
25284	Total for BRUSH STROKES CONSULTING MICHAEL THORNTON	03/08/2026	22026	3,903.70 \$ 3,903.70	LRP
25283	Total for MICHAEL THORNTON TYSON ZIMMERMAN	02/28/2026	2026 02 Thornton	800.48 \$ 800.48	LRP
25282	Total for TYSON ZIMMERMAN TOTAL	03/05/2026	2026 03 Zimmerman	34.00 \$ 34.00 \$ 45,644.17	WC committee

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Roland Williams, Secretary

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488  
DEMANDS AS OF April 15, 2026

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ARCLIGHT MEDIA - CCD				
ACH - 913	Total for ARCLIGHT MEDIA - CCD ATHENS INSURANCE SERVICE, INC. - CCD	04/01/2026	12911	800.00 RCO Web Hosting/Consulting <u>\$ 800.00</u>	
ACH - 914	Total for ATHENS INSURANCE SERVICE, INC. - CCD BRIAN BIEHLE - CCD	04/01/2026	ivc0000000043810	33,358.91 Claim Admin <u>\$ 33,358.91</u>	
ACH - 915	Total for BRIAN BIEHLE - CCD CARL WARREN & CO. - CCD	04/01/2026	780	400.00 CSRMA Website Maint <u>\$ 400.00</u>	
ACH - 916	Total for CARL WARREN & CO. - CCD DKF SOLUTIONS GROUP, LLC - CCD	03/31/2026	March 2026	3,934.30 Monthly Claims Admin & Billings <u>\$ 3,934.30</u>	
ACH - 917	Total for DKF SOLUTIONS GROUP, LLC - CCD GIBBONS & CONLEY - CCD	04/01/2026	23383	2,000.00 Vector Solutions <u>\$ 2,000.00</u>	
ACH - 918	Total for GIBBONS & CONLEY - CCD HEATHER TRURO - CCD	03/08/2026	26 Feb 5653	2,421.56 Program/Gen Fees & Exp <u>\$ 2,421.56</u>	
ACH - 919	Total for HEATHER TRURO - CCD KBF COLLABORATIVE SERVICES - CCD	03/20/2026	06061 66 71	7,784.53 Consulting/Printing <u>\$ 7,784.53</u>	
ACH - 920	Total for KBF COLLABORATIVE SERVICES - CCD LIEBERT CASSIDY WHITMORE - CCD	03/31/2026	CSR-193	1,237.50 program update <u>\$ 1,237.50</u>	
ACH - 921	Total for LIEBERT CASSIDY WHITMORE - CCD PATZER RISK CONTROL SERVICES LLC - CCD	02/28/2026	318644 316841	3,128.50 program consulting & training <u>\$ 3,128.50</u>	
ACH - 922	Total for PATZER RISK CONTROL SERVICES LLC - CCD CENTRAL MARIN SANITARY	04/01/2026	1120	1,458.04 Excellence Awards <u>\$ 1,458.04</u>	
25286	Total for CENTRAL MARIN SANITARY ROSS VALLEY SANITATION DIST.	04/15/2026	Wellness Safety	1,816.55 Wellness/Safety <u>\$ 1,816.55</u>	
25288	Total for ROSS VALLEY SANITATION DIST. SOUTH ORANGE COUNTY WASTEWATER AUTH.	04/15/2026	Wellness/Safety	3,897.50 Wellness/Safety <u>\$ 3,897.50</u>	
25287	Total for SOUTH ORANGE COUNTY WASTEWATER AUTH. WEST COUNTY WASTEWATER DISTRICT	02/05/2026	Property - SOCWA	90,000.00 Property Claim <u>\$ 90,000.00</u>	
25285	Total for WEST COUNTY WASTEWATER DISTRICT TOTAL	03/12/2026	Property - West Count	34,651.54 Property Claim <u>\$ 34,651.54</u> <u>\$ 186,888.93</u>	

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Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488  
DEMANDS AS OF May 1, 2026

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ATHENS INSURANCE SERVICE, INC. - CCD				
ACH - 923	Total for ATHENS INSURANCE SERVICE, INC. - CCD HEATHER TRURO - CCD	05/01/2026	ivc0000000044212	33,358.91 <u>\$ 33,358.91</u>	Claim Admin
ACH - 924	Total for HEATHER TRURO - CCD LIEBERT CASSIDY WHITMORE - CCD	04/20/2026	6076	3,161.25 <u>\$ 3,161.25</u>	Consulting/Printing
ACH - 925	Total for LIEBERT CASSIDY WHITMORE - CCD TOTAL	04/20/2026	319195	2,500.00 <u>\$ 2,500.00</u> <u>\$ 39,020.16</u>	program consulting & training

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Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488  
DEMANDS AS OF May 15, 2026

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	AON RISK CONSULTANTS, INC. - CCD				
ACH - 926	Total for AON RISK CONSULTANTS, INC. - CCD ARCLIGHT MEDIA - CCD	05/04/2026	9400000004829	5,750.00 \$ 5,750.00	Actuarial Study
ACH - 927	Total for ARCLIGHT MEDIA - CCD BRIAN BIEHLE - CCD	05/01/2026	12964	800.00 \$ 800.00	RCO Web Hosting/Consulting
ACH - 928	Total for BRIAN BIEHLE - CCD CARL WARREN & CO. - CCD	05/01/2026	781	400.00 \$ 400.00	CSRMA Website Maint
ACH - 929	Total for CARL WARREN & CO. - CCD DKF SOLUTIONS GROUP, LLC - CCD	04/30/2026	Apr-26	6,536.60 \$ 6,536.60	Monthly Claims Admin & Billings
ACH - 930	Total for DKF SOLUTIONS GROUP, LLC - CCD GIBBONS & CONLEY - CCD	04/29/2026 05/01/2026	23432 23463	2,500.00 2,000.00 \$ 4,500.00	Training Vector Solutions
ACH - 931	Total for GIBBONS & CONLEY - CCD LIEBERT CASSIDY WHITMORE - CCD	05/10/2026	26Apr5763	92.25 \$ 92.25	Program/Gen Fees & Exp
ACH - 932	Total for LIEBERT CASSIDY WHITMORE - CCD TOTAL	04/30/2026	321726	2,500.00 \$ 2,500.00 \$ 20,578.85	program consulting & training

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Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

### **Budget to Date Report as of March 31, 2026**

**ISSUE:** Attached is the budget to date report as of March 31, 2026, and corresponding balance sheet. A variance report highlighting notable variances in the actual year to date figures versus what was budgeted is included.

There are no major concerns about CSRMA's finances at this writing.

**RECOMMENDATION:** None at this time.

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

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

**ATTACHMENTS:**

1. Profit & Loss Budget to Actual
2. Variance Report
3. Balance Sheet

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
July 2025 - March 2026  
Preliminary & Unaudited\*

	TOTAL			% of Budget
	Actual	Budget	over Budget	
<b>Income</b>				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	902,211.82	1,245,265.00	-343,053.18	72.45%
4220 Pooled Deposit	518,636.04	696,413.00	-177,776.96	74.47%
4400 Insurance Premium (Net)	11,999,224.24	17,016,831.00	-5,017,606.76	70.51%
4450 Affiliate Insurance Premium Rev	5,607,710.25	7,897,437.00	-2,289,726.75	71.01%
<b>Total 400 Member Contributions</b>	<b>\$ 19,027,782.35</b>	<b>\$ 26,855,946.00</b>	<b>-\$ 7,828,163.65</b>	<b>70.85%</b>
410 Retrospective Contribution				
4300 Retro Adjustment	1,043,522.25	-250,000.00	1,293,522.25	-417.41%
<b>Total 410 Retrospective Contribution</b>	<b>\$ 1,043,522.25</b>	<b>-\$ 250,000.00</b>	<b>\$ 1,293,522.25</b>	<b>-417.41%</b>
420 Member Fees				
4110 Program Directors' Fee	1,088,132.46	1,451,000.00	-362,867.54	74.99%
<b>Total 420 Member Fees</b>	<b>\$ 1,088,132.46</b>	<b>\$ 1,451,000.00</b>	<b>-\$ 362,867.54</b>	<b>74.99%</b>
<b>Total 40 Operating Revenue</b>	<b>\$ 21,159,437.06</b>	<b>\$ 28,056,946.00</b>	<b>-\$ 6,897,508.94</b>	<b>75.42%</b>
<b>Total Income</b>	<b>\$ 21,159,437.06</b>	<b>\$ 28,056,946.00</b>	<b>-\$ 6,897,508.94</b>	<b>75.42%</b>
<b>Gross Profit</b>	<b>\$ 21,159,437.06</b>	<b>\$ 28,056,946.00</b>	<b>-\$ 6,897,508.94</b>	<b>75.42%</b>
<b>Expenses</b>				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries	-366,247.68	-400,000.00	33,752.32	91.56%
5201 Claims Expense	4,010,372.17	4,025,392.00	-15,019.83	99.63%
<b>Total 500 Program Expense</b>	<b>\$ 3,644,124.49</b>	<b>\$ 3,625,392.00</b>	<b>\$ 18,732.49</b>	<b>100.52%</b>
610 Insurance Expense				
6432 Net Insurance Premium	11,841,596.20	17,016,831.00	-5,175,234.80	69.59%
6435 Affiliate Insurance Premium Exp	5,607,710.50	7,897,437.00	-2,289,726.50	71.01%
<b>Total 610 Insurance Expense</b>	<b>\$ 17,449,306.70</b>	<b>\$ 24,914,268.00</b>	<b>-\$ 7,464,961.30</b>	<b>70.04%</b>
620 Management Consultants				
6523 Outside Safety Consultant	417,323.75	554,284.00	-136,960.25	75.29%
<b>Total 620 Management Consultants</b>	<b>\$ 417,323.75</b>	<b>\$ 554,284.00</b>	<b>-\$ 136,960.25</b>	<b>75.29%</b>
630 Program Director Fee				
6330 Program Directors' Fee Exp.	1,088,862.50	1,451,000.00	-362,137.50	75.04%
<b>Total 630 Program Director Fee</b>	<b>\$ 1,088,862.50</b>	<b>\$ 1,451,000.00</b>	<b>-\$ 362,137.50</b>	<b>75.04%</b>
640 Other Program Expense				
6464 User/Fraud Fund Assessment	101,820.52	101,018.00	802.52	100.79%
6506 Actuarial	40,820.00	62,700.00	-21,880.00	65.10%
6510 Claims Audit	6,450.00	8,200.00	-1,750.00	78.66%
6512 Claims Admin. Annual Fee	17,160.00	27,060.00	-9,900.00	63.41%
6516 Coverage Counsel	0.00	5,500.00	-5,500.00	0.00%
6650 Program Legal	10,102.50	26,500.00	-16,397.50	38.12%
6652 Program Committee	1,420.28	3,000.00	-1,579.72	47.34%
6660 Program Consulting	15,614.70	35,270.00	-19,655.30	44.27%
6667 CSRMA Provided Seminars	93,846.92	95,000.00	-1,153.08	98.79%
<b>Total 640 Other Program Expense</b>	<b>\$ 287,234.92</b>	<b>\$ 364,248.00</b>	<b>-\$ 77,013.08</b>	<b>78.86%</b>
700 General & Administrative Expense				
7808 Financial Audit	24,090.00	25,296.00	-1,206.00	95.23%
7822 Board Counsel	10,046.68	20,700.00	-10,653.32	48.53%
8944 Printing/Promotion	339.89	1,000.00	-660.11	33.99%

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
 July 2025 - March 2026  
 Preliminary & Unaudited\*

	TOTAL			
	Actual	Budget	over Budget	% of Budget
8945 Computer Software/Programming	63,403.92	109,900.00	-46,496.08	57.69%
8946 Memberships/Other	5,850.00	12,086.00	-6,236.00	48.40%
8948 Banking Service Charges	5,868.94	2,678.00	3,190.94	219.15%
8954 Executive/Officers Committee	25,499.34	38,500.00	-13,000.66	66.23%
8956 Board of Directors	15,647.67	15,180.00	467.67	103.08%
8960 JPA Insurance	64,653.99	95,393.00	-30,739.01	67.78%
8990 General Contingency	-0.30	6,000.00	-6,000.30	-0.01%
<b>Total 700 General &amp; Administrative Expense</b>	<b>\$ 215,400.13</b>	<b>\$ 326,733.00</b>	<b>-\$ 111,332.87</b>	<b>65.93%</b>
<b>Total 50 Operating Expense</b>	<b>\$ 23,102,252.49</b>	<b>\$ 31,235,925.00</b>	<b>-\$ 8,133,672.51</b>	<b>73.96%</b>
<b>Total Expenses</b>	<b>\$ 23,102,252.49</b>	<b>\$ 31,235,925.00</b>	<b>-\$ 8,133,672.51</b>	<b>73.96%</b>
<b>Net Operating Income</b>	<b>-\$ 1,942,815.43</b>	<b>-\$ 3,178,979.00</b>	<b>\$ 1,236,163.57</b>	<b>61.11%</b>
<b>Other Income</b>				
<b>4660 Investment Earnings</b>				
4620 Interest Income	665,163.78	0.00	665,163.78	
4660.10 Investment Income - Realized	-13,071.76	791,474.00	-804,545.76	-1.65%
4660.15 Investment Income - Unrealized	0.00	0.00	0.00	
<b>Total 4660 Investment Earnings</b>	<b>\$ 652,092.02</b>	<b>\$ 791,474.00</b>	<b>-\$ 139,381.98</b>	<b>82.39%</b>
<b>Total Other Income</b>	<b>\$ 652,092.02</b>	<b>\$ 791,474.00</b>	<b>-\$ 139,381.98</b>	<b>82.39%</b>
<b>Net Other Income</b>	<b>\$ 652,092.02</b>	<b>\$ 791,474.00</b>	<b>-\$ 139,381.98</b>	<b>82.39%</b>
<b>Net Income</b>	<b>-\$ 1,290,723.41</b>	<b>-\$ 2,387,505.00</b>	<b>\$ 1,096,781.59</b>	<b>54.06%</b>

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
 July 2025 - March 2026  
 Preliminary & Unaudited\*

	.021 - PIP			
	Actual	Budget	over Budget	% of Budget
<b>Income</b>				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	56,667.07	82,424.00	-25,756.93	68.75%
4220 Pooled Deposit			0.00	
4400 Insurance Premium (Net)	730,548.86	999,581.00	-269,032.14	73.09%
4450 Affiliate Insurance Premium Rev			0.00	
<b>Total 400 Member Contributions</b>	<b>\$ 787,215.93</b>	<b>\$ 1,082,005.00</b>	<b>-\$ 294,789.07</b>	<b>72.76%</b>
410 Retrospective Contribution				
4300 Retro Adjustment			0.00	
<b>Total 410 Retrospective Contribution</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
420 Member Fees				
4110 Program Directors' Fee	103,382.71	138,000.00	-34,617.29	74.92%
<b>Total 420 Member Fees</b>	<b>\$ 103,382.71</b>	<b>\$ 138,000.00</b>	<b>-\$ 34,617.29</b>	<b>74.92%</b>
<b>Total 40 Operating Revenue</b>	<b>\$ 890,598.64</b>	<b>\$ 1,220,005.00</b>	<b>-\$ 329,406.36</b>	<b>73.00%</b>
<b>Total Income</b>	<b>\$ 890,598.64</b>	<b>\$ 1,220,005.00</b>	<b>-\$ 329,406.36</b>	<b>73.00%</b>
<b>Gross Profit</b>	<b>\$ 890,598.64</b>	<b>\$ 1,220,005.00</b>	<b>-\$ 329,406.36</b>	<b>73.00%</b>
<b>Expenses</b>				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries			0.00	
5201 Claims Expense			0.00	
<b>Total 500 Program Expense</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
610 Insurance Expense				
6432 Net Insurance Premium	732,302.78	999,581.00	-267,278.22	73.26%
6435 Affiliate Insurance Premium Exp			0.00	
<b>Total 610 Insurance Expense</b>	<b>\$ 732,302.78</b>	<b>\$ 999,581.00</b>	<b>-\$ 267,278.22</b>	<b>73.26%</b>
620 Management Consultants				
6523 Outside Safety Consultant	37,622.35	38,728.00	-1,105.65	97.15%
<b>Total 620 Management Consultants</b>	<b>\$ 37,622.35</b>	<b>\$ 38,728.00</b>	<b>-\$ 1,105.65</b>	<b>97.15%</b>
630 Program Director Fee				
6330 Program Directors' Fee Exp.	103,500.00	138,000.00	-34,500.00	75.00%
<b>Total 630 Program Director Fee</b>	<b>\$ 103,500.00</b>	<b>\$ 138,000.00</b>	<b>-\$ 34,500.00</b>	<b>75.00%</b>
640 Other Program Expense				
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial			0.00	
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee			0.00	
6516 Coverage Counsel			0.00	
6650 Program Legal			0.00	
6652 Program Committee			0.00	
6660 Program Consulting	390.37	1,500.00	-1,109.63	26.02%
6667 CSRMA Provided Seminars	9,354.69	9,500.00	-145.31	98.47%
<b>Total 640 Other Program Expense</b>	<b>\$ 9,745.06</b>	<b>\$ 11,000.00</b>	<b>-\$ 1,254.94</b>	<b>88.59%</b>
700 General & Administrative Expense				
7808 Financial Audit	2,409.00	2,530.00	-121.00	95.22%
7822 Board Counsel	1,004.67	2,070.00	-1,065.33	48.53%
8944 Printing/Promotion	33.99	100.00	-66.01	33.99%

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
July 2025 - March 2026  
Preliminary & Unaudited\*

	<b>.021 - PIP</b>			
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>	<b>% of Budget</b>
8945 Computer Software/Programming	6,240.39	10,990.00	-4,749.61	56.78%
8946 Memberships/Other	585.00	1,209.00	-624.00	48.39%
8948 Banking Service Charges	2,213.84	268.00	1,945.84	826.06%
8954 Executive/Officers Committee	2,546.55	3,850.00	-1,303.45	66.14%
8956 Board of Directors	1,564.76	1,540.00	24.76	101.61%
8960 JPA Insurance	6,465.40	9,539.00	-3,073.60	67.78%
8990 General Contingency	-0.30	600.00	-600.30	-0.05%
<b>Total 700 General &amp; Administrative Expense</b>	<b>\$ 23,063.30</b>	<b>\$ 32,696.00</b>	<b>-\$ 9,632.70</b>	<b>70.54%</b>
<b>Total 50 Operating Expense</b>	<b>\$ 906,233.49</b>	<b>\$ 1,220,005.00</b>	<b>-\$ 313,771.51</b>	<b>74.28%</b>
<b>Total Expenses</b>	<b>\$ 906,233.49</b>	<b>\$ 1,220,005.00</b>	<b>-\$ 313,771.51</b>	<b>74.28%</b>
<b>Net Operating Income</b>	<b>-\$ 15,634.85</b>	<b>\$ 0.00</b>	<b>-\$ 15,634.85</b>	
<b>Other Income</b>				
<b>4660 Investment Earnings</b>				
4620 Interest Income	4,965.25		4,965.25	
4660.10 Investment Income - Realized	-90.91	6,713.00	-6,803.91	-1.35%
4660.15 Investment Income - Unrealized	0.00		0.00	
<b>Total 4660 Investment Earnings</b>	<b>\$ 4,874.34</b>	<b>\$ 6,713.00</b>	<b>-\$ 1,838.66</b>	<b>72.61%</b>
<b>Total Other Income</b>	<b>\$ 4,874.34</b>	<b>\$ 6,713.00</b>	<b>-\$ 1,838.66</b>	<b>72.61%</b>
<b>Net Other Income</b>	<b>\$ 4,874.34</b>	<b>\$ 6,713.00</b>	<b>-\$ 1,838.66</b>	<b>72.61%</b>
<b>Net Income</b>	<b>-\$ 10,760.51</b>	<b>\$ 6,713.00</b>	<b>-\$ 17,473.51</b>	<b>-160.29%</b>

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
July 2025 - March 2026  
Preliminary & Unaudited\*

	.023 - Property			
	Actual	Budget	over Budget	% of Budget
<b>Income</b>				
<b>40 Operating Revenue</b>				
<b>400 Member Contributions</b>				
4100 JPA Charge	91,365.00	121,820.00	-30,455.00	75.00%
4220 Pooled Deposit	518,636.04	696,413.00	-177,776.96	74.47%
4400 Insurance Premium (Net)	6,745,738.38	9,963,565.00	-3,217,826.62	67.70%
4450 Affiliate Insurance Premium Rev			0.00	
<b>Total 400 Member Contributions</b>	<b>\$ 7,355,739.42</b>	<b>\$ 10,781,798.00</b>	<b>-\$ 3,426,058.58</b>	<b>68.22%</b>
<b>410 Retrospective Contribution</b>				
4300 Retro Adjustment			0.00	
<b>Total 410 Retrospective Contribution</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
<b>420 Member Fees</b>				
4110 Program Directors' Fee	144,000.00	192,000.00	-48,000.00	75.00%
<b>Total 420 Member Fees</b>	<b>\$ 144,000.00</b>	<b>\$ 192,000.00</b>	<b>-\$ 48,000.00</b>	<b>75.00%</b>
<b>Total 40 Operating Revenue</b>	<b>\$ 7,499,739.42</b>	<b>\$ 10,973,798.00</b>	<b>-\$ 3,474,058.58</b>	<b>68.34%</b>
<b>Total Income</b>	<b>\$ 7,499,739.42</b>	<b>\$ 10,973,798.00</b>	<b>-\$ 3,474,058.58</b>	<b>68.34%</b>
<b>Gross Profit</b>	<b>\$ 7,499,739.42</b>	<b>\$ 10,973,798.00</b>	<b>-\$ 3,474,058.58</b>	<b>68.34%</b>
<b>Expenses</b>				
<b>50 Operating Expense</b>				
<b>500 Program Expense</b>				
4500 Deductible Recoveries			0.00	
5201 Claims Expense	219,651.54	275,392.00	-55,740.46	79.76%
<b>Total 500 Program Expense</b>	<b>\$ 219,651.54</b>	<b>\$ 275,392.00</b>	<b>-\$ 55,740.46</b>	<b>79.76%</b>
<b>610 Insurance Expense</b>				
6432 Net Insurance Premium	6,705,549.54	9,963,565.00	-3,258,015.46	67.30%
6435 Affiliate Insurance Premium Exp			0.00	
<b>Total 610 Insurance Expense</b>	<b>\$ 6,705,549.54</b>	<b>\$ 9,963,565.00</b>	<b>-\$ 3,258,015.46</b>	<b>67.30%</b>
<b>620 Management Consultants</b>				
6523 Outside Safety Consultant	72,609.64	71,124.00	1,485.64	102.09%
<b>Total 620 Management Consultants</b>	<b>\$ 72,609.64</b>	<b>\$ 71,124.00</b>	<b>\$ 1,485.64</b>	<b>102.09%</b>
<b>630 Program Director Fee</b>				
6330 Program Directors' Fee Exp.	144,000.00	192,000.00	-48,000.00	75.00%
<b>Total 630 Program Director Fee</b>	<b>\$ 144,000.00</b>	<b>\$ 192,000.00</b>	<b>-\$ 48,000.00</b>	<b>75.00%</b>
<b>640 Other Program Expense</b>				
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial		5,500.00	-5,500.00	0.00%
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee			0.00	
6516 Coverage Counsel			0.00	
6650 Program Legal	0.00	1,500.00	-1,500.00	0.00%
6652 Program Committee			0.00	
6660 Program Consulting	390.37	1,500.00	-1,109.63	26.02%
6667 CSRMA Provided Seminars	9,654.69	9,500.00	154.69	101.63%
<b>Total 640 Other Program Expense</b>	<b>\$ 10,045.06</b>	<b>\$ 18,000.00</b>	<b>-\$ 7,954.94</b>	<b>55.81%</b>
<b>700 General &amp; Administrative Expense</b>				
7808 Financial Audit	2,409.00	2,530.00	-121.00	95.22%
7822 Board Counsel	1,004.67	2,070.00	-1,065.33	48.53%
8944 Printing/Promotion	33.99	100.00	-66.01	33.99%

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
 July 2025 - March 2026  
 Preliminary & Unaudited\*

	<b>.023 - Property</b>			
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>	<b>% of Budget</b>
8945 Computer Software/Programming	6,240.39	10,990.00	-4,749.61	56.78%
8946 Memberships/Other	585.00	1,209.00	-624.00	48.39%
8948 Banking Service Charges	406.13	268.00	138.13	151.54%
8954 Executive/Officers Committee	2,546.55	3,850.00	-1,303.45	66.14%
8956 Board of Directors	1,564.76	1,540.00	24.76	101.61%
8960 JPA Insurance	6,465.40	9,539.00	-3,073.60	67.78%
8990 General Contingency		600.00	-600.00	0.00%
<b>Total 700 General &amp; Administrative Expense</b>	<b>\$ 21,255.89</b>	<b>\$ 32,696.00</b>	<b>-\$ 11,440.11</b>	<b>65.01%</b>
<b>Total 50 Operating Expense</b>	<b>\$ 7,173,111.67</b>	<b>\$ 10,552,777.00</b>	<b>-\$ 3,379,665.33</b>	<b>67.97%</b>
<b>Total Expenses</b>	<b>\$ 7,173,111.67</b>	<b>\$ 10,552,777.00</b>	<b>-\$ 3,379,665.33</b>	<b>67.97%</b>
<b>Net Operating Income</b>	<b>\$ 326,627.75</b>	<b>\$ 421,021.00</b>	<b>-\$ 94,393.25</b>	<b>77.58%</b>
<b>Other Income</b>				
<b>4660 Investment Earnings</b>				
4620 Interest Income	22,222.71		22,222.71	
4660.10 Investment Income - Realized	-460.87	49,395.00	-49,855.87	-0.93%
4660.15 Investment Income - Unrealized	0.00		0.00	
<b>Total 4660 Investment Earnings</b>	<b>\$ 21,761.84</b>	<b>\$ 49,395.00</b>	<b>-\$ 27,633.16</b>	<b>44.06%</b>
<b>Total Other Income</b>	<b>\$ 21,761.84</b>	<b>\$ 49,395.00</b>	<b>-\$ 27,633.16</b>	<b>44.06%</b>
<b>Net Other Income</b>	<b>\$ 21,761.84</b>	<b>\$ 49,395.00</b>	<b>-\$ 27,633.16</b>	<b>44.06%</b>
<b>Net Income</b>	<b>\$ 348,389.59</b>	<b>\$ 470,416.00</b>	<b>-\$ 122,026.41</b>	<b>74.06%</b>

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
 July 2025 - March 2026  
 Preliminary & Unaudited\*

	.024 - Liability			% of Budget
	Actual	Budget	over Budget	
<b>Income</b>				
40 Operating Revenue				
400 Member Contributions				
4100 JPA Charge	342,006.00	491,456.00	-149,450.00	69.59%
4220 Pooled Deposit			0.00	
4400 Insurance Premium (Net)	2,939,094.00	4,188,364.00	-1,249,270.00	70.17%
4450 Affiliate Insurance Premium Rev	3,066,633.75	3,691,550.00	-624,916.25	83.07%
<b>Total 400 Member Contributions</b>	<b>\$ 6,347,733.75</b>	<b>\$ 8,371,370.00</b>	<b>-\$ 2,023,636.25</b>	<b>75.83%</b>
410 Retrospective Contribution				
4300 Retro Adjustment	1,427,583.00		1,427,583.00	
<b>Total 410 Retrospective Contribution</b>	<b>\$ 1,427,583.00</b>	<b>\$ 0.00</b>	<b>\$ 1,427,583.00</b>	
420 Member Fees				
4110 Program Directors' Fee	514,499.75	686,000.00	-171,500.25	75.00%
<b>Total 420 Member Fees</b>	<b>\$ 514,499.75</b>	<b>\$ 686,000.00</b>	<b>-\$ 171,500.25</b>	<b>75.00%</b>
<b>Total 40 Operating Revenue</b>	<b>\$ 8,289,816.50</b>	<b>\$ 9,057,370.00</b>	<b>-\$ 767,553.50</b>	<b>91.53%</b>
<b>Total Income</b>	<b>\$ 8,289,816.50</b>	<b>\$ 9,057,370.00</b>	<b>-\$ 767,553.50</b>	<b>91.53%</b>
<b>Gross Profit</b>	<b>\$ 8,289,816.50</b>	<b>\$ 9,057,370.00</b>	<b>-\$ 767,553.50</b>	<b>91.53%</b>
<b>Expenses</b>				
50 Operating Expense				
500 Program Expense				
4500 Deductible Recoveries	-366,247.68	-400,000.00	33,752.32	91.56%
5201 Claims Expense	2,178,787.49	2,000,000.00	178,787.49	108.94%
<b>Total 500 Program Expense</b>	<b>\$ 1,812,539.81</b>	<b>\$ 1,600,000.00</b>	<b>\$ 212,539.81</b>	<b>113.28%</b>
610 Insurance Expense				
6432 Net Insurance Premium	2,938,321.88	4,188,364.00	-1,250,042.12	70.15%
6435 Affiliate Insurance Premium Exp	3,066,634.00	3,691,550.00	-624,916.00	83.07%
<b>Total 610 Insurance Expense</b>	<b>\$ 6,004,955.88</b>	<b>\$ 7,879,914.00</b>	<b>-\$ 1,874,958.12</b>	<b>76.21%</b>
620 Management Consultants				
6523 Outside Safety Consultant	174,293.95	211,778.00	-37,484.05	82.30%
<b>Total 620 Management Consultants</b>	<b>\$ 174,293.95</b>	<b>\$ 211,778.00</b>	<b>-\$ 37,484.05</b>	<b>82.30%</b>
630 Program Director Fee				
6330 Program Directors' Fee Exp.	515,112.50	686,000.00	-170,887.50	75.09%
<b>Total 630 Program Director Fee</b>	<b>\$ 515,112.50</b>	<b>\$ 686,000.00</b>	<b>-\$ 170,887.50</b>	<b>75.09%</b>
640 Other Program Expense				
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial	14,000.00	14,000.00	0.00	100.00%
6510 Claims Audit	6,450.00	8,200.00	-1,750.00	78.66%
6512 Claims Admin. Annual Fee	11,160.00	20,460.00	-9,300.00	54.55%
6516 Coverage Counsel		5,500.00	-5,500.00	0.00%
6650 Program Legal	9,540.00	23,500.00	-13,960.00	40.60%
6652 Program Committee	16.00	1,500.00	-1,484.00	1.07%
6660 Program Consulting	13,467.66	16,750.00	-3,282.34	80.40%
6667 CSRMA Provided Seminars	42,096.10	42,750.00	-653.90	98.47%
<b>Total 640 Other Program Expense</b>	<b>\$ 96,729.76</b>	<b>\$ 132,660.00</b>	<b>-\$ 35,930.24</b>	<b>72.92%</b>
700 General & Administrative Expense				
7808 Financial Audit	10,840.50	11,383.00	-542.50	95.23%
7822 Board Counsel	4,521.01	9,315.00	-4,793.99	48.53%
8944 Printing/Promotion	152.95	450.00	-297.05	33.99%

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
July 2025 - March 2026  
Preliminary & Unaudited\*

	<b>.024 - Liability</b>			
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>	<b>% of Budget</b>
8945 Computer Software/Programming	28,581.76	49,455.00	-20,873.24	57.79%
8946 Memberships/Other	2,632.50	5,438.00	-2,805.50	48.41%
8948 Banking Service Charges	1,827.55	1,205.00	622.55	151.66%
8954 Executive/Officers Committee	11,459.39	17,325.00	-5,865.61	66.14%
8956 Board of Directors	7,041.45	6,820.00	221.45	103.25%
8960 JPA Insurance	29,094.29	42,927.00	-13,832.71	67.78%
8990 General Contingency		2,700.00	-2,700.00	0.00%
<b>Total 700 General &amp; Administrative Expense</b>	<b>\$ 96,151.40</b>	<b>\$ 147,018.00</b>	<b>-\$ 50,866.60</b>	<b>65.40%</b>
<b>Total 50 Operating Expense</b>	<b>\$ 8,699,783.30</b>	<b>\$ 10,657,370.00</b>	<b>-\$ 1,957,586.70</b>	<b>81.63%</b>
<b>Total Expenses</b>	<b>\$ 8,699,783.30</b>	<b>\$ 10,657,370.00</b>	<b>-\$ 1,957,586.70</b>	<b>81.63%</b>
<b>Net Operating Income</b>	<b>-\$ 409,966.80</b>	<b>-\$ 1,600,000.00</b>	<b>\$ 1,190,033.20</b>	<b>25.62%</b>
<b>Other Income</b>				
<b>4660 Investment Earnings</b>				
4620 Interest Income	206,060.42		206,060.42	
4660.10 Investment Income - Realized	-3,956.60	202,673.00	-206,629.60	-1.95%
4660.15 Investment Income - Unrealized	0.00		0.00	
<b>Total 4660 Investment Earnings</b>	<b>\$ 202,103.82</b>	<b>\$ 202,673.00</b>	<b>-\$ 569.18</b>	<b>99.72%</b>
<b>Total Other Income</b>	<b>\$ 202,103.82</b>	<b>\$ 202,673.00</b>	<b>-\$ 569.18</b>	<b>99.72%</b>
<b>Net Other Income</b>	<b>\$ 202,103.82</b>	<b>\$ 202,673.00</b>	<b>-\$ 569.18</b>	<b>99.72%</b>
<b>Net Income</b>	<b>-\$ 207,862.98</b>	<b>-\$ 1,397,327.00</b>	<b>\$ 1,189,464.02</b>	<b>14.88%</b>

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
July 2025 - March 2026  
Preliminary & Unaudited\*

	.025 - WC			
	Actual	Budget	over Budget	% of Budget
<b>Income</b>				
<b>40 Operating Revenue</b>				
<b>400 Member Contributions</b>				
4100 JPA Charge	412,173.75	549,565.00	-137,391.25	75.00%
4220 Pooled Deposit			0.00	
4400 Insurance Premium (Net)	1,583,843.00	1,865,321.00	-281,478.00	84.91%
4450 Affiliate Insurance Premium Rev	2,541,076.50	4,205,887.00	-1,664,810.50	60.42%
<b>Total 400 Member Contributions</b>	<b>\$ 4,537,093.25</b>	<b>\$ 6,620,773.00</b>	<b>-\$ 2,083,679.75</b>	<b>68.53%</b>
<b>410 Retrospective Contribution</b>				
4300 Retro Adjustment	-384,060.75	-250,000.00	-134,060.75	153.62%
<b>Total 410 Retrospective Contribution</b>	<b>-\$ 384,060.75</b>	<b>-\$ 250,000.00</b>	<b>-\$ 134,060.75</b>	<b>153.62%</b>
<b>420 Member Fees</b>				
4110 Program Directors' Fee	326,250.00	435,000.00	-108,750.00	75.00%
<b>Total 420 Member Fees</b>	<b>\$ 326,250.00</b>	<b>\$ 435,000.00</b>	<b>-\$ 108,750.00</b>	<b>75.00%</b>
<b>Total 40 Operating Revenue</b>	<b>\$ 4,479,282.50</b>	<b>\$ 6,805,773.00</b>	<b>-\$ 2,326,490.50</b>	<b>65.82%</b>
<b>Total Income</b>	<b>\$ 4,479,282.50</b>	<b>\$ 6,805,773.00</b>	<b>-\$ 2,326,490.50</b>	<b>65.82%</b>
<b>Gross Profit</b>	<b>\$ 4,479,282.50</b>	<b>\$ 6,805,773.00</b>	<b>-\$ 2,326,490.50</b>	<b>65.82%</b>
<b>Expenses</b>				
<b>50 Operating Expense</b>				
<b>500 Program Expense</b>				
4500 Deductible Recoveries			0.00	
5201 Claims Expense	1,611,933.14	1,750,000.00	-138,066.86	92.11%
<b>Total 500 Program Expense</b>	<b>\$ 1,611,933.14</b>	<b>\$ 1,750,000.00</b>	<b>-\$ 138,066.86</b>	<b>92.11%</b>
<b>610 Insurance Expense</b>				
6432 Net Insurance Premium	1,465,422.00	1,865,321.00	-399,899.00	78.56%
6435 Affiliate Insurance Premium Exp	2,541,076.50	4,205,887.00	-1,664,810.50	60.42%
<b>Total 610 Insurance Expense</b>	<b>\$ 4,006,498.50</b>	<b>\$ 6,071,208.00</b>	<b>-\$ 2,064,709.50</b>	<b>65.99%</b>
<b>620 Management Consultants</b>				
6523 Outside Safety Consultant	132,797.81	232,654.00	-99,856.19	57.08%
<b>Total 620 Management Consultants</b>	<b>\$ 132,797.81</b>	<b>\$ 232,654.00</b>	<b>-\$ 99,856.19</b>	<b>57.08%</b>
<b>630 Program Director Fee</b>				
6330 Program Directors' Fee Exp.	326,250.00	435,000.00	-108,750.00	75.00%
<b>Total 630 Program Director Fee</b>	<b>\$ 326,250.00</b>	<b>\$ 435,000.00</b>	<b>-\$ 108,750.00</b>	<b>75.00%</b>
<b>640 Other Program Expense</b>				
6464 User/Fraud Fund Assessment	101,820.52	101,018.00	802.52	100.79%
6506 Actuarial	26,820.00	43,200.00	-16,380.00	62.08%
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee	6,000.00	6,600.00	-600.00	90.91%
6516 Coverage Counsel			0.00	
6650 Program Legal	562.50	1,500.00	-937.50	37.50%
6652 Program Committee	1,404.28	1,500.00	-95.72	93.62%
6660 Program Consulting	1,366.30	15,520.00	-14,153.70	8.80%
6667 CSRMA Provided Seminars	32,741.44	33,250.00	-508.56	98.47%
<b>Total 640 Other Program Expense</b>	<b>\$ 170,715.04</b>	<b>\$ 202,588.00</b>	<b>-\$ 31,872.96</b>	<b>84.27%</b>
<b>700 General &amp; Administrative Expense</b>				
7808 Financial Audit	8,431.50	8,853.00	-421.50	95.24%
7822 Board Counsel	3,516.33	7,245.00	-3,728.67	48.53%
8944 Printing/Promotion	118.96	350.00	-231.04	33.99%

**California Sanitation Risk Management Authority**  
**Unconsolidated; Excludes CWIC**  
**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**  
 July 2025 - March 2026  
 Preliminary & Unaudited\*

	<b>.025 - WC</b>			
	<b>Actual</b>	<b>Budget</b>	<b>over Budget</b>	<b>% of Budget</b>
8945 Computer Software/Programming	22,341.38	38,465.00	-16,123.62	58.08%
8946 Memberships/Other	2,047.50	4,230.00	-2,182.50	48.40%
8948 Banking Service Charges	1,421.42	937.00	484.42	151.70%
8954 Executive/Officers Committee	8,946.85	13,475.00	-4,528.15	66.40%
8956 Board of Directors	5,476.70	5,280.00	196.70	103.73%
8960 JPA Insurance	22,628.90	33,388.00	-10,759.10	67.78%
8990 General Contingency		2,100.00	-2,100.00	0.00%
<b>Total 700 General &amp; Administrative Expense</b>	<b>\$ 74,929.54</b>	<b>\$ 114,323.00</b>	<b>-\$ 39,393.46</b>	<b>65.54%</b>
<b>Total 50 Operating Expense</b>	<b>\$ 6,323,124.03</b>	<b>\$ 8,805,773.00</b>	<b>-\$ 2,482,648.97</b>	<b>71.81%</b>
<b>Total Expenses</b>	<b>\$ 6,323,124.03</b>	<b>\$ 8,805,773.00</b>	<b>-\$ 2,482,648.97</b>	<b>71.81%</b>
<b>Net Operating Income</b>	<b>-\$ 1,843,841.53</b>	<b>-\$ 2,000,000.00</b>	<b>\$ 156,158.47</b>	<b>92.19%</b>
<b>Other Income</b>				
<b>4660 Investment Earnings</b>				
4620 Interest Income	431,915.40		431,915.40	
4660.10 Investment Income - Realized	-8,563.38	532,693.00	-541,256.38	-1.61%
4660.15 Investment Income - Unrealized	0.00		0.00	
<b>Total 4660 Investment Earnings</b>	<b>\$ 423,352.02</b>	<b>\$ 532,693.00</b>	<b>-\$ 109,340.98</b>	<b>79.47%</b>
<b>Total Other Income</b>	<b>\$ 423,352.02</b>	<b>\$ 532,693.00</b>	<b>-\$ 109,340.98</b>	<b>79.47%</b>
<b>Net Other Income</b>	<b>\$ 423,352.02</b>	<b>\$ 532,693.00</b>	<b>-\$ 109,340.98</b>	<b>79.47%</b>
<b>Net Income</b>	<b>-\$ 1,420,489.51</b>	<b>-\$ 1,467,307.00</b>	<b>\$ 46,817.49</b>	<b>96.81%</b>

**California Sanitation Risk Management Authority  
Unconsolidated; Excludes CWIC**

**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**

July 2025 - March 2026

Preliminary & Unaudited\*

	TOTAL				
	Actual	Budget	over Budget	% of Budget	
<b>Income</b>					
<b>40 Operating Revenue</b>					
<b>400 Member Contributions</b>					
4100 JPA Charge	902,211.82	1,245,265.00	-343,053.18	72.45%	Three quarters of amortized revenue
4220 Pooled Deposit	518,636.04	696,413.00	-177,776.96	74.47%	Three quarters of amortized revenue
4400 Insurance Premium (Net)	11,999,224.24	17,016,831.00	-5,017,606.76	70.51%	Three quarters of amortized revenue
4450 Affiliate Insurance Premium Rev	5,607,710.25	7,897,437.00	-2,289,726.75	71.01%	Three quarters of amortized revenue
<b>Total 400 Member Contributions</b>	<b>\$ 19,027,782.35</b>	<b>\$ 26,855,946.00</b>	<b>-\$ 7,828,163.65</b>	<b>70.85%</b>	
<b>410 Retrospective Contribution</b>					
4300 Retro Adjustment	1,043,522.25	-250,000.00	1,293,522.25	-417.41%	Pooled Liability Retro
<b>Total 410 Retrospective Contribution</b>	<b>\$ 1,043,522.25</b>	<b>-\$ 250,000.00</b>	<b>\$ 1,293,522.25</b>	<b>-417.41%</b>	
<b>420 Member Fees</b>					
4110 Program Directors' Fee	1,088,132.46	1,451,000.00	-362,867.54	74.99%	Three quarters of amortized revenue
<b>Total 420 Member Fees</b>	<b>\$ 1,088,132.46</b>	<b>\$ 1,451,000.00</b>	<b>-\$ 362,867.54</b>	<b>74.99%</b>	
<b>Total 40 Operating Revenue</b>	<b>\$ 21,159,437.06</b>	<b>\$ 28,056,946.00</b>	<b>-\$ 6,897,508.94</b>	<b>75.42%</b>	
<b>Total Income</b>	<b>\$ 21,159,437.06</b>	<b>\$ 28,056,946.00</b>	<b>-\$ 6,897,508.94</b>	<b>75.42%</b>	
<b>Gross Profit</b>	<b>\$ 21,159,437.06</b>	<b>\$ 28,056,946.00</b>	<b>-\$ 6,897,508.94</b>	<b>75.42%</b>	
<b>Expenses</b>					
<b>50 Operating Expense</b>					
<b>500 Program Expense</b>					
4500 Deductible Recoveries	-366,247.68	-400,000.00	33,752.32	91.56%	
5201 Claims Expense	4,010,372.17	4,025,392.00	-15,019.83	99.63%	Liability and WC reinsurer recoveries due
<b>Total 500 Program Expense</b>	<b>\$ 3,644,124.49</b>	<b>\$ 3,625,392.00</b>	<b>\$ 18,732.49</b>	<b>100.52%</b>	
<b>610 Insurance Expense</b>					
6432 Net Insurance Premium	11,841,596.20	17,016,831.00	-5,175,234.80	69.59%	Three quarters of amortized expense
6435 Affiliate Insurance Premium Exp	5,607,710.50	7,897,437.00	-2,289,726.50	71.01%	Three quarters of amortized expense
<b>Total 610 Insurance Expense</b>	<b>\$ 17,449,306.70</b>	<b>\$ 24,914,268.00</b>	<b>-\$ 7,464,961.30</b>	<b>70.04%</b>	
<b>620 Management Consultants</b>					
6523 Outside Safety Consultant	417,323.75	554,284.00	-136,960.25	75.29%	Includes Vector Solutions & Kynd subscription paid
<b>Total 620 Management Consultants</b>	<b>\$ 417,323.75</b>	<b>\$ 554,284.00</b>	<b>-\$ 136,960.25</b>	<b>75.29%</b>	
<b>630 Program Director Fee</b>					
6330 Program Directors' Fee Exp.	1,088,862.50	1,451,000.00	-362,137.50	75.04%	Three quarters of amortized expense

**California Sanitation Risk Management Authority  
Unconsolidated; Excludes CWIC**

**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**

July 2025 - March 2026

Preliminary & Unaudited\*

	TOTAL				
	Actual	Budget	over Budget	% of Budget	
Total 630 Program Director Fee	\$ 1,088,862.50	\$ 1,451,000.00	-\$ 362,137.50	75.04%	
<b>640 Other Program Expense</b>					
6464 User/Fraud Fund Assessment	101,820.52	101,018.00	802.52	100.79%	
6506 Actuarial	40,820.00	62,700.00	-21,880.00	65.10%	
6510 Claims Audit	6,450.00	8,200.00	-1,750.00	78.66%	
6512 Claims Admin. Annual Fee	17,160.00	27,060.00	-9,900.00	63.41%	
6516 Coverage Counsel	0.00	5,500.00	-5,500.00	0.00%	
6650 Program Legal	10,102.50	26,500.00	-16,397.50	38.12%	
6652 Program Committee	1,420.28	3,000.00	-1,579.72	47.34%	
6660 Program Consulting	15,614.70	35,270.00	-19,655.30	44.27%	
6667 CSRMA Provided Seminars	93,846.92	95,000.00	-1,153.08	98.79%	Includes Sewer Summit
<b>Total 640 Other Program Expense</b>	<b>\$ 287,234.92</b>	<b>\$ 364,248.00</b>	<b>-\$ 77,013.08</b>	<b>78.86%</b>	
<b>700 General &amp; Administrative Expense</b>					
7808 Financial Audit	24,090.00	25,296.00	-1,206.00	95.23%	
7822 Board Counsel	10,046.68	20,700.00	-10,653.32	48.53%	
8944 Printing/Promotion	339.89	1,000.00	-660.11	33.99%	
8945 Computer Software/Programming	63,403.92	109,900.00	-46,496.08	57.69%	Last Bonfire AI installment in Q4
8946 Memberships/Other	5,850.00	12,086.00	-6,236.00	48.40%	
8948 Banking Service Charges	5,868.94	2,678.00	3,190.94	219.15%	
8954 Executive/Officers Committee	25,499.34	38,500.00	-13,000.66	66.23%	
8956 Board of Directors	15,647.67	15,180.00	467.67	103.08%	
8960 JPA Insurance	64,653.99	95,393.00	-30,739.01	67.78%	Three quarters of amortized expense
8990 General Contingency	-0.30	6,000.00	-6,000.30	-0.01%	
<b>Total 700 General &amp; Administrative Expense</b>	<b>\$ 215,400.13</b>	<b>\$ 326,733.00</b>	<b>-\$ 111,332.87</b>	<b>65.93%</b>	
<b>Total 50 Operating Expense</b>	<b>\$ 23,102,252.49</b>	<b>\$ 31,235,925.00</b>	<b>-\$ 8,133,672.51</b>	<b>73.96%</b>	
<b>Total Expenses</b>	<b>\$ 23,102,252.49</b>	<b>\$ 31,235,925.00</b>	<b>-\$ 8,133,672.51</b>	<b>73.96%</b>	
<b>Net Operating Income</b>	<b>-\$ 1,942,815.43</b>	<b>-\$ 3,178,979.00</b>	<b>\$ 1,236,163.57</b>	<b>61.11%</b>	
<b>Other Income</b>					
<b>4660 Investment Earnings</b>					
4620 Interest Income	665,163.78	0.00	665,163.78		
4660.10 Investment Income - Realized	-13,071.76	791,474.00	-804,545.76	-1.65%	
4660.15 Investment Income - Unrealized	0.00	0.00	0.00		

**California Sanitation Risk Management Authority  
Unconsolidated; Excludes CWIC**

**Budget vs. Actuals: FY25-26 - FY26 P&L Classes**

July 2025 - March 2026

Preliminary & Unaudited\*

	TOTAL				
	Actual	Budget	over Budget	%	of Budget
Total 4660 Investment Earnings	\$ 652,092.02	\$ 791,474.00	-\$ 139,381.98	82.39%	
Total Other Income	\$ 652,092.02	\$ 791,474.00	-\$ 139,381.98	82.39%	
Net Other Income	\$ 652,092.02	\$ 791,474.00	-\$ 139,381.98	82.39%	
Net Income	-\$ 1,290,723.41	-\$ 2,387,505.00	\$ 1,096,781.59	54.06%	

**California Sanitation Risk Management Authority**  
**Unconsolidated**  
**Balance Sheet**  
As of March 31, 2026  
Preliminary & Unaudited\*

**ASSETS**

<b>Current Assets</b>	
<b>Bank Accounts</b>	
1002 LAIF	371,709.02
1005 Checking - US Bank	217,300.42
1006 WC Trust - US Bank 280	150,000.00
1007 Liability Trust - US Bank 272	100,000.00
1008 PFM/CA Asset Mgmt Program	21,624,591.35
1009 PFM-CAMP Cash Reserve	149,282.11
<b>Total Bank Accounts</b>	<b>\$ 22,612,882.90</b>
<b>Accounts Receivable</b>	
1100 Accounts Receivable	232,541.92
<b>Total Accounts Receivable</b>	<b>\$ 232,541.92</b>
<b>Other Current Assets</b>	
1150 Due from/to Subsidiary	937,712.71
1200 Interest Receivable	201,662.86
1300 Other Current Assets	60,534.75
1540 Prepaid Insurance Premium	10,984,637.75
1550 Prepaid Program Directors' Fee	776,587.51
<b>Total Other Current Assets</b>	<b>\$ 12,961,135.58</b>
<b>Total Current Assets</b>	<b>\$ 35,806,560.40</b>
<b>Other Assets</b>	
1700 Investment in Subsidiary	1,365,000.00
<b>Total Other Assets</b>	<b>\$ 1,365,000.00</b>
<b>TOTAL ASSETS</b>	<b>\$ 37,171,560.40</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 Accounts Payable	143,157.92
<b>Total Accounts Payable</b>	<b>\$ 143,157.92</b>
<b>Other Current Liabilities</b>	
2200 Deferred JPA Charge	598,060.75
2210 Deferred Program Directors' Fee	774,644.62
2220 Deferred Pooled Deposits	172,878.68
2240 Deferred Insurance Premium	10,914,656.20
<b>Total Other Current Liabilities</b>	<b>\$ 12,460,240.25</b>
<b>Total Current Liabilities</b>	<b>\$ 12,603,398.17</b>
<b>Long-Term Liabilities</b>	
2300 Claims Reserves	7,252,469.49
2500 Claims IBNR	5,031,182.00
2600 Claims ULAE	1,058,152.00
<b>Total Long-Term Liabilities</b>	<b>\$ 13,341,803.49</b>
<b>Total Liabilities</b>	<b>\$ 25,945,201.66</b>
<b>Equity</b>	
3900 Retained Earnings	12,517,082.15
Net Income	-1,290,723.41
<b>Total Equity</b>	<b>\$ 11,226,358.74</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 37,171,560.40</b>

\* Excludes results of CWIC subsidiary, unrealized income/loss from investements and changes to longterm claims liability.

## **AI Project Update**

**ISSUE:** The CSRMA AI Subcommittee met following the Long-Range Planning Session to review the scope of work for Phase II of the AI Project. The Subcommittee directed the Program Administrators to include \$93,942 in the draft FY 26/27 Budget for the Phase II scope of work and ongoing maintenance costs.

- Milestone 1    Staff-verified LLM Training for AI-assisted guidance to members
- Milestone 2    CSRMA Historical Knowledge Preservation For AI Model Training
- Milestone 3    Continuous Automated Knowledge Updates for CS-Connect

**RECOMMENDATION:** None. Information only.

**FISCAL IMPACT:** As depicted in the first attachment.

**BACKGROUND:** At their March 2025 Long Range Planning Session, the Executive Board discussed the potential merits of utilizing AI to improve efficiency for CSRMA and its members. More specifically, the discussion centered around exploring the idea of creating a custom Large Language Model (LLM) built around CSRMA's vast knowledge and history base.

Phase I of CSRMA's Large Language Model initiative to create a custom LLM built around CSRMA's vast knowledge and history base (aka CS-Connect) is nearing completion and expected to be operational by the end of June 2026.

- ATTACHMENTS:**
1. CSRMA Large Language Model (aka CS-Connect) Three (3) Year Plan Projected Development and Maintenance Costs
  2. CS-Connect Query Examples

CSRMA Large Language Model (aka CS-Connect)  
 Three (3) Year Plan  
 Projected Development and Maintenance Costs  
 2025-26 through 2027-28

PHASE I		PHASE II		PHASE III	
2025-26		2026-27		2027-28	
Development	Maintenance	Development	Maintenance	Development	Maintenance

PHASE I						
Milestone 1	29,110	-	-	-	-	-
Milestone 2	21,832	-	-	-	-	-
Milestone 3	21,831	-	-	-	-	-
<b>TOTAL</b>	<b>72,773</b>	<b>-</b>	<b>-</b>	<b>38,732</b>	<b>-</b>	<b>38,732</b>

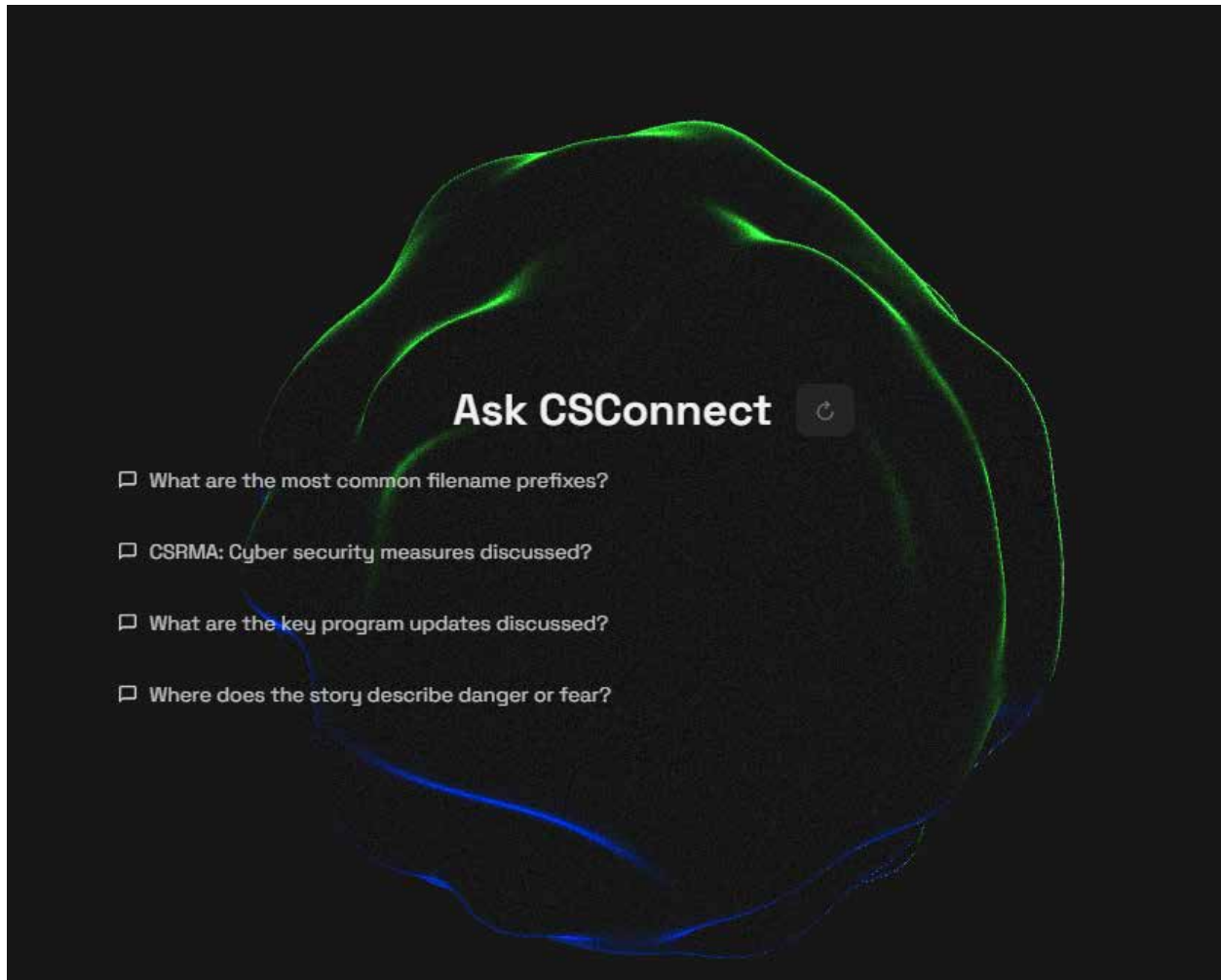
PHASE II						
Staff-verified LLM Training for AI-assisted guidance to members	-	-	22,388	9,380	-	-
CSRMA Historical Knowledge Preservation For AI Model Training	-	-	5,388	4,380	-	-
Continuous Automated Knowledge Updates for CS-Connect	-	-	7,543	6,131	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>35,319</b>	<b>19,891</b>	<b>-</b>	<b>19,891</b>

<b>TOTAL</b>	<b>72,773</b>	<b>-</b>	<b>35,319</b>	<b>58,623</b>	<b>-</b>	<b>58,623</b>
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<b>ANNUAL TOTAL</b>		<b>72,773</b>		<b>93,942</b>		<b>58,623</b>
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PHASE	PROJECT SCOPE
I	Create a custom LLM built around CSRMA's vast knowledge and history base.
II	Continuously improve institutional knowledge platform.
III	Provide member access to CS-Connect.

## CSCConnect Query Examples



## Describe the EPL Reduction Incentive Program

*I am now performing a keyword search for "EPL Reduction Incentive Program" within the BodAgenda collection, focusing on the text field to retrieve relevant document chunks.*

*I will now summarize the information I found about the EPL Reduction Incentive Program.*

### EPL Reduction Incentive Program Details

The Employment Practices Liability (EPL) Deductible Reduction Incentive Program was adopted by the Board of Directors in August 2022 and became effective on December 31, 2023. **3 7 8 9**

The program is designed to encourage members to meet specific criteria to reduce their EPL deductible. Initially, CSRMA increased the EPL deductible to \$50,000 for all members. However, members who meet the program's criteria annually can have their deductible reduced back to \$25,000. **3 4 5 6 8 10**

To ensure members are aware of the program requirements, program administrators sent regular reminders and communications, including details about training hour requirements. To be eligible for the deductible reduction, members needed to provide documentation that at least 90% of their active supervisory/manager positions completed required training by December 31st of each year. **2 3 7 8 9**

## When was CSRMA formed?

*I'm now running a keyword search for terms like "formed" and "established" across eight relevant collections to find CSRMA's formation date.*

*I have successfully retrieved information from multiple sources confirming that CSRMA was formed on April 2, 1986.*

### CSRMA Formation Date

The California Sanitation Risk Management Authority (CSRMA) was formed on April 2, 1986. It was established through a joint powers agreement by a group of California local public entities to provide risk management and loss prevention services. Initially, its formation was a response to a crisis in obtaining insurance coverage for wastewater utilities in the San Francisco Bay Area. The organization has since grown to include 60 member agencies statewide. **1 2 3 4 5 6 7 8 9 1 2 4 5**

**Please summarize the operation of the CSRMA Pooled Liability Program Employee Driving Policy & Procedure.**

*I am now performing a keyword search within the PlpAgenda collection for the "CSRMA Pooled Liability Program Employee Driving Policy & Procedure" to gather relevant information for your summary.*

*I will now summarize the information I have found regarding the CSRMA Pooled Liability Program Employee Driving Policy & Procedure.*

**Summary of CSRMA Employee Driving Policy & Procedure**

The CSRMA Pooled Liability Program includes an Employee Driving Standards Policy & Procedure aimed at reducing losses related to vehicle operation. This policy establishes minimum eligibility standards for employees driving on agency business  
**22 1**

The policy addresses necessary measures to reduce losses related to vehicle operation, requiring employees whose duties necessitate driving vehicles in the course of employment to adhere to the standards. **22**

Member districts may face coverage exclusions if they knowingly allow employees who do not meet the driving standards to operate vehicles or if they fail to enroll mandated employees in the pull notice program. **7**

To mitigate risks associated with employees driving their own cars for work, employers should adopt a policy emphasizing attentive driving and clearly state when personal vehicle use is expected or allowed. Job descriptions should specify when driving a personal vehicle is a job function. Additionally, 87% of businesses formally train employees on their distracted driving policy. **34 37**

### **Clean Water Insurance Captive Update**

**ISSUE:** The Program Administrators will provide the Executive Board with an update on the Clean Water Insurance Captive (CWIC).

**RECOMMENDATION:** None. Information Only.

**FISCAL IMPACT:** None.

**BACKGROUND:** Below is an update since the last Executive Board meeting, as well as a brief history on CSRMA's formation of CWIC.

- 1) **CWIC Board Meeting** – The CWIC Board met virtually for a meeting on March 31<sup>st</sup> for a presentation from the captive consulting team on the Key Financial & Loss Ratios Report, reviewing various financial ratios utilized to measure the financial stability of CWIC. CWIC is meeting or exceeding all key captive financial and loss ratio targets.
  
- 2) **Investment Performance** – CWIC's Investment Manager PFM presented their investment report for the quarter ending 3/31/2026 to the Finance Committee at their April meeting. Returns for the most recent quarter ending 3/31/2026 were - 1.01%. Year End 2025 returns were 12.53%. Total returns since inception of CWIC's investment portfolio on 12/1/2023 are 9.82%.
  
- 1) **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, 2026 renewal. The actuary is projecting a year-over-year decrease of approximately 1% in funding as a result of favorable loss development. The renewal premium is \$3,328,689 compared to the expiring \$3,360,105. This proposal was made to CSRMA's Workers' Compensation Committee at their May meeting, with their recommendation to the Executive Board discussed in more detail under the Workers' Compensation renewal item in this agenda.
  
- 3) **Annual CWIC Investment Performance Comparison to CSRMA** – One way to measure the financial benefit of CWIC is to compare its investment performance to CSRMA, and as requested by the Executive Board this comparison will be provided on an annual basis.

The table below compares CWIC’s performance to that of CSRMA’s over the same full calendar year 2025 period. The table shows that the dollars invested in CWIC earned \$902,702 more than they would have earned in CSRMA. The financial benefit of CWIC will of course fluctuate over time due to factors such as claims payments to CSRMA, overhead expenses 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 2025		
	Rate of Return %	ROI \$
CSRMA	6.88%	1,454,723
CWIC	12.53%	2,001,922
CWIC Bene fit	5.65%	902,702
CWIC Net Benefit (after expenses)		594,024

- Note:*
- 1) CWIC’s FY 2024-25 overhead expenses were \$308,678. This figure includes only costs directly incurred as a result of establishing CWIC and excludes any pre-existing expenses borne by CSRMA that have since been allocated to CWIC, such as the California Workers’ Compensation Fraud Assessment.
  - 2) CWIC’s Investment Policy allows for a 60% fixed income / 40% equities balance.

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, assumes 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.).

CWIC’s Board Members

Sandeep Karkal, President  
 Jason Dow, Treasurer

Ryan Smart, Resident and Secretary  
Matt Anderson  
Steve Wagner

**ATTACHMENTS:** None.

## **Estimated Actual 25/26 Budget & Proposed 26/27 Budget**

**ISSUE:** Review and discuss the budget for Fiscal Year 2026/27.

**RECOMMENDATION:** The Finance Committee recommends that the Executive Board recommend that the Board of Directors adopt the proposed budget for the 2026-2027 fiscal year as presented with any verbal changes that may be noted at the meeting.

**FISCAL IMPACT:** As depicted in the draft 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 Executive 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. Non-Member Revenue is expected to be nil in fiscal year 2026-27, as interest in subscriptions to access Risk Control Online/Vector Solutions has waned.
  3. Interest Income. PFM provided CSRMA with an earnings projection for fiscal year 26-27. They used an average earnings rate of 3.74% for total projected earnings of \$806,657. Projected LAIF earnings are in addition to PFM's earnings projection.
  4. 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. The Program Directors' Fee account is proposed to increase by 3% for fiscal year 2026-27.
  5. Dividends are not budgeted for the Workers' Compensation Program in fiscal year 26-27, as it is anticipated that dividends will not be eligible for declaration based on the Dividend Policy & Procedure. Dividends are conservatively budgeted for the Pooled Liability Program.
  6. The Investment Policy is included in the Budget packet. No changes were recommended by PFM.
  7. Insurance Premium (Net) for all programs is budgeted to decrease 1.0% (\$127,097) over the 25-26 'budget' amount. This is largely driven by favorable property insurance market conditions.
  8. Affiliate Insurance Premiums account for the premiums paid to the CSRMA captive insurance company CWIC. Premiums to the captive are expected to increase 1.0% (\$107,270) largely driven by an increase in the severity of liability claims.
  9. 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.
  10. 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.
  11. The Risk Control expenses are budgeted to increase 13% (\$72,770) largely due to two (2) new risk control initiatives in 26-27. The development of Traffic Control SOPs and "Buddy to Boss" training.

12. General & Administrative Expenses and Other Program Expense (Legal, Board, Operations, etc.) are budgeted to increase approximately 12% (\$82,958) combined largely due to an increase in the WC User Fund & Fraud Assessment and Computer Software/Programming (discussed further below).
13. Computer Software/Programming - Development of the Large Language Model (LLM) will be completed in the current FY. Phase I of the project was to create a custom Large Language Model built around CSRMA's vast knowledge and history base. The LLM is named "CS-Connect". \$75,000 was included in the FY 25-26 budget for Phase I. Phase II of the project is to continuously improve the institutional knowledge platform. The fiscal impact in 26-27 for Phase II is \$55,210. Annual maintenance and support for CS-Connect is \$38,732 and is also budgeted in FY 26-27. Combined this represents a year-over-year increase of \$18,942 in funds budgeted for the LLM. The cost of the WeTip subscription decreased approximately \$11,000. Overall, the Computer Software/Programming budget line item is proposed to increase \$7,940.
14. CSRMA/CWIC Consolidated Budget Schedules. Exhibits are included to show the projected consolidated budget for CSRMA and CWIC.

**ATTACHMENTS:**

1. Estimated Actual 25/26 Budget & Proposed 26/27 Budget (Separate)
2. Exhibits: CSRMA/CWIC Projected Consolidated Budget 25/26 and CSRMA/CWIC Consolidated Budget 26/27

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY**

Proposed Budget for the Fiscal Year 2026-27

CSRMA / CWIC Current Year Projected to Budget - Consolidated Version

Description	Adopted	Adopted	Adopted	Adopted	Projected	Projected	Projected	Projected	Adopted v	Percent
	CSRMA 2025-26	CWIC 2025-26	Elimination 2025-26	Consolidated 2025-26	CSRMA 2025-26	CWIC 2025-26	Elimination 2025-26	Consolidated 2025-26	Projected Higher/Lower	Variance Higher/Lower
<b>Operating Revenue:</b>										
<b>Member Contribution</b>										
JPA Charge	\$ 1,245,265	\$ -	\$ -	\$ 1,245,265	\$ 1,213,463	\$ -	\$ -	\$ 1,213,463	(31,802)	(3%)
Pooled Deposit	696,413	-	-	696,413	691,515	-	-	691,515	(4,898)	(1%)
Net Insurance Premium	17,016,831	-	-	17,016,831	15,866,120	-	-	15,866,120	(1,150,711)	(7%)
Affiliate Insurance Premium	7,897,437	7,505,095	(7,897,437)	7,505,095	7,639,028	7,206,590	(7,639,028)	7,206,589	(298,506)	(4%)
<b>Retrospective Contribution</b>										
Retro Adjustments	(250,000)	-	-	(250,000)	1,043,522	-	-	1,043,522	1,293,522	517%
<b>Member Fees</b>										
Program Director Fee	1,451,000	-	-	1,451,000	1,450,847	-	-	1,450,847	(153)	(0%)
<b>Total Operating Revenue</b>	<b>28,056,946</b>	<b>7,505,095</b>	<b>(7,897,437)</b>	<b>27,664,604</b>	<b>27,904,494</b>	<b>7,206,590</b>	<b>(7,639,028)</b>	<b>27,472,056</b>	<b>(192,548)</b>	<b>(1%)</b>
<b>Operating Expense:</b>										
<b>Program Expense</b>										
Claims & Loss Adjustment Expense	4,025,392	5,628,822	-	9,654,214	4,564,920	5,404,942	-	9,969,863	315,649	3%
Deductible Recoveries	(400,000)	-	-	(400,000)	(449,372)	-	-	(449,372)	(49,372)	(12%)
<b>Insurance Expense</b>										
Net Insurance Premium	17,016,831	-	-	17,016,831	15,860,525	-	-	15,860,525	(1,156,306)	(7%)
Affiliate Insurance Premium	7,897,437	-	(7,897,437)	-	7,639,028	-	(7,639,028)	-	0	0%
<b>Management Consultants</b>										
Risk Control	554,284	-	-	554,284	545,664	-	-	545,664	(8,620)	(2%)
<b>Program Director Fee</b>	<b>1,451,000</b>	<b>-</b>	<b>-</b>	<b>1,451,000</b>	<b>1,452,225</b>	<b>-</b>	<b>-</b>	<b>1,452,225</b>	<b>1,225</b>	<b>0%</b>
<b>Other Program Expense</b>	<b>364,248</b>	<b>-</b>	<b>-</b>	<b>364,248</b>	<b>346,118</b>	<b>-</b>	<b>-</b>	<b>346,118</b>	<b>(18,130)</b>	<b>(5%)</b>
<b>General &amp; Administrative Expenses</b>	<b>326,734</b>	<b>199,739</b>	<b>-</b>	<b>526,473</b>	<b>284,737</b>	<b>349,420</b>	<b>-</b>	<b>634,158</b>	<b>107,685</b>	<b>20%</b>
<b>Total Operating Expense:</b>	<b>31,235,926</b>	<b>5,828,561</b>	<b>(7,897,437)</b>	<b>29,167,049</b>	<b>30,243,846</b>	<b>5,754,363</b>	<b>(7,639,028)</b>	<b>28,359,180</b>	<b>(807,869)</b>	<b>(3%)</b>
<b>Operating Income/(Loss)</b>	<b>(3,178,980)</b>	<b>1,676,535</b>	<b>-</b>	<b>(1,502,445)</b>	<b>(2,339,351)</b>	<b>1,452,227</b>	<b>-</b>	<b>(887,124)</b>	<b>615,321</b>	<b>(41%)</b>
<b>Non-Operating Revenue:</b>										
Investment Earnings	791,474	715,351	-	1,506,824	827,916	1,146,444	-	1,974,360	467,536	31%
<b>Non-Operating Expense:</b>										
Dividends	-	-	-	-	-	-	-	-	0	0.0%
<b>Change in Net Position</b>	<b>(2,387,506)</b>	<b>2,391,885</b>	<b>-</b>	<b>4,379</b>	<b>(1,511,435)</b>	<b>2,598,672</b>	<b>-</b>	<b>1,087,236</b>	<b>1,082,857</b>	<b>24,726%</b>

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY**  
Proposed Budget for the Fiscal Year 2026-27  
*CSRMA / CWIC Comparative Year over Year Budget - Consolidated Version*

Description	Adopted CSRMA 2025-26	Adopted CWIC 2025-26	Adopted Elimination 2025-26	Adopted Consolidated 2025-26	Budget CSRMA 2026-27	Budget CWIC 2026-27	Budget Elimination 2026-27	Budget Consolidated 2026-27	Year Over Year Higher/Lower	Percent Variance Higher/Lower
<b>Operating Revenue:</b>										
<b>Member Contribution</b>										
JPA Charge	\$ 1,245,265	\$ -	\$ -	\$ 1,245,265	\$ 1,400,994	\$ -	\$ -	\$ 1,400,994	155,729	13%
Pooled Deposit	696,413	-	-	696,413	713,823	-	-	713,823	17,410	2%
Net Insurance Premium	17,016,831	-	-	17,016,831	16,889,734	-	-	16,889,734	(127,097)	(1%)
Affiliate Insurance Premium	7,897,437	7,505,095	(7,897,437)	7,505,095	8,004,707	7,927,249	(7,927,249)	8,004,707	499,612	7%
<b>Retrospective Contribution</b>										
Retro Adjustments	(250,000)	-	-	(250,000)	(500,000)	-	-	(500,000)	(250,000)	(100%)
<b>Member Fees</b>										
Program Director Fee	1,451,000	-	-	1,451,000	1,495,000	-	-	1,495,000	44,000	3%
<b>Total Operating Revenue</b>	<b>28,056,946</b>	<b>7,505,095</b>	<b>(7,897,437)</b>	<b>27,664,604</b>	<b>28,004,258</b>	<b>7,927,249</b>	<b>(7,927,249)</b>	<b>28,004,258</b>	<b>339,654</b>	<b>1%</b>
<b>Operating Expense:</b>										
<b>Program Expense</b>										
Claims & Loss Adjustment Expense	4,025,392	5,628,822	-	9,654,214	3,525,000	5,945,437	-	9,470,437	(183,777)	(2%)
Deductible Recoveries	(400,000)	-	-	(400,000)	(400,000)	-	-	(400,000)	0	0%
<b>Insurance Expense</b>										
Net Insurance Premium	17,016,831	-	-	17,016,831	16,889,734	-	-	16,889,734	(127,097)	(1%)
Affiliate Insurance Premium	7,897,437	-	(7,897,437)	-	8,004,707	-	(8,004,707)	-	0	0%
<b>Management Consultants</b>										
Risk Control	554,284	-	-	554,284	627,054	-	-	627,054	72,770	13%
<b>Program Director Fee</b>	<b>1,451,000</b>	<b>-</b>	<b>-</b>	<b>1,451,000</b>	<b>1,495,000</b>	<b>-</b>	<b>-</b>	<b>1,495,000</b>	<b>44,000</b>	<b>3%</b>
<b>Other Program Expense</b>	<b>364,248</b>	<b>-</b>	<b>-</b>	<b>364,248</b>	<b>439,574</b>	<b>-</b>	<b>-</b>	<b>439,574</b>	<b>75,326</b>	<b>21%</b>
<b>General &amp; Administrative Expenses</b>	<b>326,734</b>	<b>199,739</b>	<b>-</b>	<b>526,473</b>	<b>334,366</b>	<b>363,397</b>	<b>-</b>	<b>697,763</b>	<b>171,290</b>	<b>33%</b>
<b>Total Operating Expense:</b>	<b>31,235,926</b>	<b>5,828,561</b>	<b>(7,897,437)</b>	<b>29,167,049</b>	<b>30,915,434</b>	<b>6,308,834</b>	<b>(8,004,707)</b>	<b>29,219,561</b>	<b>52,512</b>	<b>0%</b>
<b>Operating Income/(Loss)</b>	<b>(3,178,980)</b>	<b>1,676,535</b>	<b>-</b>	<b>(1,502,445)</b>	<b>(2,911,177)</b>	<b>1,618,415</b>	<b>-</b>	<b>(1,292,762)</b>	<b>209,683</b>	<b>(14%)</b>
<b>Non-Operating Revenue:</b>										
Investment Earnings	791,474	715,351	-	1,506,824	856,657	1,275,322	-	2,131,979	625,154	41%
<b>Non-Operating Expense:</b>										
Dividends	-	-	-	-	(250,000)	-	-	(250,000)	(250,000)	0.0%
<b>Change in Net Position</b>	<b>(2,387,506)</b>	<b>2,391,885</b>	<b>-</b>	<b>4,379</b>	<b>(1,804,520)</b>	<b>2,893,737</b>	<b>77,458</b>	<b>1,166,676</b>	<b>1,162,296</b>	<b>26,540%</b>

**Long Range Action Plan – 2026/27 - DRAFT**

**ISSUE:** As a result of discussion at the Long Range Planning Session, the Program Administrators have drafted a Long Range Action Plan for 2026/27. The draft Action Plan is attached to this item for the Executive Board’s review and consideration.

**RECOMMENDATION:** The Program Administrators recommend that the Executive Board review and approve the 2026/27 Long Range Action Plan document with any necessary changes made at the meeting.

**FISCAL IMPACT:** None.

**BACKGROUND:** Every year the Executive Board meets in an off-site LRP Session. These sessions allow the Executive Board to review last year’s accomplishments as well as project future goals and concepts for the JPA and its members.

**ATTACHMENTS:** Long Range Action Plan – 2026/27 - DRAFT

**DRAFT**



**California Sanitation Risk Management Authority**  
*Ensuring the Future of Clean Water*

## **Long-Range Action Plan**

**2026/27**



***Alliant Insurance Services, Inc.***  
560 Mission St, 6<sup>th</sup> Floor  
San Francisco, CA 94105  
(415) 403-1400

As of: June 8, 2026

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**DRAFT**

**I. Risk Control Podcasts – Pilot Series**

**Description:** The Executive Board directed the Risk Control Advisor and Program Administrators to create a pilot podcast series on risk control related topics to supplement the “Did You Know” Newsletter.

**Objective:** To reach more individuals and to educate and engage with CSRMA members’ employees in a new format.

**Action(s):**

- 1. Develop 6 podcasts (less than 10 mins in length) using Google Notebook LLM and distribute as integrated into the “Did You Know” newsletter in addition to at least one other distribution channel
- 2. Notify membership of the podcast series
- 3. Publish podcasts
- 4. Analyze usage and survey membership for feedback and to measure success of the pilot podcast series

**Responsibility:**

- 1. Risk Control Advisor and Alliant Insurance Services
- 2. Risk Control Advisor and Alliant Insurance Services
- 3. Risk Control Advisor
- 4. Risk Control Advisor

**Deadlines:**

- 1. August – December 2026
- 2. January 2027
- 3. January – December 2027
- 4. December 2027

**Fiscal Impact:** None. The Executive Board directed the Risk Control Advisor and Program Administrators to roll out this pilot at no additional expense to CSRMA. This will be accomplished by reducing the number of “Did You Know”.

**Background:** At the March 2026 Long Range Planning Session David Patzer presented the idea of piloting a podcast series on risk control related content for CSRMA member’s employees. The goal is to find additional mediums to reach the membership to keep them informed and up to date on pertinent topics. The Executive Board agreed that this pilot was a worthy endeavor and asked that it be implemented in a way that is cost neutral in the overall Risk Control Workplan reviewed at the meeting. To accomplish this, David will utilize Google Notebook (or similar technology) and roll out the pilot episodes as a supplement to the “Did You Know” newsletter.

**Status:** This item is currently in Draft format.

DRAFT

## **II. Earthquake and Flood Parametric Insurance**

**Description:** Obtain quotes for earthquake and flood parametric insurance for the membership to consider. The quotes should contemplate options for all members or individual member participation.

**Objective:** To address earthquake and flood exposures to the CSRMA membership.

**Action(s):**

1. Provide educational session(s) to the membership on parametric insurance
2. Work with insurance markets to develop pricing estimates and potential options
3. Present estimated pricing and potential options to Board of Directors
4. As directed by Board of Directors, obtain firm quotes and options
5. Present firm quotes and options to Board of Directors and individual members if necessary
6. Bind coverage as necessary

**Responsibility:**

1. Alliant Insurance Services
2. Alliant Insurance Services
3. Alliant Insurance Services and Board of Directors
4. Alliant Insurance Services
5. Alliant Insurance Services and Board of Directors
6. Alliant Insurance Services

**Deadlines:**

1. August – November 2026
2. November 2026 – January 2027
3. January 2027
4. February – June 2027
5. June 2027
6. July 2027

**Fiscal Impact:** Unknown at this time.

**Background:** The current administration is pursuing reforms to how FEMA operates. If implemented, changes will reshape how public agencies access federal recovery aid and significantly reduce the amount of aid available. The potential implications of these changes could impact CSRMA and its members in a disaster event (i.e., major earthquake or flood), and therefore CSRMA should consider insurance options to address this exposure. One such solution is parametric insurance, which is available for catastrophic perils such as earthquake and flood.

Traditional earthquake insurance policies are often considered cost prohibitive, especially in California because of the high exposure to these types of catastrophic events. Parametric insurance offers an alternative to the traditional approach of addressing this exposure.

Earthquakes and floods present a major exposure to all CSRMA members. CSRMA currently does not purchase any form of earthquake or flood insurance for its membership, although from time-to-time individual members have evaluated the coverage for their own agencies. In recent years, however, the evolution of Parametric insurance has provided more viable alternatives to traditional earthquake and flood insurance for the public and private sectors alike. There are many possible forms to a parametric product, but in short, the main differentiator from a traditional policy is that coverage under a parametric is triggered by an *event* occurring rather than a sustained *loss*. The concept of parametrics was originally introduced to CSRMA in 2013 at a Board of Directors Meeting and explored more in depth by the Executive Board again in 2018.

Since that time there have been some developments in this space, and one of these new developments was discussed at the March 2026 Long Range Planning Session. Evan Reis, from Safehub, a technology firm that has recently partnered with LibertyRe to deliver parametric earthquake insurance was at the meeting and presented a sensor-based solution to quickly deliver funds in the event of an earthquake.

**Status:** This item is currently in Draft format.

DRAFT

### **III. Large Language Model & Artificial Intelligence – Phase II**

**Description:** After completion of Phase I of this project, the Executive Board directed the Program Administrators, with input and oversight from the AI Ad-Hoc Committee, to begin Phase II. Phase II will be focused on further implementation, capability expansion, and workflow integration as further described in the background section.

**Objective:** To expand analytical capabilities, improve internal workflows, and further support CSRMA’s risk control, underwriting and renewal processes.

**Action(s):**

1. Review Phase II objectives and fine tune with the Ad-Hoc Committee
2. Development and testing of all features listed below, and discussed further in background section
  - Staff Verified AI-Assisted Member Guidance
  - CSRMA Historical Knowledge Preservation for AI Model Training
  - Continuous Automated Knowledge Updates
3. Implementation of new/improved features

**Responsibility:**

1. Alliant Insurance Services, Risk Control Advisor and Ad-Hoc Committee
2. Program Administrators, Risk Control Advisor and AI Consultant
3. Program Administrators, Risk Control Advisor and AI Consultant

**Deadlines:**

1. March 2026
2. June 2026 – June 2027
3. June 2027

**Fiscal Impact:** Phase II is included in the 2026-27 Fiscal Year budget.

**Background:** CSRMA initiated the LLM project to improve internal access to institutional knowledge, enhance risk-control support, and increase operational efficiency while maintaining strict data security and governance standards. The phased approach allows controlled deployment, validation, and incremental expansion aligned with CSRMA’s operational needs.

The CSRMA Large Language Model (LLM) initiative has successfully completed Phase I development and initial deployment. The system is now live and in use by a limited internal user group, including designated Alliant staff and the CSRMA Risk Control Advisor. Phase I focused on establishing a secure, CSRMA-specific LLM environment trained on approved CSRMA materials and validating core functionality, data integrity, and governance controls.

Phase II is focused on capability expansion and workflow integration, building on the stable Phase I foundation. Proposed Phase II tasks include:

### **1. Staff Verified AI-Assisted Member Guidance**

The system generates draft responses based on CSRMA’s institutional data and allows CSRMA staff to collaborate through a shared internal workspace to review, refine, and approve responses before securely sharing them with member districts in a read-only format as part of a progressive, risk-mitigated rollout.

- Provides CSRMA members with clear, consistent guidance through securely shared, verified AI-assisted responses reviewed by CSRMA staff.
- Enables CSRMA staff to collaborate internally when preparing responses, using a shared workspace where questions, context, and draft responses can be reviewed together before guidance is issued to member districts.
- A growing knowledge reference library for CSRMA members and staff.
- More time for CSRMA service team to support member districts and risk-reduction efforts.
- A controlled, gradual rollout of AI-assisted member services.

### **2. CSRMA Historical Knowledge Preservation for AI Model Training**

- Makes 40 years of CSRMA history accessible on-demand
- Enables the service team to respond to member questions with deeper historical context by transforming scattered historical records into a centralized, searchable knowledge system.
- Frees the service team to focus more time on supporting member districts by reducing manual data management and administrative upkeep.

### **3. Continuous Automated Knowledge Updates for CS-Connect**

- Keeps CSRMA knowledge centralized, current and accessible by automatically incorporating newly finalized documents and date into CS-Connect, allowing the system to grow more useful as new policies, decisions, and institutional information s added over time.
- Allows CSRMA staff to focus more time on supporting member districts by reducing manual data management and administrative upkeep.

**Status:** This item is currently in Draft format.

#### **IV. CSRMA at 40 Years and Professional Risk Management Designations**

**Description:** As a result of discussion at the Long Range Planning Session, direction on two items not already discussed in this Action Plan was given to the Program Administrators. These items are discussed below.

**Objective:** To move forward with the direction given at the Long Range Planning Session.

**Action(s):**

CSRMA at 40 Years

1. In recognition of CSRMA's 40<sup>th</sup> Anniversary the Program Administrators will provide a webinar(s) highlighting the accomplishments and the value delivered over the years
2. Provide the Board of Directors with the presentation materials from the webinar

Professional Risk Management Designations

1. Promote and create awareness of the various professional risk management designations that may be beneficial for employees of the member agencies

Sampling of Risk Management Designations:

- Associate in Risk Management (ARM), ARM-Public Entity
- Chartered Property & Casualty Underwriter (CPCU)
- Certified Professional Risk Officer – Water and Wastewater (CRPO – W2) - *designed specifically for water and wastewater professionals*

**Responsibility:**

CSRMA at 40 Years

1. Alliant Insurance Services
2. Alliant Insurance Services and Board of Directors

Professional Risk Management Designations

1. Alliant Insurance Services and Risk Control Advisor

**Deadlines:**

CSRMA at 40 Years

1. July – December 2026
2. January 2027

Professional Risk Management Designations

1. August 2026

**Fiscal Impact:** None.

**Background:** None.

**Status:** This item is currently in Draft format.

DRAFT

## **CSRMA Program Director Performance Standards 2025-26**

**ISSUE:** The CSRMA Performance Standards grading sheet for the 2025-26 contract year is attached to this item for the Executive Board's review.

**RECOMMENDATION:** None, information only.

**FISCAL IMPACT:** None

**BACKGROUND:** Per Alliant's contract with CSRMA, Alliant is to report accomplishment on the Performance Standards to the Executive Board annually.

**ATTACHMENTS:** CSRMA Performance Standards Grading Sheet 2025-26

**Attachment D**  
**CSRMA PROGRAM DIRECTOR PERFORMANCE STANDARDS**  
**Review of July 1, 2025 to July 1, 2026 Period**

If the Executive Board amends or adjusts Attachment A- Scope of Work, judgment on the performance of these standards will take into consideration such amendment or adjustment.		
	<b>Grade</b>	<b>Comments</b>
<b><u>A. JPA ADMINISTRATION SERVICES</u></b>		
1. Produce and distribute to the membership Annual Operating Report within 60days of calendar year end.	A	Distributed at the January 2026 BOD meeting.
2. Produce a Proposed Annual Operating Budget not later than the Board of Director's regularly scheuled June Board meeting.	A	FY 26/27 budget will be presented to the BOD at their June meeting.
3. Produce an annual Independent Financial Report in compliance with all applicable statutes and professional standards that reflects an unqualified opinion by the independent auditor, no material weaknesses, and implementation of any Management Letter items within 30 days of report issuance.	A	The independent financial report as of 6/30/25 was presented to the BOD at their January 2026 meeting. The report reflected an unqualified opinion and no material weaknesses.
4. Cooperate fully with Executive Board in any substantive review process of the contract between CSRMA and Alliant Insurance Services. Judgment of the degree of performance of this item is left to the discretion of the Executive Board.	A	We cooperated with the Executive Board in their substantive review of our contract renewal effective 7/1/23.
5. Present Budget Performance Reports to the CSRMA Board of Directors not less than two (2) times each fiscal year.	A	Budget to date reports were presented to the BOD at their July 2025 and January 2026 meetings.
6. Report accomplishment on these Performance Standards to the CSRMA Executive Board at their meeting in June.	A	Accomplishment of these Performance Standards will be presented to the Executive Board at their June meeting.
7. Distribute 90% of Executive Board, Board of Directors and Committee Agendas, including all supplemental information required for the board or Committee to effectively conduct its meeting, not less than seven (7) days prior to the meeting.	A	All agendas were emailed seven days prior to the meeting with one exception. The September PLP agenda was delayed one day due to the Labor Day holiday.

<p>8. Provide for the Executive Board’s bi-annual review of each third party administration contract.</p>	<p>A</p>	<p>Claims audits are performed of the TPAs bi-annually. Carl Warren &amp; Company's (Liability) audit was completed in 2025. Athens Administrators' (WC) audit will be completed in 2026/27.</p>
<p>9. Contract with a third-party actuary to conduct an actuarial study of at least one (1) of the pooled programs annually.</p>	<p>A</p>	<p>Pooled Liability actuarial study was performed in 2025; Property and WC actuarial studies were performed in 2026.</p>
<p>10. Include a current update of the Long-Range Plan Action Items at each regularly scheduled Executive Board Meeting. Make progress on each item with no undue delays in implementation of the goals of the Executive Board. Determination of performance on this item is left to the discretion of the Executive Board.</p>	<p>A</p>	<p>The 25/26 Action Plan document was updated regularly with updates on progress provided to the EB in writing at their regularly scheduled meetings.</p>
<p>11. Issue accurate Pooled Program Memorandum of Coverage document(s) within 60 days of renewal or amendment. Insurance policies may be transmitted under separate cover, but are to be issued no later than 60 days from receipt.</p>	<p>C</p>	<p>The WC MOC and Excess policies were issued &gt; 60 days. The PLP MOC and Excess policies were issued &gt; 60 days. The 25/26 Property MOC was issued timely. The excess insurance policy documents were issued within 60 days of receipt.</p>
<p><b><u>B. BROKERAGE SERVICES</u></b></p>		
<p>1. Issue accurate Group Purchased Commercial Insurance Policy Forms within 60 of receipt from insurance carriers.</p>	<p>A</p>	<p>The group purchased policies were issued within 60 days of receipt from insurance carriers.</p>
<p>2. Recommend Excess Liability, Excess Workers’ Compensation Insurance or coverage placement with supporting analysis customary in the profession to Executive Board not later than the last regularly scheduled Executive Board meeting prior to the renewal of each Program</p>	<p>A</p>	<p>The Excess Liability insurance placements were presented to the Executive Board at their December 2025 meeting. The Excess Workers' Compensation insurance placements will be presented to the Executive Board at their June meeting.</p>
<p>3. Recommend Property Insurance placement with supporting analysis customary in the profession to Executive Board not later than the last regularly scheduled meeting prior to the renewal of the Program.</p>	<p>A</p>	<p>The Property insurance placement will be presented to the Executive Board at their June meeting prior to the renewal of the program.</p>
<p><b><u>C. LOSS CONTROL SERVICES</u></b></p>		

<p>1. Update the CSRMA Risk Control Survey Engine every 3 years to reflect regulatory changes, new and emerging exposures and best practices as directed by the Executive Board and the Workers' Compensation and Pooled Liability Committees.</p> <p>Administer the CSRMA Risk Control Survey every 3 years to the pooled program members.</p> <p>Following the deadline to complete the Risk Control Survey, conduct a follow up visit to review deficiencies and recommendations in each member's risk control survey report. All follow up visits will be completed prior to the administration of the next Risk Control Survey.</p> <p style="text-align: right;">Member</p> <p>Site Visits will be scheduled as member's complete the Risk Control Survey with priority given to those members scoring the lowest and having the highest x-mod.</p>	A	<p>FY 25/26: Administered 9 risk control survey in 2025 and 7 so far for 2026 with another 10 to be scheduled in May that will be due in August '26</p>
<p>2. Attend, or be available to participate in, CSRMA meetings as necessary or required by the Officers Committee.</p>	A	<p>As of 5/26 ~90% of applicable meetings have been attended this FY.</p>
<p>3. Distribute monthly editions of the Did You Know e-newsletter; produce and distribute to the membership Safety Bulletins on items of high interest.</p>	A	<p>Developed and distributed monthly.</p>
<p>4. Produce and distribute to the Board of Directors the Quarterly Pooled Liability Program and Pooled Workers Compensation Program Loss Analysis.</p>	A	<p>Included in the Board of Directors agendas.</p>
<p>5. Administer the CSRMA Workers' Compensation Excellence award program.</p>	A	<p>Administered the Excellence Awards for FY 24/25 in the Fall of '25 and released the FY25/26 application beginning in March and sent monthly.</p>
<p>6. Provide the following Loss Control and Safety Training:</p>		
<p>a. Winter and Summer CASA/CSRMA Risk Management Seminars</p>	A	<p>The July '25 and Jan '26 CASA/CSRMA trainings completed and the Aug '26 CASA/CSRMA training is scheduled and being advertised.</p>
<p>b. A minimum of 18 webinars.</p>	A	<p>As of 5/4/26 delivered &gt;40 webinars for FY 25/26.</p>

<p>c. Schedule and oversee 10 annual EPL online seminars on topics suggested by CSRMA legal counsel and/or LCW.</p>	<p>A</p>	<p>As of 5/4/26 10 LCW seminars have been administered. The 10 seminars for FY 26/27 have been ID'd and are in process of being scheduled/marketed.</p>
<p>d. Provide up to 6 training workshops virtually or at member locations on risk control topics, excluding CalOSHA &amp; CalEPA regulatory compliance, affecting CSRMA.</p>	<p>B</p>	<p>No on site trainings FY25/26. 2 virtual trainings for member staff and ~ 1-2 Zoom meetings/week with members on average.</p>

**Workers' Compensation Program**  
**Athens Contract Renewal**

**ISSUE:** The Athens Administrators claims handling service agreement with CSRMA has its anniversary date as of 7/1/26. The expiring contract is for a 3-year term. Athens proposed contract terms for up to 5 years for consideration.

The Workers' Compensation Committee approved the pricing proposal for a 5-year term at the May meeting and is recommending that the Executive Board approve the proposed Addendum to the Athens Service Agreement attached to this item.

**RECOMMENDATION:** The Workers' Compensation Committee is recommending that the Executive Board approve the proposed Addendum to the Athens Service Agreement for a 5-year term.

**FISCAL IMPACT:** Athens has proposed an overall decrease of 8.47% for Year 1. This adjustment reflects the reduction in open claim volume and overall workload. Athens has proposed a 4% increase annually for Years 2-5. On the managed care components, standard annual adjustments have been applied.

**BACKGROUND:** Athens Administrators was selected to provide Third Party Claims Administration services for the Workers' Compensation Program in 2023.

**ATTACHMENTS:** Proposed Addendum to the Athens Service Agreement (including Pricing Proposal)

**ADDENDUM TO SERVICE AGREEMENT**

**California Sanitation Risk Management Authority (CSRMA)** herein referred to as “Employer”, and **Athens Insurance Services, Inc., dba: Athens Administrators** herein referred to as “Administrator”, do now hereby agree:

This document shall be incorporated into and become an integral part of the current Workers’ Compensation Service Agreement between Employer and Administrator and, effective July 1, 2023 shall supersede Section II. Service Fees, and sub-sections 2.01 Claim Administration, of the existing Service Agreement (effective July 1, 2023):

If is hereby agreed by the parties to the Service Agreement:

**2.01.** Employer agrees to pay to Administrator Service Fees as follows:

**CLAIM ADMINISTRATION:** For the five-year period of time beginning July 1, 2026 through June 30, 2031 the Service Fees shall be (please see ADDENDUM A for further details):

Contract Period	Total Annual Fee
July 1, 2026 – June 30, 2027 (Year 1)	\$366,392
July 1, 2027 – June 30, 2028 (Year 2)	\$381,048
July 1, 2028 – June 30, 2029 (Year 3)	\$396,290
July 1, 2029 – June 30, 2030 (Year 4)	\$412,141
July 1, 2030 – June 30, 2031 (Year 5)	\$428,627

Employer’s fixed annual fee will be paid in twelve (12) equal installments and will be due and payable at the beginning of each month during the term of this Agreement.

**2.02.** Employer agrees to pay Bill Review Service Fees as follows:

Medical Bill Review	Year 1	Year 2	Year 3	Year 4	Year 5
Standard Medical Bill Review Fee	\$8.75	\$9.05	\$9.40	\$9.76	\$10.14
Schedule Reductions	Per Bill	Per Bill	Per Bill	Per Bill	Per Bill
Hospital In Patient and Outpatient Fee Schedule Reductions	\$600	\$624	\$649	\$675	\$702
	Per Bill	Per Bill	Per Bill	Per Bill	Per Bill
PPO Network & Specialty Bill Negotiations	24% of savings	24% of savings	24% of savings	24% of savings	24% of savings
Duplicate Bills and Line Items	No Charge	No Charge	No Charge	No Charge	No Charge

**All managed care fees will be paid off the claim file.**

**2.03.** Employer agrees to pay Utilization Review, Nurse Case Management and Peer Review Fees as follows:

Utilization Review, Case Management & Physician Review	Year 1	Year 2	Year 3	Year 4	Year 5
Concurrent, Prospective and Retrospective Review	\$145	\$150	\$157	\$166	\$177
	Flat Fee	Flat Fee	Flat Fee	Flat Fee	Flat Fee
UR Appeals: Peer to Peer	\$300	\$310	\$325	\$345	\$370
	Per Hour	Per Hour	Per Hour	Per Hour	Per Hour
Authorization Only	\$35	\$38	\$42	\$47	\$53
	Flat Fee	Flat Fee	Flat Fee	Flat Fee	Flat Fee

Case Management	Year 1	Year 2	Year 3	Year 4	Year 5
Telephonic Nurse Case Management (Per Hour)	\$135	\$140	\$145	\$150	\$155
Field Case Management (Per Hour + Travel and Mileage)	\$140	\$145	\$150	\$155	\$160
Catastrophic Case Management (Per Hour + Travel and Mileage)	\$145	\$150	\$155	\$160	\$165
Peer Review	Year 1	Year 2	Year 3	Year 4	Year 5
Physician Peer Review	\$325 Flat Fee	\$335 Flat Fee	\$345 Flat Fee	\$355 Flat Fee	\$365 Flat Fee
Records Review	\$260 Per Hour	\$275 Per Hour	\$290 Per Hour	\$305 Per Hour	\$320 Per Hour

- 2.04.** Employer agrees to pay an Annual Administration Fee of \$6,500. This fee will be billed in full in the first installment, and at the start of every program year thereafter. This fee covers the use of one bank account, whether Employer or Administrator owned and managed. Employer agrees to pay for any additional bank accounts at \$600 per month for each additional bank account.
- 2.05.** Employer agrees to pay a fee of 25% of all subrogation recoveries. This fee will be paid from the individual claim file as an allocated expense.
- 2.06.** Please see Addendum A – Pricing Proposal for final version of agreed upon pricing proposal. Terms included in the pricing proposal at Addendum A are herein incorporated by reference.

WHEREBY the two parties to this Service Agreement do agree to this addendum as authorized below:

For: California Sanitation Risk Management Authority

For: Athens Administrators:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

**ADDENDUM A – PRICING PROPOSAL DATED APRIL 28, 2026 (ATTACHED)**



# CSRMA

## Pricing Proposal

**Andrea Contreras**  
Sales Director  
acontreras@athensadmin.com  
925-826-1286

**Corporate Headquarters**  
**Athens Administrators**  
2552 Stanwell Dr. | Concord, CA 94520

				Fully Bundled Option	
FLAT ANNUAL FEE	Start Date	End Date			TOTAL
Program Year 1	7/1/2026	6/30/2027			\$366,392
Program Year 2	7/1/2027	6/30/2028			\$381,048
Program Year 3	7/1/2028	6/30/2029			\$396,290
Program Year 4	7/1/2029	6/30/2030			\$412,141
Program Year 5	7/1/2030	6/30/2031			\$428,627
<b>PROPOSED STAFFING MODEL</b>				<b>STAFFING</b>	
Supervisor				1 Designated	
Senior Claim Examiner (Max Caseload Not to Exceed 130)				1 Fully Dedicated	
Future Medical Claim Examiner				1 Designated	
Assistant Claim Examiner				1 Designated	

**PRICING NOTES**

- 1) Pricing contemplates Athens providing both claim administration and managed care services.
- 2) Full Claims Admin. Pricing contemplates annual new claim volume of:

	Indemnity	37
	Medical Only	50
	Info. Only/Report Only	40
- 3) Full Claims Admin. Pricing contemplates the takeover of the following open historical claims.

	Indemnity	97
	Future Medical	75
	Medical Only	12
- 4) **Claim Volume:** In the event that new annual claim volume exceeds the assumptions noted above than each claim above the stated number will be charged at the per claim fees noted within the terms of this proposal.

**ADDITIONAL SERVICES**

Annual Administration Fee - Includes the noted services below:	\$6,500
<i>Banking - includes management of (1) bank account with monthly escrow replenishment. Each additional account will be charged at \$600 per month.</i>	Included
<i>Data Management</i>	Included
<i>Account Management</i>	Included
<i>Claim Reporting (web, fax, telephonic)</i>	Included
<i>Designated or Dedicated Bi-lingual Staff (Spanish)</i>	Included
<i>On-Line Claim System + Dashboard Access (Up to 5 Users)</i>	Included
<i>Annual Stewardship Report</i>	Included
<i>Electronic Delivery of Monthly Loss Runs</i>	Included

MEDICAL BILL REVIEW	Year 1	Year 2	Year 3	Year 4	Year 5	
Medical Fee Schedule Reduction (OMFS) (Includes: Medical, Pharmacy and Supplies)	\$8.75	\$9.05	\$9.40	\$9.76	\$10.14	Per Bill
Hospital In an Out Patient Fee Schedule Reductions	\$600	\$624	\$649	\$675	\$702	Per Bill
<i>PPO Network &amp; Specialty Bill Negotiations</i> <i>Percentage applied below fee schedule reduction</i>	24%	24%	24%	24%	24%	of Savings
Duplicate Bills (No Charge to Review)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	Per Bill

### UTILIZATION REVIEW, CASE MANAGEMENT AND PHYSICIAN REVIEW

	Year 1	Year 2	Year 3	Year 4	Year 5	
Concurrent, Prospective and Retrospective Review	\$145	\$150	\$157	\$166	\$177	Flat Fee
<i>UR appeals: Peer to Peer</i>	\$300	\$310	\$325	\$345	\$370	Per Hour
Authorization Only	\$35	\$38	\$42	\$47	\$53	Flat Fee

<i>Case Management</i>	Year 1	Year 2	Year 3	Year 4	Year 5	
Telephonic Nurse Case Management (Per Hour)	\$135	\$140	\$145	\$150	\$155	
<i>Field Case Management (Per Hour + Travel &amp; Mileage)</i>	\$140	\$145	\$150	\$155	\$160	
Catastrophic Case Mgmt. (Per Hour + Travel & Mileage)	\$145	\$150	\$155	\$160	\$165	

<i>Peer Review</i>	Year 1	Year 2	Year 3	Year 4	Year 5	
Physician Peer Review	\$325	\$335	\$345	\$355	\$365	Flat Fee
<i>Records Review</i>	\$260	\$275	\$290	\$305	\$320	Per Hour

### ADDITIONAL RELATED SERVICES

Pharmacy Benefits Management (PBM)	Included
Claim Reporting	Included
Predictive Modeling	Included
Jarvis Claim Communication System	Included
New Loss Text Messaging to Injured Workers	Included
CMS Reporting (Verisk)	Included
Bilingual Examiner Surcharge ( <i>Pro rata Charge will be based on caseload of 135</i> )	\$8,000 Per Exam.
Nurse Triage - Optional Service	\$180 Per Claim
Pharmacy Drug Review	\$125 Per Hour
Central Index Bureau & First and Subsequent Report of Incident Reporting	\$27 Per
Subrogation Recovery	25% of Gross Recovery
Medical Provider Network	\$6.00 Per Bill
IT Special Projects (i.e., Custom report creation, API feeds & special conversior	\$180 Per Hour

**Terms of Agreement**

1) Athens Administrators will invoice company for all basic fees on a monthly basis and such invoice shall be paid by company upon receipt of invoice.

Claims will be handled for the life of the contract (unless specifically noted as life of claim) with no additional per claim fees.

2) If you should decide to non-renew with Athens Administrators, the existing open files can be handled in one of two ways.

- a) Athens Administrators could continue to handle open files at our prevailing rates per year per open file.
- b) Athens Administrators would return the files to the client at the clients expense

3) Claim Volume Protection Clause: In the flat annual fee scenario if annual new claim inventory increases in any year beyond the noted annual inventory assumption in our pricing proposal then each claim beyond that number will be billed at the

Indemnity	= \$	1,000	Medical Only	= \$	165
Indemnity (Covid Related)	= \$	500			

4) Account Administration includes the following:

- |   |                                     |
|---|-------------------------------------|
| a) Detailed status reports              | c) Banking Administration           |
| b) Settlement authority set at \$10,000 | d) Scheduled meetings/claim reviews |

5) Data Management includes the following:

- a) Monthly claim reporting by e-mail or website
- b) Carrier report package by e-mail or website

6) Claim Reporting included the following:

- a) Telephonic 800#
- b) Web Reporting

7) Custom Report Creation: Access to Athens' complete report library is standard and included in fees. In the event client requires report customization there will be a charge of \$180 per hour to create required reports.

**Definition of Allocated Expense: Shall include, but not be limited to:**

Legal fees	Managed care expenses
Professional photographs	Medical examinations
Extraordinary cost for witness statements	Extraordinary travel made at client's request
Medical records	Court reports
Experts' rehabilitation costs	Accident reconstruction
Fees for service of process	Collection cost payable to third parties
Architects, Contractors and Engineers	Outside investigations
Police, fire, coroner, weather, or other such	Subrogation recovery fees
Property damage appraisals	Property damage appraisals
Sub rosa investigations	Index bureau filings
Official documents and transcripts	Chemist
Pre-and post-judgment interest paid	Claim intake fees

## **Workers' Compensation Actuarial Study Presentation**

**ISSUE:** Every year, CSRMA has an Actuarial Study performed with the results presented to the Workers' Compensation Committee. The actuaries, Trevor Herzig and Maureen Stazinski of Willis Towers Watson presented the results of the Actuarial Study to the Committee at their May meeting.

The actuary's presentation is included in the agenda packet for the Executive Board's review. The Program Administrators will review the results of the Actuarial Study with the Executive Board at the meeting.

**RECOMMENDATION:** Information only.

**FISCAL IMPACT:** The cost of the actuarial study was \$44,700.

**BACKGROUND:** The actuarial report is used to re-evaluate past projections with current loss data and to project future payment patterns to determine rates for the upcoming renewal.

Since CSRMA has transferred the go forward risk for the pooled layer to the captive (CWIC), the unpaid loss and LAE in the WTW study excluded policy years 7/1/23-24 and 7/1/24-25. WTW continues to provide projected funding for the pooled layer (ultimate net loss) in future years should CSRMA wish to retain the risk in lieu of transferring it to CWIC.

Included in the presentation the actuary will provide an overview of California's workers' compensation environment and examine CSRMA's experience in relation to the industry's experience with additional commentary on sanitation-specific industry insured experience and loss costs.

**ATTACHMENTS:** Willis Towers Watson Presentation

# California Sanitation Risk Management Authority

## Self-Funded Workers' Compensation Program

By: Maureen Stazinski, FCAS, MAAA  
Trevor Herzig, ACAS, MAAA

May 21, 2026

[wtwo.com](http://wtwo.com)

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**wtw**

# Agenda

- Purpose and Scope
- Summary of Findings
- Changes from Prior Analysis
  - Actual vs. Expected
  - Changes in Selected Ultimate Loss and ALAE
- Comparison to California Workers' Compensation Industry
- CA WC Industry: Rate Change and Looking Ahead
- Appendix



# Purpose and Scope

# Purpose and Scope

- Estimate the unpaid loss and loss adjustment expense (LAE)
  - For accident periods through 7/1/2022-2023 only (excludes captive-insured accident periods)
  - As of February 28, 2026; June 30, 2026; December 31, 2026 and June 30, 2027
  - At expected level, and 70%, 80%, 90% and 99% confidence levels
  - Undiscounted and discounted at 2.5% annual interest rate
- Compare estimated unpaid loss and LAE with CSRMA's estimated fund balance as of June 30, 2026 to determine the adequacy of funds held to pay claims
- In the report, we provide projected funding estimates for the amount of loss and LAE to be incurred in fiscal periods 7/1/2026-2027 and 7/1/2027-2028 assuming self-insured retention limits of:
  - \$250,000, \$500,000, \$750,000, and \$1 million per claim
  - For discussion with management. Not included in this presentation.



# Summary of Findings

# Estimated Unpaid Loss and LAE\*

As of February 28, 2026, June 30, 2026, and June 30, 2027

Through Accident Periods 7/1/2022-2023

Interest Rate of 2.5%

(In \$000's)	Undiscounted Unpaid as of			Discounted Unpaid as of		
	2/28/2026	6/30/2026	6/30/2027	2/28/2026	6/30/2026	6/30/2027
Expected Level	\$9,788	\$9,264	\$7,976	\$8,160	\$7,693	\$6,562
70% Confidence Level	10,644	10,076	8,681	8,857	8,353	7,129
80% Confidence Level	11,768	11,144	9,607	9,774	9,220	7,874
90% Confidence Level	13,632	12,915	11,142	11,293	10,659	9,110
99% Confidence Level	23,733	22,508	19,459	19,527	18,450	15,804

- LAE = Loss Adjustment Expense; includes Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE). Loss and ALAE are discounted, and ULAE is not discounted.
- Confidence levels represent the probability that actual losses will not exceed the indicated amount (e.g., a 99% confidence level implies a 1% chance of exceedance).

# Unpaid Loss and LAE and Funding Position

As of June 30, 2026

CSRMA assets available to pay claims (est.) –Through Accident Periods 7/1/2022-2023	\$14.4M
Estimated discounted unpaid loss and LAE*	\$7.7M
CSRMA's workers' compensation program assets exceed unpaid loss & LAE	\$6.7M

- Amount in which assets exceed unpaid loss & LAE increased by \$1.7M, from \$5.0M as of June 30, 2025, to \$6.7M as of June 30, 2026.
  
- LAE = Loss Adjustment Expense; includes Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE). Unpaid loss and LAE are at the expected level, loss and ALAE are discounted, and ULAE is not discounted.

# Unpaid Loss and LAE and Funding Position (cont.)

As of June 30, 2026

<b>CSRMA assets available to pay claims (est.) –Through Accident Periods 7/1/2022-2023</b>	<b>\$14.4M</b>
Estimated unpaid loss and LAE* - Central Estimate	\$7.7M
Estimated unpaid loss and LAE* - 70 <sup>th</sup> Percentile	\$8.4M
Estimated unpaid loss and LAE* - 80 <sup>th</sup> Percentile	\$9.2M
Estimated unpaid loss and LAE* - 90 <sup>th</sup> Percentile	\$10.7M
Estimated unpaid loss and LAE* - 99 <sup>th</sup> Percentile	\$18.4M

- Funding position is adequate to above the 90th Percentile of discounted unpaid loss and LAE as of June 30th, 2026.

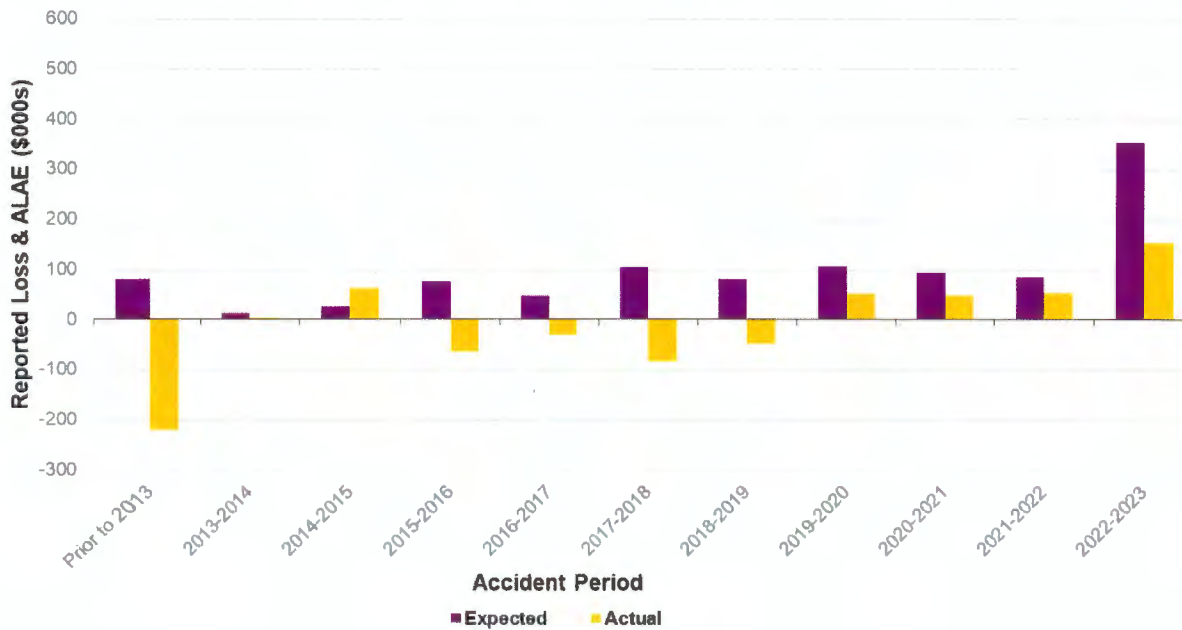
- LAE = Loss Adjustment Expense; includes Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE). Unpaid loss and LAE are at the expected level, loss and ALAE are discounted, and ULAE is not discounted.



# Changes from Prior Analysis

# Actual reported losses have been lower than expected by \$1.1M

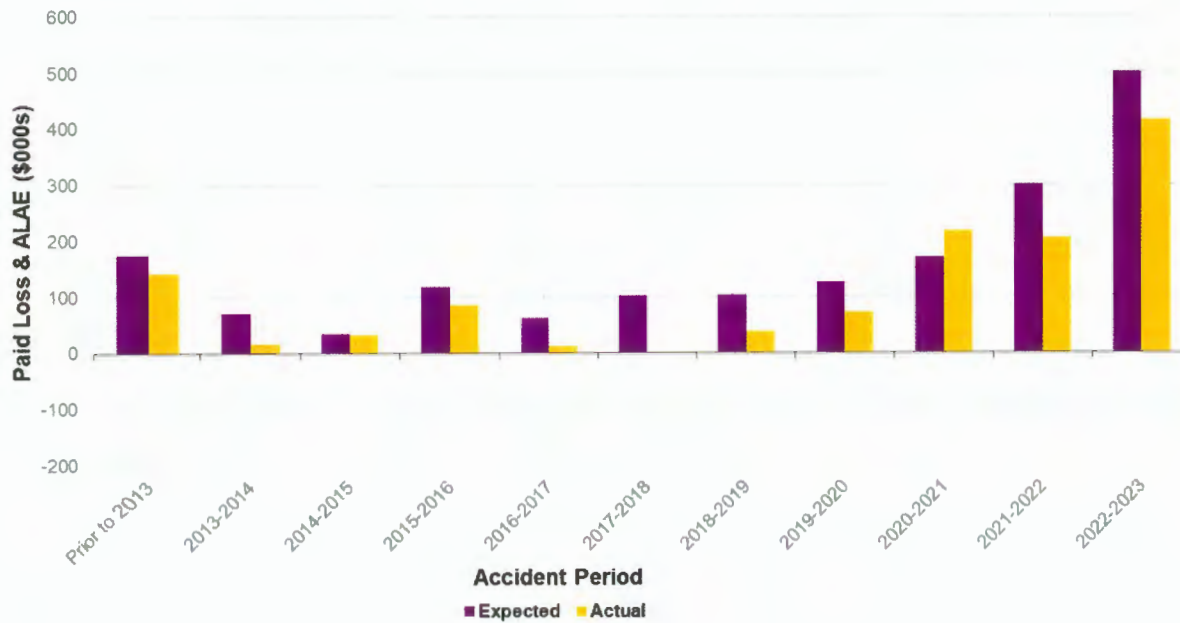
Retained Limits Reported Actual vs. Expected from 3/1/25-2/28/26



- Expected reported losses for all years (1990/1991 through 2022/2023) in the 12-month period were \$1.1M
- Actual reported losses during the same period were \$0.0M, which is \$1.1M lower than expected

# Actual paid losses have been lower than expected by \$0.5M

Retained Limits Paid Actual vs. Expected from 3/1/25-2/28/26



- Expected paid losses for all years (1990/1991 through 2022/2023) in the 12-month period were \$1.8M
- Actual paid losses during the same period were \$1.3M, which is \$0.5M lower than expected

# Estimates of ultimate loss & ALAE have been reduced to reflect favorable experience

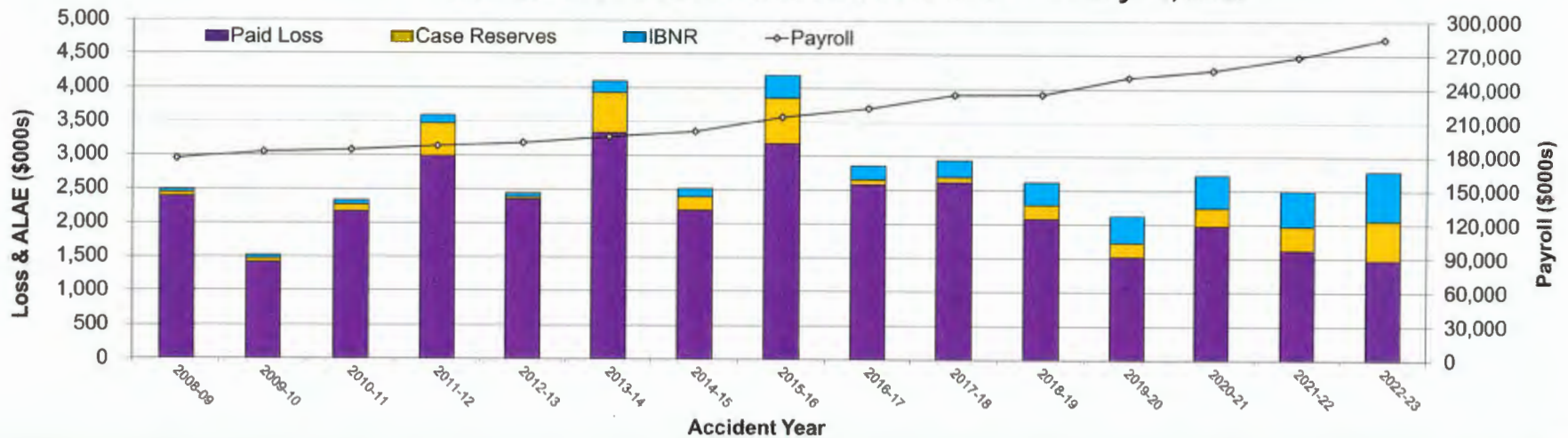
Comparison of Estimates - Ultimate Loss & ALAE (\$000s)				
Based on Data as of				
Accident Year	02/28/2026	02/28/2025	\$ Difference	% Difference
2003 - 2004 and Prior	\$21,085	\$21,119	(\$34)	-0.2%
2004 - 2005	1,810	1,910	(100)	-5.2%
2005 - 2006	1,888	1,927	(39)	-2.0%
2006 - 2007	3,466	3,466	0	0.0%
2007 - 2008	1,903	1,844	59	3.2%
2008 - 2009	2,496	2,534	(38)	-1.5%
2009 - 2010	1,520	1,590	(70)	-4.4%
2010 - 2011	2,335	2,344	(9)	-0.4%
2011 - 2012	3,594	3,612	(18)	-0.5%
2012 - 2013	2,442	2,495	(53)	-2.1%
2013 - 2014	4,100	4,040	60	1.5%
2014 - 2015	2,512	2,489	23	0.9%
2015 - 2016	4,190	4,350	(160)	-3.7%
2016 - 2017	2,860	2,970	(110)	-3.7%
2017 - 2018	2,938	3,184	(246)	-7.7%
2018 - 2019	2,615	2,770	(155)	-5.6%
2019 - 2020	2,125	2,218	(93)	-4.2%
2020 - 2021	2,722	2,848	(126)	-4.4%
2021 - 2022	2,499	2,743	(244)	-8.9%
2022 - 2023	2,786	3,141	(355)	-11.3%
<b>Total</b>	<b>\$71,886</b>	<b>\$73,594</b>	<b>(\$1,708)</b>	<b>-2.3%</b>

# Ultimate Loss & ALAE

## Paid Loss & ALAE + Case Reserves + IBNR

- The older the accident year, typically the higher proportion of loss that has been paid.
- Total unpaid loss & ALAE = the sum of case reserves (yellow bar) and IBNR (blue bar).
- The less mature the accident year, the greater proportion of IBNR in the unpaid amounts.
- Ultimate losses can be higher or lower each year depending on many factors including:
  - Payroll (exposure)
  - SIR Retention Limits
  - WC benefit levels
  - Large losses
  - Favorable/adverse AvE

Ultimate Loss & ALAE Based on Data as of February 28, 2026



# Observations of Changes in Claims Experience

## Average case reserve on open claims has decreased

- A decrease of 7% from \$47,513 as of 2/28/2025 to \$44,175 as of 2/28/2026
- Number of open claims decreased 16% from 126 to 106 year-over-year
- Total case reserve amount decreased 22% from \$6.0M to \$4.7M year-over-year

## 1 claim with an increase in reported losses > \$75K since last year contributes \$0.95M

- In 2025 study, 9 claims with \$1.2M increase in reported losses
- In 2024 study, 7 claims with \$0.7M increase in reported losses

## Large claims activity is stable

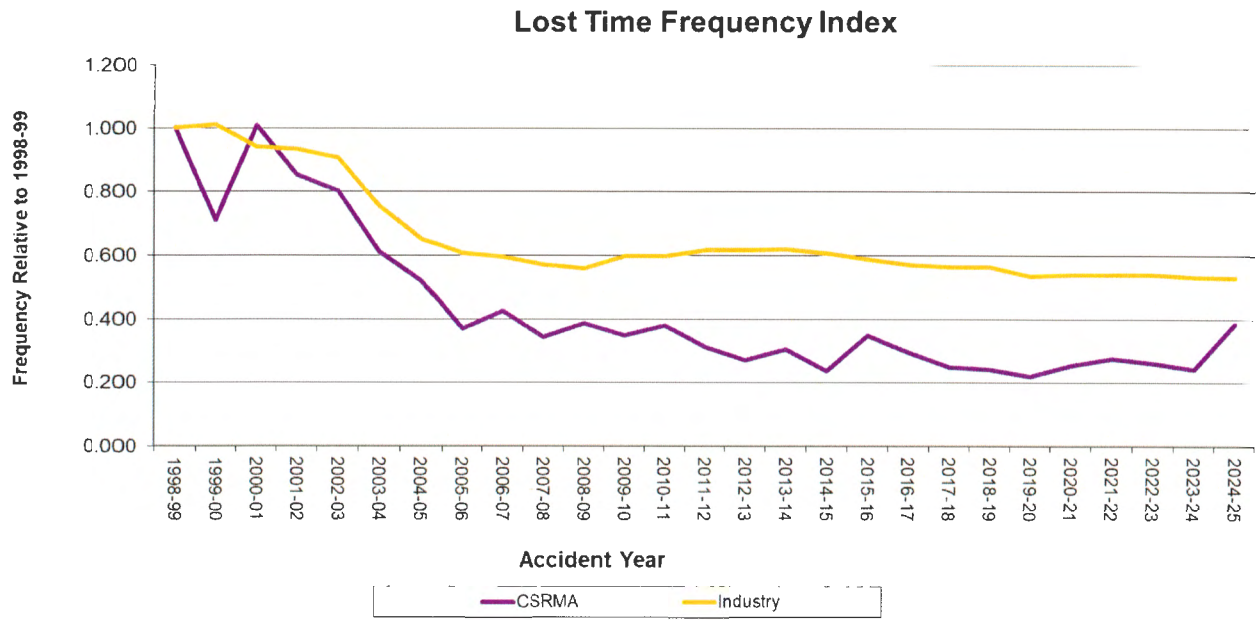
- 105 claims with reported loss & ALAE > \$100K from fiscal years 2008-2009 through 2022-2023
- In 2025 study, 106 claims for the same period (100 in the 2024 study, 93 in the 2023 study)
- 12 claims breached SIR on a reported basis (12 claims in the 2025 study, 4 claims in the 2024 study)



## Comparison to CA WC Industry

# CSRMA vs. Industry

## Claim Frequency

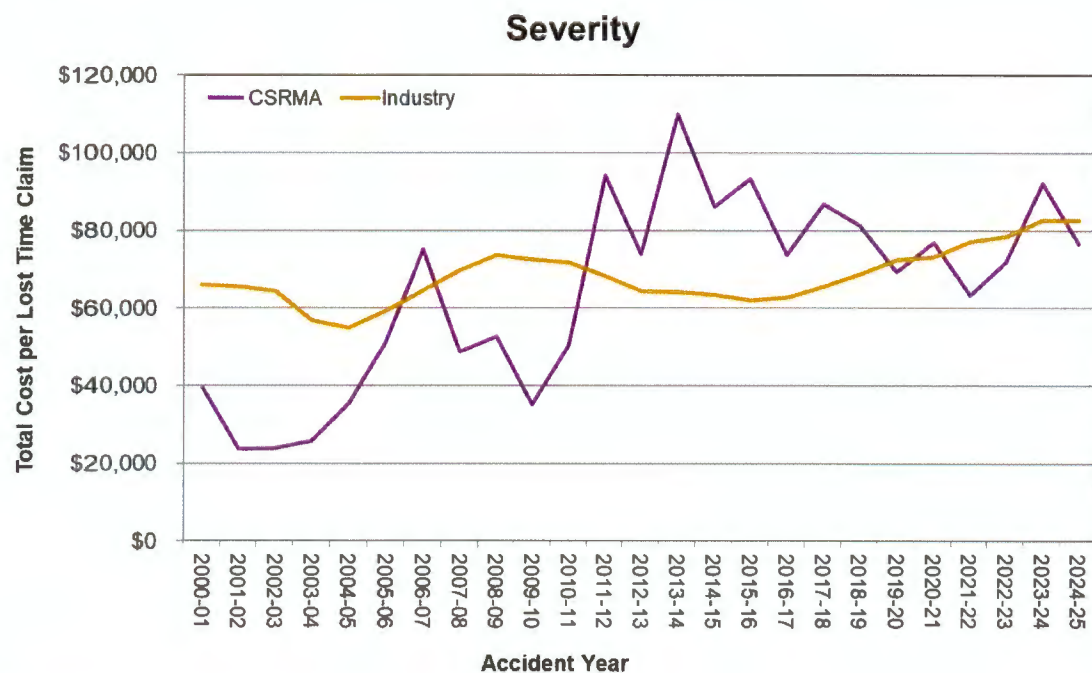


- Claim frequencies for Industry have remained steady in the latest five years.
- Claim frequencies for CSRMA show a modest upward trend over the past five years, with a noticeable uptick in 2024-25.

**Note:** Industry data from WCIRB as of 12/31/2025. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period. Frequencies are adjusted to a common wage basis.

# CSRMA vs. Industry

## Claim Severity



- Industry unlimited severity has shown a gradual increase since AY 2015.
- CSRMA severity, retained at the limits below, has shown a gradual decrease over the past decade, although shows increases in accident years 2022-23 and 2023-24.

Period	CSRMA Per Occurrence Retention
1996 – 2002	\$300,000
2002 – 2003	500,000
2003 – 2019	750,000
2019 – 2027	250,000

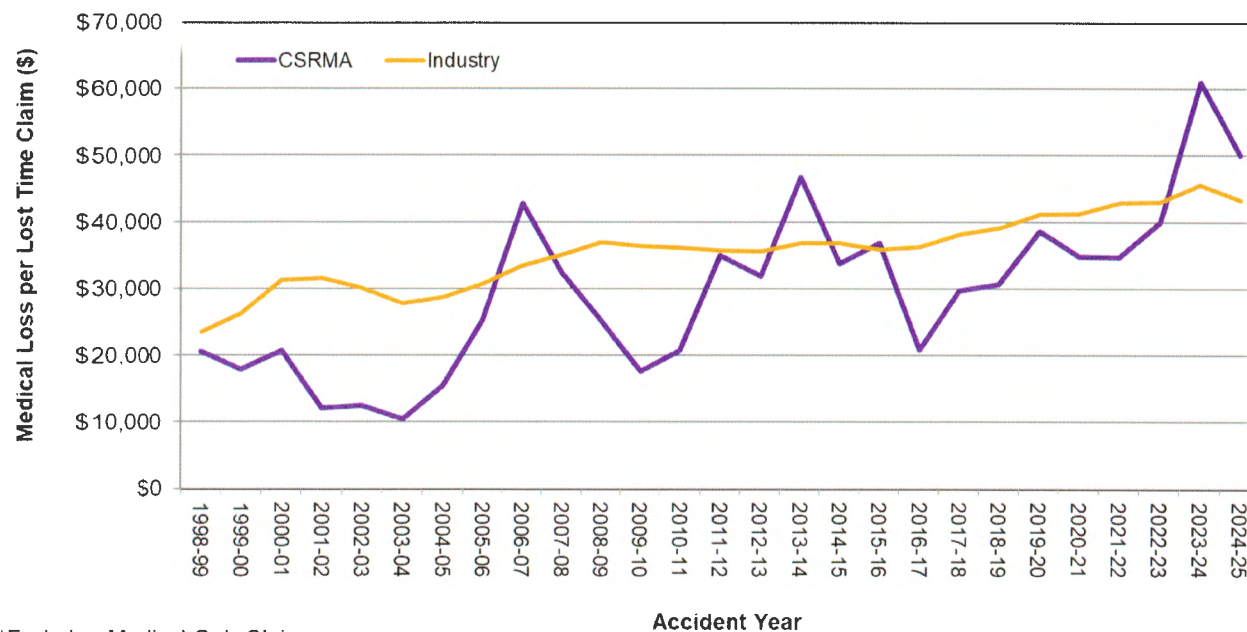
**NOTES:**

1. CSRMA Severity data has been restated based on new claim type definitions from Athens loss run: "Indemnity – No Lost Time" claim types are now excluded.
2. Industry data from WCIRB as of 9/30/2025. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.

# CSRMA vs. Industry

## Ultimate Medical\* Losses Per Lost Time Claim

Ultimate Medical Loss per Lost Time Claim



- CSRMA’s medical loss per lost-time claim remains broadly aligned with industry benchmark, with a recent uptick above the benchmark in 2023–24 and 2024–25.
- CSRMA’s indemnity loss per lost-time claim has moved downward toward industry levels in recent accident years.

\*Excludes Medical-Only Claims

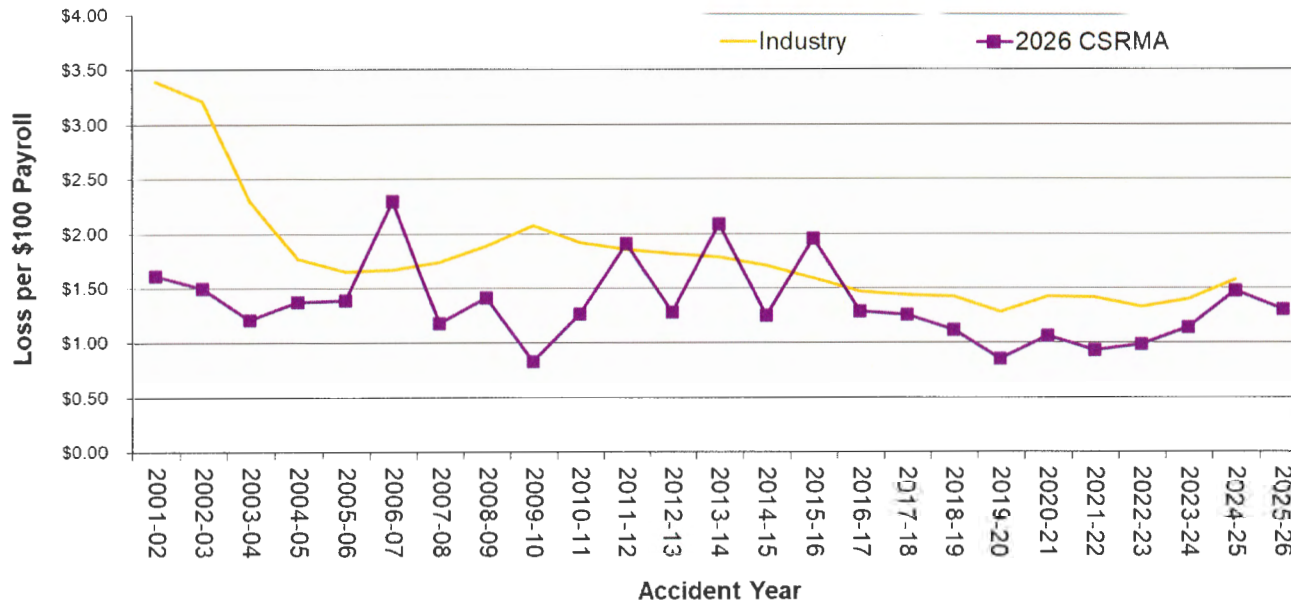
**Notes:**

1. Industry data from WCIRB as of 12/31/2025. CSRMA data evaluated as of 2/28/2026. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.
2. CSRMA Medical IBNR allocated to claim based on IBNR to case ratios. The CSRMA data is gross of retention.

# CSRMA vs. Industry

## Pure Premium

Estimated Ultimate Pure Premiums



- CSRMA's pure premium level has decreased in most accident years as compared to the 2025 analysis.
- Rebounding industry pure premium levels, now at their highest since 2015–2016, are driving consecutive WCIRB rate increases.

Note: Industry pure premium derived using WCIRB data as of 12/31/2025. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.



## CA WC Industry: Rate Change and Looking Ahead

# The Current CA WC Environment

## WCIRB Proposed Pure Premium Rate – September 1, 2026

### Proposed rate change of +10.4% over the approved September 1, 2025 rates

- Drivers of the Increase
  - Rising medical costs
  - Higher frequency of cumulative trauma claims
  - Elevated ALAE trends
- Historical Comparison:

Effective Date	Rate Change %
September 1, 2023	-2.6%
September 1, 2024	-2.1%
September 1, 2025	+8.7%
September 1, 2026	+10.4% ( <i>Proposed</i> )

- Source: WCIRB Bulletin No 2026-05, April 30, 2026.

# Workers' Compensation benefits are adjusted annually to account for changes in the cost of living.

## Effective January 1, 2026, California WC benefits have increased

- State Average Weekly Wage (SAWW) in the state of California increased from \$1,704 to \$1,789 between 2024 and 2025, an increase of 4.99%.
- This increase is reflected in the temporary total disability (TTD) benefits and the permanent total disability (PTD) benefits effective January 1, 2026.
- Historical increases to benefit levels in California are as follows:

Effective Date	Annual Benefit Level Increase
January 1, 2023	5.16%
January 1, 2024	0.00%
January 1, 2025	3.78%
January 1, 2026	4.99%

# Notes from the April 14, 2026 WCIRB Meeting

## Study of Recent Increases in the Filing of Cumulative Trauma (CT) Claims

- Background:
  - CT claims are alleged to result from repetitive or ongoing work exposure over time.
    - Examples include repetitive motion, stress, long-term physical strain
- Key Findings:
  - In recent AYs, CT claims have been much more likely to begin with legal or dispute-related activity rather than initial medical treatment.
    - Approximately 25% of indemnity claims in AY 2023, compared to 7% of indemnity claims in AY 2015.
  - Paid ALAE per claim is higher on CT claims.
  - CT claims with companion claims have lower paid indemnity, medical and ALAE severity than CT claims without companion claims
- Source: WCIRB Actuarial Committee Presentation, April 14, 2026.



# Appendix

# Terminology

## **CSRMA's Workers' Compensation Unpaid Loss & ALAE are the Sum of:**

- Reserves estimated on a case-by-case basis ("Case Reserves") by CSRMA's claims examiners at Athens
- Reserves estimated on an aggregate basis ("Incurred But Not Reported" or "IBNR") by CSRMA's actuary at WTW; IBNR provides dollars in reserve for:
  - Claims which have occurred but haven't been reported yet
  - Value increases ("development") on known claims that cannot be foreseen by the examiner given the known facts of the case

## **Unpaid Loss & ALAE are expected to cover all future payments for:**

- Medical benefits
- Indemnity benefits
- Adjustment costs that can be attributed/allocated to specific claims
  - "Allocated loss adjustment expense" or ALAE
- Adjustment costs that cannot be allocated to individual claims
  - "Unallocated loss adjustment expense" or ULAE

# Terminology (continued)

## CSRMA's Self-Insured Retention (SIR)

- The maximum amount of each occurrence for which CSRMA is responsible
- Any amounts above the SIR are paid by the insurer
- The SIR was lowered from \$750,000 to \$250,000 effective 7/1/2019
- CSRMA annually evaluates whether to self-fund the risk under the SIR layer or transfer the risk to Clean Water Insurance Captive (CWIC) to reinsure the layer.

## “Accident Year” = Fiscal year during which the workers’ injury occurred

### For each accident year, we measure the following quantities:

- “Exposure” = an objective quantity that measures the potential for workers’ compensation losses, usually measured in units of \$100 of payroll
- “Pure Premium” = the cost of workers’ compensation losses per exposure in an accident year
  - Frequency x Severity = Pure Premium
- “Frequency” = the number of claims per year, usually stated relative to exposure
- “Severity” = the (average) cost of a claim
- “Reported Losses” = Paid Losses + Case Reserves
- “Ultimate Losses” = Paid Losses + Case Reserves + IBNR

# Methodology for Unpaid Loss & ALAE

## Loss Development Method – For paid and reported losses

- Extrapolate and apply the growth (“development”) patterns of older accident years to more recent accident years.

## Bornhuetter-Ferguson Method – For paid and reported losses

- Knowing the average “height” of an accident year you would expect, and given the “height” of the accident year to date, estimate its remaining growth
- Replaces future expected losses with actual losses as they unfold

## Select ultimate losses based on the results from various methods

Subtract paid losses as of an evaluation date from ultimate losses to determine unpaid loss and ALAE at the evaluation date

# Methodology for Estimating Funding for Upcoming Years

**Adjust ultimate loss & ALAE for all years so that they are all at next year's level ("on-level")**

- Changes in benefit levels
- Change in trend
  - Medical costs
  - Payroll trend
- Changes in CSRMA's retention levels

**Divide by historical payroll to estimate projected workers' compensation cost per \$100 of payroll (i.e., pure premium)**

**Multiply selected pure premium by proposed future payroll to get future dollar costs**

Questions?

## **Workers' Compensation** **Retrospective Rating Calculation as of June 30, 2025**

**ISSUE:** The Retrospective Rating Calculation based on updated loss information and financial data as of June 30, 2025 has been completed. The draft calculation results in a retrospective adjustment in the amount of -\$1,394,338.

The Workers' Compensation Committee is recommending a partial retrospective rating adjustment in the amount of 50% of the draft retro calculation to member invoices and releasing the remaining funds the following year. The Committee is taking a conservative approach by recommending a partial retrospective rating adjustment to hedge against claims developing unfavorably resulting in the potential for the respective rating calculation to claw back funds returned to members in future years.

**RECOMMENDATION:** The Workers' Compensation Committee recommends that the Executive Board approve a partial retrospective rating adjustment of 50% of the draft retro calculation to member invoices. The Program Administrators are verifying the draft calculation results and will advise at the meeting if an adjustment is needed.

**FISCAL IMPACT:** The table on the following page summarizes the full retro adjustment by program year. 50% of the draft retro adjustment is \$697,169.

Willis Towers Watson's April 29, 2026 draft Actuarial Report indicates that the Program will have estimated surplus in the amount of \$6,704,151 as of June 30, 2026, *before* consideration of the retro adjustments.

Individual member results will be provided on the handout with some members owing monies, and others getting a return based on their size and loss history.

**BACKGROUND:** The Retro plan was adopted in 1990 as the mechanism to spread equitably losses amongst members. Each program year is evaluated beginning 36 months after expiration, and annually thereafter to either return or collect money to the membership according to their level of contribution to the success of the pool. Since the program year begins on July 1, the retro calculation is performed based on financial data at June 30 of the prior year. Major components of the retrospective rating plan include:

- Paid Losses
- Claims Reserves
- Incurred but not reported (IBNR) losses
- Administrative Costs
- Investment Income

After the calculation is run, retro deposit (premium) adjustments appear as a debit or credit on member's renewal invoices. The calculation is performed by a computer program, which applies the retro formula adopted by the Board of Directors.

**ATTACHMENTS:** Retrospective Rating Results as of June 30, 2025 for Program Years Twelve through Thirty-Two. (TENTATIVE HANDOUT)

<b>Program Year</b>		<b>Draft 2025 Retro Adjustment</b>
13	2002-03	(1,712)
14	2003-04	-
15	2004-05	(121)
16	2005-06	(3,038)
17	2006-07	(16,585)
18	2007-08	(20,429)
19	2008-09	(105,549)
20	2009-10	2,206
21	2010-11	13,730
22	2011-12	(5,592)
23	2012-13	(12,442)
24	2013-14	42,387
25	2014-15	(9,980)
26	2015-16	(123,772)
27	2016-17	(32,918)
28	2017-18	(194,168)
29	2018-19	(33,337)
30	2019-20	(12,787)
31	2020-21	5,165
32	2021-22	(885,396)
<b>TOTAL</b>		<b>(1,394,338)</b>

**Workers' Compensation Program**  
**PY 37 (2026-27) Renewal Costs**

**ISSUE:** The Workers' Compensation Program will be renewing July 1, 2026. The Executive Board should consider a recommendation for the upcoming renewal from the Workers' Compensation Committee.

**RECOMMENDATION:** The Workers' Compensation Committee is recommending that the Executive Board approval of the renewal at the expiring program structure transferring the Pooled Layer risk (\$0 - \$250,000) to the Clean Water Insurance Captive (CWIC) at a total cost not to exceed \$6,210,819.

**FISCAL IMPACT:** The following table outlines the fiscal impact for Program Year 37 at the expiring program structure.

Expense Item	PY	PY	Change	
	2025/26	2026/27		
Ult. Net Loss/ CWIC Gross Premium	3,360,105	3,328,689	-31,416	-0.93%
Est. XS Insurance Exp. (Net)	843,135	673,161	-169,974	-20.16%
Buy Down Insurance Exp.	1,046,270	1,098,930	52,660	5.03%
Estimated Program Expense	<u>984,565</u>	<u>1,110,039</u>	<u>125,474</u>	<u>12.74%</u>
<b>Total Expected Costs</b>	<b>6,234,075</b>	<b>6,210,819</b>	<b>-23,256</b>	<b>-0.37%</b>

**BACKGROUND:** The cost of the renewal can be summarized in three major categories: CWIC Gross Premium / Ultimate Net Loss, Estimated Excess/Reinsurance Expense and Estimated Program Expense.

Alliant's actuarial team performed the actuarial analysis to develop the "CWIC gross premium". The analysis includes the costs to fund losses in the \$0 - \$250K layer and CWIC's administrative expenses. The actuary is projecting a year-over-year decrease in funding as a result of favorable loss development. Member payroll increased 6.08%.

The premium for the "estimated excess insurance expense" is expected to decrease approximately 20%. The Program Administrators received an alternative quote from Chubb for this year's renewal. Chubb offered a quote that was approximately 30% less than the expiring premium with Safety National, with a 2-year rate commitment. Safety National quoted a 2-year policy with annual installments. The annual premium quoted by Safety National is approximately 20% less than expiring. Chubb's quote represents a premium savings of about 9% over Safety National. Safety National included \$25,000 in risk control funds with their proposal, bringing the net savings presented by Chubb to

about 5%. Given CSRMA's long-term partnership with Safety National, the Committee is recommending the excess insurance layer be renewed with Safety National. The excess insurance layer provides Statutory Limits excess of \$1,000,000.

The premium for the "buy down insurance expense" (reinsurance) is expected to increase approximately 5% due to an increase in member payroll, essentially a slight rate reduction. MSIG USA is the new front for the program replacing State National, but the reinsurers behind the front are consistent. Coverage is provided for a buffer layer (\$750,000 x \$250,000) between CWIC and Safety National.

The "Estimated Program Expense" comes from the Board approved budget. The 12.74% increase is largely due to a projected increase in the User Fund/Fraud Assessment expense, and an increase in the Program Directors' Fee of 3% in accordance with the contract between Alliant Insurance Services and CSRMA.

**ATTACHMENTS:** None.

**Workers' Compensation Program**  
**Dividend Calculation as of June 30, 2025**

**ISSUE:** Each year, the Board of Directors evaluates declaring a dividend from retained funds held in the Workers' Compensation Program. Declaration of dividends is governed by Policy & Procedure No. 4-WC, which allows for dividends to be declared from completed program years if the following requirements are met:

- The Program, on an aggregate basis, is funded to a 70% confidence level with retained funds in excess of the pooled layer per occurrence limit currently in force.
- Dividends cannot be declared sooner than five years after expiration of a program year.
- No more than 25% of any years' retained earnings will be declared as dividends.
- The retained funds amount is in excess of seven (7) times the pooled layer per occurrence limit currently in force prior to the dividend calculation, subject to a minimum retained fund balance in the program after the dividend is calculated in the amount of \$5,000,000.

As of June 30, 2025, the Workers' Compensation Program audited net equity figure was \$6,251,153. With the recommended Retrospective Rating Adjustment, declaration of a dividend would drop the retained fund balance below the minimum threshold.

**RECOMMENDATION:** None. Information only.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Retrospective Rating Plan (RRP) limits retrospective returns to 25% of the members' original deposits. This means that additional funds are left in the pool; which are not necessary to pay claims. The Board of Directors adopted Policy & Procedure No. 4-WC to govern calculation and declaration of dividends. The Dividend Policy & Procedure allows that up to 25% of the retained funds of an eligible program year may be returned to members in the form of a dividend. Unlike the RRP, which assesses members with poor loss performance, dividends are shared among all members, although the share of members with poor loss performance is reduced.

**ATTACHMENTS:** None.

## Property Program Renewal FY 2026/27

**ISSUE:** The Property Insurance Program renews July 1, 2026. Currently, CSRMA participates in the Alliant Property Insurance Program (APIP), a group purchase program that has historically offered extensive coverage and competitive rates. The Program also includes coverage for Cyber Liability and Pollution Liability insurance.

The Pooled Liability Committee reviewed this item at their May 5<sup>th</sup> meeting, at which time the renewal quotes had not yet been received. Therefore, an estimated Total Expected Cost of \$9,763,696 (2.4% less than expiring) was presented to the Committee. Their recommendation to the Executive Board was based on this being a “not to exceed” total cost. We are now in receipt of the quote, and as depicted in the table below, the quote is less than the estimate provided to the Committee.

**RECOMMENDATION:** The Pooled Liability Committee recommends that the Executive Board approve renewing the Property Program.

**FISCAL IMPACT:** The total cost of the Program is down by 4.4% compared to the expiring year. This is largely based on a 5.8% increase in TIV and 12.2% reduction in the rate charged by underwriters on the Insurance Costs. A detailed breakout of all the renewal costs is shown below.

Expense Item	2025-26	2026-27	Cost Change	
	\$1.25 Billion Limit Excess of \$100K Pooled Layer	\$1.25 Billion Limit Excess of \$100K Pooled Layer	\$	%
Est. Pool Deposits (70% CL, Discounted at 2%)	700,085	722,888	22,803	3.3%
Est. Insurance Costs (Net)	8,840,394	8,216,150	-624,244	-7.1%
Est. Dedicated Excess Cyber Liability Insurance	153,922	153,222	-700	-0.5%
Property Appraisal Fees	N/A	146,400	146,400	N/A
Est. Fixed Expense (JPA Charge)	121,820	132,677	10,857	8.9%
Program Director Fees	192,000	198,000	6,000	3.1%
<b>Total Costs</b>	<b>10,008,221</b>	<b>9,569,337</b>	<b>-438,884</b>	<b>-4.4%</b>

*Insurance Cost includes Prop, B&M, Cyber, Optional Cyber Retention Buydown & Pollution*

*Property Appraisals Fees approved by Executive Board for appraisals conducted at 28 Treatment Plants < 10 MGD's*

*Increase in JPA Charge due to a proposed increase in the Outside Safety Consultant expenses*

*Increase in Program Director Fees due to a proposed increase in the fee paid to Alliant Insurance Services*

**BACKGROUND:** Over the past 12-18 months, the commercial property insurance market has softened, driven largely by an increase in available capacity and a reduction in catastrophic claims activity. As more carriers re-enter the space or expand their appetite, competition has intensified, which has generally led to more favorable pricing for insureds with clean loss histories. While things are trending in a positive direction, major catastrophic events still play a

big role in shaping the market, and conditions can shift quickly. We have seen some relief in California wildfire activity, but events such as convective storms in other parts of the country continue to exert pressure on the market. Even in regions not directly affected by these events, their cumulative impact influences both the insurance and reinsurance landscape, ultimately shaping underwriting appetites and pricing.

Several key factors continue to influence the direction of the commercial property market. Just some of these factors include:

- **Frequency and severity of natural catastrophes.** Catastrophic events are occurring more often and with greater intensity. Since the 1980s, average annual insured catastrophe losses (adjusted for inflation) have increased by approximately 700%, and the trend shows no signs of slowing. In 2025 alone, there were 23 weather-related events that generated losses exceeding \$1 billion, making it the third-highest year on record for both frequency and severity. This sustained level of activity presents ongoing challenges for insurers.
- **Escalating construction costs and valuation concerns.** Although broader inflation has moderated, construction costs remain elevated due to persistently high material prices and a shortage of skilled labor. In addition, evolving building codes and regulatory requirements have further increased rebuilding expenses. These dynamics are driving higher replacement costs and making accurate property valuation more difficult to maintain. Even well-managed valuations can fall short when factoring in additional coverages and changing cost assumptions. As a result, insurers are increasingly conducting their own assessments of value adequacy and, in many cases, underwriting and pricing risks based on higher estimated values than those reported.

To help address these valuation concerns APIP provides complimentary appraisals to CSRMA members every 5–7 years for buildings valued over \$5 million and treatment plants with capacities greater than 10 MGD. On-site appraisals are currently underway or being scheduled for this calendar year. The Executive Board has also approved a preferred rate for appraisals of treatment plants under 10 MGD. In addition, the Program Administrators have been directed to use the Archipelago software to assess replacement cost values for all remaining locations not included in the on-site appraisal work.

### **Optional Cyber Liability Retention Buydown**

Also included within the “Est. Insurance Costs” line item on the cost table, is the cost for the option to lower member’s Cyber Liability per incident retentions. The cost associated with this option is \$87,703. Retention amounts are tiered based on Total Insurable Values (TIV).

Current retention tiers are:

- \$50K for TIV under \$250M
- \$100K for TIV from \$250M - \$750M
- \$250K for TIV over 750M

The optional reduced retention tiers are:

- \$15K for TIV under \$100M
- \$25K for TIV from \$100M - \$250M
- \$50K for TIV from \$250M - \$750M
- \$100K for TIV over 750M

If this option is purchased, members' individual retentions would decrease as shown in the table below.

Member	Estimated Current Cyber Retention	Estimated Retention w/ Optional Buydown
BAYSHORE SANITARY DISTRICT	\$50,000	\$15,000
CARMEL AREA WASTEWATER DISTRICT	\$50,000	\$25,000
CARPINTERIA SANITARY DISTRICT	\$50,000	\$15,000
CASTRO VALLEY SANITARY DISTRICT	\$50,000	\$15,000
CENTRAL CONTRA COSTA SANITARY DISTRICT	\$250,000	\$100,000
CENTRAL MARIN SANITATION AGENCY	\$50,000	\$25,000
CROCKETT COMMUNITY SERVICES DISTRICT	\$50,000	\$15,000
CUPERTINO SANITARY DISTRICT	\$50,000	\$15,000
DELTA DIABLO	\$100,000	\$50,000
DUBLIN SAN RAMON SERVICES DISTRICT	\$100,000	\$50,000
EAST BAY DISCHARGERS AUTHORITY	\$50,000	\$15,000
ENCINA WASTEWATER AUTHORITY	\$100,000	\$50,000
FAIRFIELD/SUISUN SEWER DISTRICT	\$100,000	\$50,000
GOLETA SANITARY DISTRICT	\$50,000	\$25,000
GOLETA WEST SANITARY DISTRICT	\$50,000	\$15,000
INLAND EMPIRE UTILITIES AGENCY	\$250,000	\$100,000
IRONHOUSE SANITARY DISTRICT	\$50,000	\$25,000
LAKE ARROWHEAD COMMUNITY SERVICES DIST.	\$50,000	\$25,000
LAS GALLINAS VALLEY SANITARY DISTRICT OF MARIN COUNTY	\$50,000	\$25,000
LEUCADIA WASTEWATER DISTRICT	\$50,000	\$15,000
LINCOLN-SEWER MAINTENANCE DISTRICT 1 WASTEWATER AUTHORITY (LISWA)	\$50,000	\$25,000
MONTARA WATER AND SANITARY DISTRICT	\$50,000	\$15,000
MONTECITO SANITARY DISTRICT	\$50,000	\$15,000
MONTEREY ONE WATER	\$100,000	\$50,000
MT. VIEW SANITARY DISTRICT	\$50,000	\$15,000
NORTH OF RIVER SANITARY DISTRICT NO. 1	\$50,000	\$15,000
NOVATO SANITARY DISTRICT	\$50,000	\$25,000
OJAI VALLEY SANITARY DISTRICT	\$50,000	\$15,000
ORO LOMA SANITARY DISTRICT	\$50,000	\$25,000
RICHARDSON BAY SANITARY DISTRICT	\$50,000	\$15,000
RODEO SANITARY DISTRICT	\$50,000	\$15,000
SAN ELIJO JOINT POWERS AUTHORITY	\$50,000	\$15,000
ROSS VALLEY SANITARY DISTRICT	\$50,000	\$15,000
SANITARY DISTRICT NO. 5 OF MARIN COUNTY	\$50,000	\$15,000
SAN RAFAEL SANITATION DISTRICT	\$50,000	\$15,000
SANTA MARGARITA WATER DISTRICT	\$100,000	\$50,000
SAUSALITO-MARIN CITY S.D.	\$50,000	\$15,000
SELMA-KINGSBURG-FOWLER C.S.D.	\$50,000	\$25,000
SEWERAGE AGENCY OF SOUTHERN MARIN	\$50,000	\$15,000
SEWER AUTHORITY OF MID-COASTSIDE	\$50,000	\$15,000
SILICON VALLEY CLEAN WATER	\$50,000	\$25,000
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY	\$100,000	\$50,000
STEGE SANITARY DISTRICT	\$50,000	\$15,000
TAHOE-TRUCKEE SANITATION AGENCY	\$100,000	\$50,000
UNION SANITARY DISTRICT	\$100,000	\$50,000
VALLEJO FLOOD AND WASTEWATER DISTRICT	\$100,000	\$50,000
VICTOR VALLEY WASTEWATER RECL. AUTH.	\$100,000	\$50,000
WEST BAY SANITARY DISTRICT	\$50,000	\$15,000
WEST COUNTY WASTEWATER DISTRICT	\$50,000	\$25,000
WESTERN RIVERSIDE CO. REG. WASTEWATER AUTHORITY	\$50,000	\$25,000
WEST VALLEY SANITATION DISTRICT	\$50,000	\$15,000

The table in the Fiscal Impact section of this item provides renewal pricing for CSRMA's "All Risk" Property Insurance Program, including Terrorism, Boiler & Machinery, Cyber Liability, Cyber Liability Optional Retention Buydown and Pollution Liability coverage, at the current deductible and limit structure.

The costs shown in the table are subject to change if members' reported values change between now and July 1.

**ATTACHMENTS:** APIP Executive Summary and Description of Coverage Changes for  
26-27

## ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2026 – July 1, 2027

### EXECUTIVE SUMMARY

The key goals for the 2026/27 APIP renewal are to maintain financial efficiency, to provide comprehensive coverage, and to ensure program stability. Maintaining the balance between these goals along with the underwriting discipline provided by Alliant Underwriting Services has allowed APIP to thrive for over 30 years. As part of this renewal, the program continues to provide the core benefits that support stability, consistency, and long-term value for its Insured's.

As most Insureds are aware, the property insurance market has continued to soften in 2026, creating an environment of improved pricing and coverage terms. The result is that most APIP Insured's will see a rate reduction at the 2026/27 renewal. Individual underwriting will be necessary for insureds that have large increases in exposure or are loss challenged.

For the 2026/27 renewal, Berkshire Hathaway Specialty Insurance (BHSI) leads the first \$50,000,000 of the program. The program limit will be at least \$1,250,000,000 and up to \$1,500,000,000 this year. The program is placed with worldwide markets rated at A.M. Best A- VII or higher.

Insureds should note the following items for this year's renewal:

- Boiler & Machinery coverage for participating insureds of the APIP Boiler Program is placed with Hartford Steam Boiler (HSB), who will also perform required jurisdictional inspections.
- Vehicles/Contractor's Equipment – it is important to note on the attached proposal whether the vehicle and/or contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the insured must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet) and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV.
- Alliant Business Services (ABS) continues to play a significant role, not only in providing a wide range of loss control services, but also by offering appraisal services, business interruption assessments, valuation, consulting, and infrared testing. Please refer to our program brochure inserts for further details of our ABS services.

**Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature once you authorize a request to bind coverage with your Alliant representative. Although this proposal packet is as complete as possible, program negotiations will continue up to the 7/1/2026 effective date. We will endeavor to provide any known material changes prior to renewal. All coverage items currently under review with APIP markets to be effective on 7/1/2026, are listed at the end of each coverage proposal being quoted.**

#### ADDITIONAL COVERAGES REMAIN AVAILABLE FOR THOSE WHO WISH TO PURCHASE:

- Cyber (Privacy Liability) Coverage (1st and 3rd parties) for eligible insureds. Please refer to coverage as outlined in the following proposal which includes a summary of proposed changes for this renewal. Additional excess options are available, if requested for insureds with good security controls in place. **Please note claims reporting time limit limitations for this coverage**
- Pollution Coverage (1<sup>st</sup> and 3<sup>rd</sup> parties) for eligible insureds. Please refer to coverage as outlined in the following proposal which includes a summary of proposed changes for this renewal. **Please note claims reporting time limit limitations for this coverage**

**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**  
**July 1, 2026 – July 1, 2027**  
**EXECUTIVE SUMMARY**

The annual renewal premium summary for the Alliant Property Insurance Program (APIP) effective 7/1/2026 is outlined in the below table which depicts key financial statistics relative to last year:

**Year-over-Year Rate and Premium Comparison**

<b><u>California Sanitation Risk Management Authority (CSRMA)</u></b>	<b><u>2025-2026</u></b> <b>(at 01/23/2026)</b>	<b><u>2026-2027</u></b>	<b><u>Variance</u></b>
Total Insurable Values (TIV):	\$ 8,643,025,775	\$ 9,150,476,542	5.87%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 8,508,517.43	\$ 7,775,813.46	-8.61%
Cyber Liability Annual Cost:	\$ 232,798.84	\$ 256,700.49	10.26%
Pollution Liability Annual Cost:	\$ 99,077.56	\$ 95,932.64	-3.17%
Total Account Rate (\$/100):	0.1022836	0.0888309	-13.15%
**Total Annual Cost:	\$ 8,840,393.83	\$ 8,128,446.59	-8.05%

\*Property Annual Cost includes: all premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

\*\* Total Annual Cost is inclusive of all listed coverage premiums and applicable taxes and fees

Thank you for your continued partnership and trust in our team. As reflected in the annual premium summary above, our objective remains to provide a stable, competitive insurance program that balances cost and long-term risk solutions.

**APIP SUMMARY OF PROPOSED PROPERTY CHANGES**  
 BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2026-2027 POLICY PERIOD

Coverage	2025-2026	2026-2027	Status
Available Program Boiler & Machinery Limits up to:	\$200,000,000	\$250,000,000	Approved
Extra Expense Sub-limit	\$75,000,000	\$100,000,000	Approved
Miscellaneous Unnamed Locations Sub-limit	\$10,000,000	\$25,000,000	Approved
Combined Business Interruption, Rental Income and Tuition Income (and related fees) Sub-limit	\$100,000,000	\$200,000,000	Approved
Increased Cost of Construction Sub-limit	\$50,000,000	\$100,000,000	Approved
Claims Preparation Sub-limit	\$1,500,000	\$2,500,000	Pending
Address	c/o Alliant Insurance Services, Inc., 325 E. Hillcrest Dr., Suite 250, Thousand Oaks, CA	c/o Alliant Insurance Services, Inc., 18100 Von Karman Ave., 10 <sup>th</sup> Floor, Irvine, CA 92612	Update
Upgrade to Green limit	\$5,000,000	\$10,000,000	Pending

**MASTER PROPERTY POLICY FORM PROPOSED CHANGES**

Coverage	2025-2026	2026-2027	Status
Policy Period	July 1, 2025 to July 1,2026	July 1, 20 <u>26</u> to July 1,2027	Update
USA Form No.	21	22	Update
Section I, B. Named Insured	As shown on the Declaration page, or as listed in the Declaration Schedule Addendum attached to this Policy.	All Named Insureds of the ALLIANT PROPERTY INSURANCE PROGRAM (APIP) (for their respective rights and interests) as more fully defined in the Schedule of Named Insured's (including Named Insureds added to the program during the term of this policy), and the Broker (Alliant) issued Evidence of Coverage documents held on file in the office of Alliant Insurance Services, Inc., 18100 Von Karman Avenue, 10th Floor, Irvine, CA 92612 and the Company.	Pending
Section I C. Mailing Address of Named Insured	AS PER DECLARATION PAGE	c/o Alliant Insurance Services, Inc.  18100 Von Karman Ave., 10 <sup>th</sup> Floor, Irvine, CA 92612	Update

**MASTER PROPERTY POLICY FORM PROPOSED CHANGES CONTINUED**

Coverage	2025-2026	2026-2027	Status
Section I, D. Policy Period	AS PER DECLARATION PAGE	July 1, 2026 to July 1, 2027 at 12:01 AM at the location of the insured property.	Pending
To include Section I, E. Limits of Liability and all subsequent sections	Reference to: Declaration Page	Revised to read: Named Insured's Evidence of Coverage	Pending
Section I, E. 2. Sub-Limits of Liability	3rd sentence: The absence of a sub-limit of liability amount <u>in the Declaration Page means that no coverage is provided for that item.</u>	The absence of a sub-limit amount or where "Not Covered" is indicated for a sub-limit of liability in the Named Insured's Evidence of Coverage, no coverage is provided for that item.	Pending
Section I, E. 2. p.	Increased Cost of Construction due to the enforcement of building codes / ordinance or law.	Increased Cost of Construction due to the of building codes / ordinance or law.	Pending
Section I, E. 2. u.	Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;	Contingent Time Element: Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;	Pending
Section II, B. 2.	<u>PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS</u>	<u>COURSE OF CONSTRUCTION AND ADDITIONS</u>	Pending
Section II. B. 6. Claim Preparation Expenses	Not Present	Added as last sentence: This coverage provided by this clause is sub-limited to USD as per the Named Insured's Evidence of Coverage.	Pending
Section II. B. 9. Building Laws	Reference to: enforcement of	Deleted within this coverage description	Pending
Section II. B. 10. Demolition Cost	Reference to: enforcement of	Deleted within this coverage description	Pending
Section II, D. 6. Library Contents	Expiring values	Values inflated by 2025; 4 <sup>th</sup> quarter rate of 3.5%	Update
Section II, D. 6. Library Contents	The above valuation is <u>predicated on the values provided by the Library of Congress Dewey Decimal system</u> and adjusted for inflation.	The above valuation is <u>an estimated amount</u> and adjusted for inflation.	Pending
Section II. D. 7.	<u>Actual Cash Value will be applied for vehicles ten years or older.</u>	Deleted in its entirety	Pending
Section III. B. 1. Ingress / Egress	Not Present	Added as last sentence: <u>The coverage provided by this clause is sub-limited to USD as per Named Insured's Evidence of Coverage.</u>	Pending
Section III. B. 2. Interruption by Civil Authority	Not Present	Added as last sentence: <u>The coverage provided by this clause is sub-limited to USD as per Named Insured's Evidence of Coverage.</u>	Pending

**MASTER PROPERTY POLICY FORM PROPOSED CHANGES CONTINUED**

Coverage	2025-2026	2026-2027	Status
Section IV, B. Exclusions	Not Present	New <u>23. Money and Securities</u> except for <u>physical loss as a result of Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the Named Insured(s)).</u>	Pending
Section IV, D. Territorial Limits	This Policy insures Real and Personal Property within the United States of America. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sub-limited to USD as per <u>Declaration Page.</u>	This Policy insures Real and Personal Property within the United States of America. Personal Property <u>Outside of the USA (including associated Business Interruption)</u> is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sub-limited to USD as per <u>Named Insured's Evidence of Coverage.</u>	Pending
Section IV, I. Vacant Buildings 4.b.	Paragraph reference to: <u>Declaration Page</u> , and; <u>the enforcement of</u>	Revised to: <u>Named Insured's Evidence of Coverage</u>  Deleted: <u>the enforcement of</u>	Pending
Section IX, 2. d. header	Media Coverage	Electronic Data Processing Media and Data Restoration	Clarification
Section IX, 2. f. header	Utility Interruption	Service/Utility/Off Premises Power Interruption	Clarification
Section IX, 2. h. Ordinance or Law	i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by <u>enforcement of</u> any ordinance or law that:	Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by any ordinance or law that:	Pending
Section IX, 2. h. Ordinance or Law	ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by <u>the enforcement of</u> building, zoning, or land ordinance or use.	Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by building, zoning, or land ordinance or use.	Pending
Section IX, 2. h. Ordinance or Law	iii. ... when the increased cost is a consequence of <u>enforcement of</u> building, zoning or land use ordinance or law.	iii. ...when the increased cost is a consequence of building, zoning or land use ordinance or law.	Pending
Section IX, 2. h. Ordinance or Law	iii. second set of alpha numeric identifiers a. and b.	iii. second set of alpha numeric identifiers revised to: c. and d.	Pending
Section IX, 2. h. Ordinance or Law	iii. second set of alpha numeric identifier a. Costs associated with <u>the enforcement of</u> any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or	iii. second set of alpha numeric identifier c. Costs associated with any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or	Pending

Endorsement 7	Pollution, Contamination, Debris Removal Exclusion	Deleted in its entirety	Pending
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**SUMMARY OF BOUND CHANGES - Pollution Liability**

**THE FOLLOWING ITEMS ARE CHANGES FOR THE 2026-2027 POLICY TERM**

Coverage	2025-2026	2026-2027 Changes
Pollution Liability Policy Term	July 1, 2025 to July 1, 2026	July 1, 2026 to July 1, 2027
A.M. Best Insurance Rating	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective August 2, 2024	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective September 10, 2025
Standard and Poors Insurance Rating	A (Strong) as of May 19, 2024	A (Strong) as of April 15, 2026
Covered Property	<p>1. PEEIP DEC 1 – SOVs</p> <p>2. PEEIP DEC 2 – SOVs</p> <p>3. PEEIP DEC 3 – SOVs</p> <p>4. PEEIP DEC 4 – SOVs</p> <p>5. PEEIP DEC 5 – SOVs</p> <p>6. PEEIP DEC 11 – SOVs</p> <p>7. PEEIP DEC 12 – SOVs</p> <p>8. PEEIP DEC 14 – SOVs</p> <p>9. PEEIP DEC 19 – SOVs</p> <p>10. PEEIP DEC 23 – SOVs</p> <p>11. PEEIP DEC 24 – SOVs</p> <p>12. PEEIP DEC 26 – SOVs</p> <p>13. PEEIP DEC 27 – SOVs</p> <p>14. PEEIP DEC 28 – SOVs</p> <p>15. PEEIP DEC 29 – SOVs</p> <p>16. PEEIP DEC 30 – SOVs</p> <p>17. PEEIP DEC 32 – SOVs</p> <p>(Excludes SPIP, except as endorsed)</p> <p>18. PEEIP DEC 33 – SOVs</p> <p>19. PEEIP DEC 34 – SOVs</p> <p>20. PEEIP DEC 35 – SOVs</p> <p>21. PEEIP DEC 96 – SOVs</p> <p>(Excluding HARPP members)</p> <p>Covered locations are defined as any real property owned, leased, rented, operated or occupied by the Insured as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines to or from a Covered Location provided that such pipelines are located within a one thousand (1,000) foot radius of such Covered Location. Also includes any roads including, but not limited to, any alleys, streets or bridges owned or operated by the Insured, any vacant land, including any parks, open spaces, easements or rights-of-way owned or operated by the Insured any location scheduled to this policy by endorsement.</p>	<p>1. PEEIP DEC 1 – SOVs</p> <p>2. PEEIP DEC 2 – SOVs</p> <p>3. PEEIP DEC 3 – SOVs</p> <p>4. PEEIP DEC 4 – SOVs</p> <p>5. PEEIP DEC 5 – SOVs</p> <p>6. PEEIP DEC 11 – SOVs</p> <p>7. PEEIP DEC 12 – SOVs</p> <p>8. PEEIP DEC 14 – SOVs</p> <p>9. PEEIP DEC 19 – SOVs</p> <p>10. PEEIP DEC 23 – SOVs</p> <p>11. PEEIP DEC 24 – SOVs</p> <p>12. PEEIP DEC 26 – SOVs</p> <p>13. PEEIP DEC 27 – SOVs</p> <p>14. PEEIP DEC 28 – SOVs</p> <p>15. PEEIP DEC 29 – SOVs</p> <p>16. PEEIP DEC 30 – SOVs</p> <p>17. PEEIP DEC 32 – SOVs</p> <p>(Excludes SPIP, except as endorsed)</p> <p>18. PEEIP DEC 33 – SOVs</p> <p>19. PEEIP DEC 34 – SOVs</p> <p>20. PEEIP DEC 35 – SOVs</p> <p>21. PEEIP DEC 39 – SOVs</p> <p>22. PEEIP DEC 96 – SOVs</p> <p>(Excluding HARPP members)</p> <p>Covered locations are defined as any real property owned, leased, rented, operated or occupied by the Insured as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines including any appurtenances that are attached to or part of the pipeline network, owned or operated by a Named Insured, within a one thousand (1,000) foot radius of such Covered Property. Also includes any roads including, but not limited to, any alleys, streets or bridges owned or operated by the Insured, any vacant land, including any parks, open spaces, easements or rights-of-way owned or operated by the Insured any location scheduled to this policy by endorsement.</p>
Coverages & Limits	\$2,000,000 Per JPA/Pool Aggregate	\$2,000,000 Per JPA/Pool Aggregate – Including All Members

**SUMMARY OF BOUND CHANGES - Pollution Liability**

**THE FOLLOWING ITEMS ARE CHANGES FOR THE 2026-2027 POLICY TERM**

Coverage	2025-2026	2026-2027 Changes
Legal Costs	<Not Applicable>	\$1,000,000 Aggregate Legal Costs Outside of and in Addition to the Policy Limits
Specific Coverage Provisions	Automatic Acquisition – Automatic coverage for mid-term real property additions, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. Notice must be provided to the Insurer within 365 days, along with any supporting documentation reasonably requested by the underwriter. To the extent that the Insured has a Phase I Environmental Assessment (“Phase I”) for such acquired real property, a copy must be provided to the Insurer’s underwriter, unless the acquired real property is leased, managed or rented.	Automatic Acquisition – Automatic coverage for mid-term real property additions, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. Notice must be provided to the Insurer within 365 days, along with any supporting documentation reasonably requested by the underwriter.
	<Not Applicable>	To add new members to the program or new sub-members to existing program members, a current statement of values is required for the new member or sub-member and is subject to an additional premium of \$0.00102 per \$100 of Total Insurable Values, pro-rated, with a minimum premium of \$450.
	Coverage is limited for Coverages A, B and D to Sudden and Accidental only for the Santa Barbara Municipal Airport. The pollution incident giving rise to such Remediation Expenses or Business Interruption Expenses and Extra Expenses must be discovered by the Insured during the policy period and within fifteen (15) days of commencement, the Pollution Incident is demonstrable as commencing on a specific date, and must be reported to the Insurer in writing during the policy period and no later than forty-five (45) days following the discovery of such Pollution Incident.	Coverage is limited for Coverages A, B and D to Sudden and Accidental only for the Santa Barbara Municipal Airport. The pollution incident giving rise to such Remediation Expenses or Business Interruption Expenses and Extra Expenses must be discovered by the Insured during the policy period and within thirty (30) days of commencement, the Pollution Incident is demonstrable as commencing on a specific date, and must be reported to the Insurer in writing during the policy period and no later than ninety (90) days following the discovery of such Pollution Incident.
	Blanket Underground Storage Tank coverage included, with a deductible of \$500,000 for storage tanks less than twenty years old, a deductible of \$375,000 for storage tanks between twenty and thirty years old, and a deductible of \$500,000 for storage tanks which are thirty years old or older. <b>Note: Does not meet financial assurance requirements.</b>	Blanket Underground Storage Tank coverage included, with a deductible of \$250,000 for storage tanks less than twenty years old, a deductible of \$375,000 for storage tanks between twenty and thirty years old, and a deductible of \$500,000 for storage tanks which are thirty years old or older. <b>Note: Does not meet financial assurance requirements.</b>

## SUMMARY OF CYBER INSURANCE CHANGES

**THE FOLLOWING ITEMS ARE PROPOSED CHANGES FOR THE 2026-2027 POLICY TERM**

Coverage	2025-2026 Expiring	2026-2027 Proposed Changes
Beazley Breach Response Endorsement	Boost option increased the Business Income from Security Breach and System Failure, Data Recovery, and Cyber Extortion to full limit.	Boost Option is no longer available. Increased limits offered program wide with new *Contingency Control Endorsement outlined above.
Retention Buy Down	Coverage is offered to new and existing members; underwriting required	Coverage is offered to new and existing members; underwriting required
New members of APIP Cyber Core-Mid Term Transactions	All Members requesting core coverage are required to complete the Beazley Ransomware Supplemental in the application portal, along with a statement of no losses and a signed AFB Warranty	All Members requesting core coverage are required to complete the Beazley Ransomware Supplemental in the application portal, along with a statement of no losses and a signed AFB Warranty.
ECrime Coverage Update	25-26 Ecrime Sub-limits Fraudulent Instruction: \$75,000 Funds Transfer Fraud: \$75,000 Telephone Fraud: \$75,000	26-27 Ecrime Sub-limits Fraudulent Instruction: \$100,000 Funds Transfer Fraud: \$100,000 Telephone Fraud: \$100,000
Beazley Core Coverage-New Boost offering	By endorsement and included only with the BBR purchase. Open to all members. Provides full limit coverage for some First Party Limits; Business Interruption, Cyber Extortion, and Data Recovery	Boost is deleted and no longer included with the BBR Endorsement. Contingent Security Control Endorsement replaces boost program wide.
New to APIP Cyber Core: Contingency Security Controls Endorsement	Previously covered under "Boost" for BBR Purchasers	Business Interruption from a Security Breach or System Failure, Data Recovery, and Cyber Extortion are now \$2,000,000 per member aggregate with the insureds implementation of an End Point Protection Platform and Multi Factor Authentication at the time of loss.

## **Cyber Liability Coverage Renewal**

**ISSUE:** Separate from the coverage purchased by the individual members, CSRMA purchases Cyber Liability coverage for the entity itself via an endorsement to the “core” Cyber Liability coverage purchased by the Property Program members. The Executive Board should consider renewing this coverage on July 1, 2026.

**RECOMMENDATION:** The Program Administrators recommend that the Executive Board renew the Cyber Liability entity coverage.

**FISCAL IMPACT:** The annual renewal cost is \$878, compared to the expiring cost of \$798. This represents a 10% increase compared to the expiring year. Funds are included in the FY 26/27 Budget to cover this expenditure.

**BACKGROUND:** In July 2020 CSRMA began to purchase Cyber Liability insurance to cover the JPA. CSRMA’s potential exposure to a cyber-liability event is rather low, as CSRMA owns no assets and contracts out its administrative operations. This low exposure is reflected in the relatively low premium charged for the coverage and therefore recommended to be renewed by the Program Administrators.

**ATTACHMENTS:** None. APIP Cyber Liability Proposal to be handed out at meeting.

**Property Program**  
**Prospective New Member: DERWA**

**ISSUE:** The DSRSD-EBMUD Recycled Water Authority (DERWA) has requested a quote from CSRMA for inclusion into the Property Program effective July 1, 2026. They are not a member of the JPA and are therefore required to seek membership in CSRMA prior to coverage being bound.

DERWA currently obtains its property insurance through the CSRMA Property Program via the Dublin San Ramon Services District (DSRSD), a member of CSRMA and the Property Program. Since DERWA's assets are currently covered in the Property Program, the Program Administrators expect a seamless transition to carve their values out of DSRSD's property schedule and be a standalone member of the CSRMA Property Program.

**RECOMMENDATION:** The Pooled Liability Committee recommends that the Executive Board authorize the Program Administrators to provide DERWA with a quotation for inclusion into the Property Program effective July 1, 2026. Further it is recommended that the Executive Board recommend that the Board of Directors approve DERWA's membership in CSRMA and participation in the Property Program.

**FISCAL IMPACT:** The annual cost to participate in the Property Program is \$50,000. This contemplates a \$100,000 Property deductible.

**BACKGROUND:** The DSRSD-EBMUD Recycled Water Authority, a Joint Powers Authority (JPA) was formed in 1995 to manage recycled water for the San Ramon Valley. It is a partnership between the Dublin San Ramon Services District (DSRSD) and the East Bay Municipal Utility District (EBMUD). The program serves customers in Dublin, San Ramon, and Danville, with the City of Pleasanton also participating as a customer. The backbone of the program is the Jeffrey G. Hansen Water Recycling Plant in Pleasanton, which can produce up to 16.2 million gallons of recycled water per day.

**ATTACHMENTS:** None

## **Deadly Weapons and Crisis Response Coverage Renewal**

**ISSUE:** CSRMA purchases Deadly Weapons Response (Active Assailant) coverage for the membership, unless a member opts out of the coverage. The cover provides crisis management services, specific liability, property and (limited) workers compensation, and related medical payments coverage designed for the unique circumstances of a deadly weapons event and crisis response services coverage for non-deadly weapon events. The incumbent carrier, Beazley has offered a renewal as outlined in the attachment to this item. There are two significant program enhancements being included this year and are discussed in more detail in the Background section of this item.

**RECOMMENDATION:** The Program Administrators recommend that the Executive Board renew the Deadly Weapons and Crisis Response Program coverage and consider the higher limit option being offered.

**FISCAL IMPACT:** The annual renewal cost is \$36,956 compared to the expiring cost of \$34,832. This is at the expiring \$500K each occurrence limit and \$2.5M annual aggregate limit shared by CSRMA members. Funds are included in the FY 26/27 Budget to cover this expenditure.

An option was provided to increase the limits to \$1M each occurrence and \$5M annual aggregate shared by CSRMA members, at a total cost of \$51,739.

**BACKGROUND:** As indicated in the Issue section above, there are two enhancements to the Program this year, as described below:

- 1) **Deductibles reduced to \$0** – The main deductible and Crisis Advisory Services deductibles of \$10K have been removed to assist expediency in claims processing.
- 2) **Event Reporting at Scheduled but Leased or Rented Locations** – The threshold for reporting of events at leased or rented scheduled locations for cover other than crisis response services is increasing from 2,500 to 5,000. For events at unscheduled locations, such as parades or street festivals, or at scheduled locations leased or rented to a third party with more than 5,000 attendees at a ticketed event in order for coverage other than crisis response services, Beazley still requires notice of these events to determine if additional premium would apply.

The program name is changing to the “Alliant Deadly Weapon *and* Crisis Response Program” (ADWCRP) effective 7/1/26. This is recognition of the significant enhancement of coverage last year allowing insureds to use the Crisis Response services element of coverage for non-deadly weapon events. This enhancement effectively made such services available on an “as

needed” basis when a “business unusual” event occurs. This would be best described as an event that creates a crisis situation for the policyholder. Such events typically involve interactions with the press and constituents, where anger, blame and undesired media attention may exist, or the concern of harm to the organization exists. An event need not be catastrophic in nature, trigger any insurance coverage at all, or lead to a demand for compensation. The Deadly Weapons Program crisis response firm, CrisisRisk, offers guidance and support on how to prevent a perceived crisis from occurring, or assist in mitigating impacts if a “business unusual” event has occurred.

As respects the core coverage, “Active Shooter” situations are unpredictable, develop quickly, and leave devastating personal and financial impact on those involved. They can involve random third-party shootings, or violent employee interactions. It is recognized that coverage for events with certain characteristics *may already* be provided by standard property and liability insurance programs, and as such, this coverage is designed to be primary to these programs and therefore would serve as a buffer to any deductible or retention of these programs. This cover is not intended to replace any other coverage that a member may already have for such incidents.

Despite an uptick in reported and insured events across the United States affecting the market, CSRMA was able to achieve a favorable renewal with the incumbent carrier Beazley. A TIV increase of just under 6% combined with a rate increase of less than 1%, generates a total cost increase of 6% offered by Beazley for the expiring limit option. The coverage, in general terms, is “location based”, so members that have provided a property schedule (i.e. those in the property program, which comprises most of the membership), and those who have otherwise responded positively to an outreach for a schedule, are covered.

**ATTACHMENTS:** 2026-27 ADWCRP Renewal Proposal



# California Sanitation Risk Management Authority

**2026 - 2027**

## **Alliant Deadly Weapon and Crisis Response Program Proposal**

Issued on May 20, 2026

Alliant Insurance Services, Inc  
18100 Von Karman Avenue 10<sup>th</sup> Floor  
Irvine, CA 92612  
O (949) 756-0271  
CA License No. 0C36861

ALLIANT DEADLY WEAPON AND CRISIS RESPONSE PROGRAM (ADWCRP) PROPOSAL

<b>INSURED</b>	California Sanitation Risk Management Authority
<b>INSURANCE COMPANY:</b>	Underwriters at Lloyd's of London
<b>LLOYD'S CONSORTIUM:</b>	Deadly Weapon Protection Consortium 9492 Comprising 100%: 72.0000% Lloyd's Syndicate 2623 AFB 28.0000% Lloyd's Syndicate 0623 AFB
<b>A.M. BEST RATING:</b>	A (Excellent) XV; Greater than \$2,000,000,000
<b>STANDARD AND POOR'S RATING:</b>	A+, Strong Financial Security
<b>STATE LICENSE STATUS:</b>	Non-Admitted
<b>POLICY TERM:</b>	July 1, 2026 – July 1, 2027
<b>COVERAGE FORM:</b>	Claims Made & Reported
<b>COVERAGE TYPE:</b>	Liability to Insured Person(s), Property Damage, Crisis Management, and Crisis Advisory Services. Subject to terms and conditions of each as stated in the policy. Liability coverage limited to events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
<b>LIMITS:</b>	
<b>    OPTION 1</b>	
Each and Every Deadly Weapon Event including Claim Expenses	\$ 500,000
Annual Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
<b>    OPTION 2</b>	
Each and Every Deadly Weapon Event including Claim Expenses	\$ 1,000,000
Annual Aggregate (Shared by Members of Pool/JPA)	\$ 5,000,000
<b>RETENTION:</b>	\$0 Each and every Deadly Weapon Event including Claims Expenses and Counseling Services within Crisis Management Service Endorsement
<b>RETROACTIVE DATE:</b>	7/1/2018
<b>PRE-EVENT SERVICES (AVAILABLE):</b>	<ul style="list-style-type: none"> <li>• Deadly Weapon Protection Webinars</li> <li>• Deadly Weapon Post-Underwriting Consultation</li> <li>• California SB 553 Toolkit (if applicable)</li> </ul>

ALLIANT DEADLY WEAPON AND CRISIS RESPONSE PROGRAM (ADWCRP) PROPOSAL – CONTINUED

**SUB-LIMITS:**

(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)

- \$ 500,000 Crisis Management Services
- \$ 250,000 Counseling Services (\$15,000 per person maximum)
- \$ 250,000 Funeral Expenses (\$15,000 per person maximum)
- \$ 250,000 Business Interruption
- \$ 250,000 Demo/Clearance/Memorialization (\$10k Mem)
- \$ 250,000 Extra Expense
- \$ 250,000 Extra Expense Extension for Threat Endorsement
- \$ 500,000 Transit Extension – Bus, Coach, Train owned by insured and reported on schedule
- \$ 25,000 Per Person for Medical Expenses with a \$500,000 annual aggregate
- \$ 50,000 Per Person Deadly Weapon Death and Dismemberment with a \$500,000 annual aggregate
- 20 hours Crisis Advisory Services for each crisis event or crisis circumstance and for counselling services
- \$ 50,000 Each and every crisis event and/or crisis circumstance unrelated to a gun even or threat and \$200,000 in the annual policy aggregate. Such expense is additionally sub-limited to an amount of \$10,000 for each eligible person and each of their immediate family member(s). The limit of insurance for this Section is part of and not in addition to the Policy Limit of Liability and Policy Aggregate Limit stated in the declarations.
- \$ 10,000 At our sole and entire discretion each and every crisis event and/or crisis circumstance and \$50,000 in the annual policy aggregate,

ALLIANT DEADLY WEAPON AND CRISIS RESPONSE PROGRAM (ADWCRP) PROPOSAL – CONTINUED

**THRESHOLDS/CONDITIONS FOR UNREPORTED/OFFSITE LOCATIONS:**  
(per policy terms policy)

\$25,000,000 Automatic Acquisitions  
\$10,000,000 Errors and Omissions  
\$25,000,000 90 Day Reporting Provisions

- Offsite Coverage – Event Responder Fees only  
Educational Offsite Coverage – Event Responder Fees, Counselling Services, Accidental Death and Dismemberment, Funeral Expenses & Medical

**ENDORSEMENTS:**  
(Including But Not Limited To)

- Liability to Insured Person(s)
- Property Damage
- Medical Expenses
- Deadly Weapon Death & Dismemberment
- Crisis Management Services
- Circumstance Extension (*now includes stalking*)
- Counselling Services
- Funeral Expenses
- Crisis Advisory Services
- Premium Payment Clause
- Lloyd's Privacy Policy Statement
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Other Insurance Clause: Primary
- Crisis Management/Event Responder Fees do not erode policy limits
- Crisis Services Provided by CrisisRisk:  
<https://www.crisisrisk.com/>

**GENERAL EXCLUSIONS:**  
(Including But Not Limited To)

- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone
- Loss of market, loss of use or any other consequential loss
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Criminal, dishonest, fraudulent or malicious conduct
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel

**GENERAL EXCLUSIONS:**

(continued)

**SPECIFIC EXCLUSIONS RELATING TO LIABILITY TO INSURED PERSON(S):**

(Including But Not Limited To)

- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter
- Chemical, biological, bio-chemical or electromagnetic weapon. This exclusion does not, however, apply to a substance when used in conjunction with a deadly weapon event.
- Named Insured's recklessness or deliberate misconduct
- Strikes, labor unrest, riots or civil commotion
- War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection; civil commotion assuming the proportions of, or amounting to, an uprising; military or usurped power.
- The transmission or alleged transmission of a communicable disease or the fear or threat (whether actual perceived) of a communicable disease
- Swatting and any other fictitious event or hoax
  
- Injury or death to those who provide services directly to insured or on insured's behalf in connection with business (ie. leased temporary, statutory, seasonal, borrowed, contracted or subcontracted employees
- Any obligation under a workers' compensation, disability benefits, unemployment compensation law, or any similar law
- Employment Practices Liability related claims
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by your directors or officers, individually or collectively, in the discharge of their duties solely in their capacity as directors or officers.
- Euthanasia, mercy killing(s), and suicide

**SPECIFIC EXCLUSIONS RELATING TO LIABILITY TO INSURED PERSON(S):**  
(continued)

- Any claim or claims made by, or on behalf of, any assailant, including any Medical Expense claims
- Loss, injury or damage arising out of any mental injury or mental anguish related claim where no actual bodily injury has occurred to the claimant.
- Any affiliate, subsidiary or joint venture insured under this insurance making a claim or claims against any other affiliate, subsidiary or joint venture insured under this Policy.
- Loss, injury or damage arising from goods or products which you have designed, manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed.
- Any liability arising out of property damage
- Fines, penalties, punitive damages, exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.
- Events at locations specifically leased or loaned by insured to any other entity to host a permitted event planned and ticketed for with more than 5,000 attendees, except with prior written agreement. Additional premium may apply.

**SPECIFIC EXCLUSIONS RELATING TO PROPERTY DAMAGE:**  
(Including But Not Limited To)

- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of insured property), jewelry, furs, fine arts and antiques
- Electronic Data
- Any property in Transit not at the locations insured

**SPECIFIC EXCLUSIONS RELATING TO  
BUSINESS INTERRUPTION:**

(Including But Not Limited To)

- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property at the Location(s), except to the extent specifically insured by this Endorsement and provided that such loss results directly from the insured Interruption of Business
- Fines, penalties, or Damages incurred by, or imposed upon, the Named Insured at the order of any Government Agency, Court or other Authority, whether arising from or in connection with a Deadly
- Weapon Event or otherwise.
- Physical loss of, physical damage to, or physical destruction of, any buildings, equipment or business personal property owned by the Named Insured, or any such property owned by others in the Named Insured's care, custody or control, whether or not resulting from or in connection with an Deadly Weapon Event

ALLIANT DEADLY WEAPON AND CRISIS RESPONSE PROGRAM (ADWCRP) PROPOSAL – CONTINUED

**ANNUAL PREMIUM:  
OPTION 1**

\$ 35,817.00	Premium
\$ 1,074.51	Surplus Lines Taxes
\$ <u>64.47</u>	Surplus Lines Fees
<b>\$ 36,955.98</b>	<b>Total Cost</b>

**ANNUAL PREMIUM:  
OPTION 2**

\$ 50,144.00	Premium
\$ 1,504.32	Surplus Lines Taxes
\$ <u>90.26</u>	Surplus Lines Fees
<b>\$ 51,738.58</b>	<b>Total Cost</b>

**DEFENSE INSIDE/OUTSIDE THE LIMITS:**

Inside

**MINIMUM EARNED PREMIUM:**

25% Minimum Earned Premium

**PROPOSAL VALID UNTIL:**

No expiry date, however, insurers may withdraw it at any time without notice.

**CLIENT SCHEDULE TOTAL:**

\$8,911,136,825

**SUBJECTIVITIES:**

- Completed and Signed Request to Bind Coverage Form (See last page)
- Completed and Signed Surplus Lines Document(s) (If applicable)
- Complete Schedule of Values on file to share with the carrier.
  - If the binding Schedule of Values fluctuates by 20% in either direction than what was quoted the premium may be adjusted.
- No known or reported losses or incidents likely to give rise to a claim over the last 12 months.
- Payment is required 20 days prior to the settlement due date of 60 days from inception to enable us to pay insurers in a timely manner. If payment is not received by insurers on this date they may issue notice of cancellation of coverage. In the event of cancellation for non payment of premium, the time on risk premium will be due and payable, calculated at pro rata from inception to the date cancellation is effective.

**See Disclaimer Page for Important Notices and Acknowledgement**

## Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

## Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at [www.alliant.com](http://www.alliant.com), and contact your Alliant service team should you have any questions.

## Other Disclosures/Disclaimers

### FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### NRRA

*(Applicable if the insurance company is non-admitted)*

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

### Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

## Other Disclosures / Disclaimers - Continued

### Claims Reporting

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### Claims Made Policy

*(Applicable to any coverage that is identified as claims made)*

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

## Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evident of Insurance, you may be required to name your landlord, client or customer on your policy as a loss payee on property insurance or as an additional insured on liability insurance. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

***See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.***

## Optional Coverages

The following represents a list of insurance coverages that may not be included in this proposal but are optional and may be available with further underwriting information. This list is not inclusive of all coverages and if you have questions contact your Alliant representative. If you would like addition quotes please check Yes/No across from the coverage below, sign and return.

Service - Remove any coverage lines that are currently insured.

### Target Coverages

	Yes	No
<b>CRIME</b>		
Employee Dishonesty	<input type="checkbox"/>	<input type="checkbox"/>
Computer Fraud	<input type="checkbox"/>	<input type="checkbox"/>
Social Engineering	<input type="checkbox"/>	<input type="checkbox"/>
Increased Limits	<input type="checkbox"/>	<input type="checkbox"/>
<b>CYBER RISK</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>MANAGEMENT LIABILITY</b>		
Directors & Officers Liability	<input type="checkbox"/>	<input type="checkbox"/>
Employment Practices Liability	<input type="checkbox"/>	<input type="checkbox"/>
Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>
<b>UMBRELLA / EXCESS LIABILITY (Increased Liability Limits)</b>	<input type="checkbox"/>	<input type="checkbox"/>
Selecting the "Reject All or Accept All" option will override any selections you have made above	<input type="checkbox"/> Reject All <input type="checkbox"/> Accept All for Consideration	

\_\_\_\_\_  
Signature of Authorized Insurance Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed / Typed Name

## Other Coverage Options

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here which are unique to your organization.

- Business Income/Extra Expense
- Earthquake
- Employed Lawyers
- Employee Benefits Liability
- Equipment Breakdown
- Food Borne Illness
- Foreign Insurance
- Garagekeepers Liability
- Hired Auto Physical Damage
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Network Security / Privacy Liability and Internet Media Liability
- Non-Owned & Hired Automobile Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Professional Liability
- Property in Transit
- Property of Others (Clients, Employees, Other)
- Special Events Liability
- Spoilage
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers Compensation & Employers Liability
- Workplace Violence

## Glossary of Insurance Terms

Below are links to assist you in understanding the insurance terms you may find within your insurance policies:

<http://insurancecommunityuniversity.com/university-resources/insurance-glossary-free>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

## Request to Bind Coverage

### California Sanitation Risk Management Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Annual Premium	Bind	Decline
<b>DEADLY WEAPON AND CRISIS RESPONSE PROGRAM JULY 1, 2026-JULY 1, 2027</b>			
<b>Option 1: Occurrence Limit \$500,000/ Annual Aggregate (Shared by Members of Pool/JPA) \$2,500,000</b>	<b>\$36,955.98</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Option 2: Occurrence Limit \$1,000,000/ Annual Aggregate (Shared by Members of Pool/JPA) \$5,000,000</b>	<b>\$51,738.58</b>	<input type="checkbox"/>	<input type="checkbox"/>

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

<b>Signature of Authorized Insurance Representative</b>	<b>Date</b>
<b>Title</b>	
<b>Printed / Typed Name</b>	

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***

### **Spring/Summer/Fall 2026 Area Training Update**

**ISSUE:** As part of CSRMA’s ongoing risk control efforts, training is provided on topics of interest to the CSRMA membership at multiple locations throughout the year.

<b>Topic</b>	<b>Tentative Dates</b>	<b>Tentative Locations</b>
<b>Sentinel Training Program for WC members</b>	Ongoing	Zoom
<b>August CSRMA/CASA Risk Mgt Seminar</b>	August 5, 2026	Gordon Graham
<b>SOMA</b>	2 virtual classes/mo for 11 months	Virtual
<b>Webinars Scheduled To Date:</b>	April-August	Webinars
CalOSHA Safety Training and Learning Management for Public Works and Wastewater Utilities		4/22/2026
Tree Roots & Infrastructure Management		4/28/2026
What the Flush? A Forensic Analysis of What’s Flushed and the Campaign to Shift Behaviors		5/5/2026
Pump Station Emergency Response Plans: A Commonly Overlooked SSMP Requirement		5/6/2026
Claims Management, the Key to Effectively Managing Claims from Cradle to Grave		5/7/2026
Effective Tailgate Safety Meetings/Trainings		5/13/2026
Foam Level Measurement & Control Strategies		5/19/2026
Oro Loma’s Journey to Building a Culture of Safety		5/27/2026
How to Create an EPA Compliant Fats, Oils, and Grease Program		6/2/2026
Contracts, Contracts, Contracts, How to Effectively Manage a Program!		6/18/2026
Intentional Communication in Public Works		6/25/2026
Understanding ICS 100 & ICS 200 – Essential Training for Public Agencies		7/7/2026
Cyber Threats to Public Agencies: What You Need to Know Now		7/21/2026
Drinking Water Operations Manuals: What’s in Yours?		

Insurance Requirements in Contracts	7/23/2026
Math Fundamentals: Essential Calculations for the CA Grades I-II Exams	7/29/2026
Clean Lines, Clean Systems: Mastering Sewer Nozzle Cleaning	8/12/2026
Digital Instrumentation: Emerging Tech for Accurate Measurement in Tough Applications	8/25/2026

**RECOMMENDATION:** None – information only.

**FISCAL IMPACT:** Approximately \$40,000. These training programs are part of the 25/26 and 26/27 risk control training budgets.

**BACKGROUND:** As part of CSRMA’s ongoing risk control efforts, training is provided on topics of interest to the CSRMA membership at multiple locations throughout the year. Each training topic is selected based on timeliness and member need. Further, each training event has two goals:

- Ø To provide information and training that is timely, useful, understandable and practical for the purposes of loss control and regulatory compliance;
- Ø To reach the largest number of people for which the training was designed in the most cost-effective manner possible.

**ATTACHMENTS:** None

### **Sewer O&M Academy (Formerly Sewer Summit)**

**ISSUE:** The Sewer Summit served California wastewater collection system professionals for 20 years as an annual, one-day training event. While well-regarded, the virtual format adopted in 2020 in response to the pandemic created a persistent operational challenge: public agencies found it difficult to commit multiple staff members away from the field for an entire day. Attendance was often limited to one or two individuals, leaving the broader workforce undertrained on critical operational and compliance topics. Additionally, attendees reported format fatigue with viewing 6 hours of virtual instruction in a single day.

In response, DKF Solutions Group restructured the program into the Sewer Operations & Maintenance Academy (SOMA) - a subscription-based, year-round training model that delivers focused sessions throughout the fiscal year. Rather than asking agencies to block a full day, SOMA provides shorter, targeted sessions at times designed to minimize operational disruption. The program is structured around two distinct tracks: one for managers and supervisors, and one for frontline field staff — ensuring that training is relevant, practical, and role-appropriate for every member of the team.

An overview of the training and related services included with SOMA are presented in the Attachment.

The Pooled Liability Committee discussed the proposed Sewer O&M Academy concept at their February meeting and directed the Program Administrators to present this to the Executive Board for consideration.

**RECOMMENDATION:** Review and provide direction.

**FISCAL IMPACT:** \$28,500 for FY26/27. This is included in the proposed FY26/27 training budget. CSRMA has paid the following to support the Sewer Summit in recent years:

- 2019 (*final in person year*): \$30,000
- 2020: \$20,000
- 2021: \$20,250
- 2022: \$14,000
- 2023: \$14,000
- 2024: \$16,000
- 2025: \$16,750

**BACKGROUND:** None

**ATTACHMENT:** Sewer Operations and Maintenance Academy Overview.

# Sewer Operations & Maintenance Academy™

Board Agenda Item  
DKF Solutions Group, LLC |  
SewerAcademy.com

FY 2026/27 Program Launch | Member Agency Introduction

Webinar: Tuesday, July 29, 2026 | 10:30 – 11:15 AM | Via Zoom

<b>TO:</b>	Board of Directors / Pool Member Agencies	<b>DATE:</b>	July 2026
<b>FROM:</b>	David Patzer, DKF Solutions Group, LLC	<b>CONTACT:</b>	dpatzer@dkfsolutions.com
<b>RE:</b>	SOMA Program Launch — Subscription Overview & Member Webinar Invitation		

## PURPOSE & BACKGROUND

The Sewer Summit served California wastewater collection system professionals for many years as an annual, one-day training event. While well-regarded, the format created a persistent operational challenge: public agencies found it difficult to send multiple staff members away from the field for an entire day. Attendance was often limited to one or two individuals, leaving the broader workforce undertrained on critical operational and compliance topics.

In response, DKF Solutions Group restructured the program into the **Sewer Operations & Maintenance Academy (SOMA)** — a subscription-based, year-round training model that delivers focused sessions throughout the fiscal year. Rather than asking agencies to block a full day, SOMA provides shorter, targeted sessions at times designed to minimize operational disruption. The program is structured around two distinct tracks: one for managers and supervisors, and one for frontline field staff — ensuring that training is relevant, practical, and role-appropriate for every member of the team.

## WHAT'S INCLUDED

### 22 Live Training Sessions

Delivered throughout the fiscal year across two tracks. Sessions are 45–60 minutes, scheduled at 7:30 AM (field staff) and 1:00 PM (managers/supervisors) to accommodate shift schedules.

### Session Recordings

Every live session is recorded and posted to the member portal within days of delivery — so staff who miss a session can still access the content on demand.

### 90+ On-Demand Webinar Library

Immediate access to a pre-populated library of recorded sewer operations and maintenance webinars covering a broad range of operational, regulatory, and safety topics.

### Compliance Resource Center

The member portal includes SWRCB regulatory guidance, sewer spill reporting procedures, SSO reporting resources, and documentation templates to support regulatory defensibility.

### Sewer Backup Response Resources

Sample Sewer Emergency Response Plans (SERP), response checklists, and resident communication guidance — ready-to-adapt templates that support field crews and supervisors during and after backup events.

### Sample Policies, Procedures & Ordinances

A growing library of model documents including maintenance ordinances, lower lateral programs, condition assessment frameworks, and O&M policies that agencies can adapt for local use.

### Unlimited Staff Registration

All agency staff may register for any session — there is no per-seat cap. Agencies are encouraged to register supervisors, lead operators, and training coordinators across both tracks.

### SewerAcademy.com Member Portal

A dedicated, secure portal where agencies manage registrations, access recordings and resources, and track participation. Available 24/7 to all enrolled agency staff.

**FY 2026/27 COURSE SCHEDULE**

Managers & Supervisors Track   Sessions at 1:00 PM	Frontline Staff Track   Sessions at 7:30 AM
<ul style="list-style-type: none"> <li>• How to Run a Collection System for Managers/Supervisors</li> </ul>	<ul style="list-style-type: none"> <li>• Collections 101</li> </ul>
<ul style="list-style-type: none"> <li>• Developing a Lower Lateral Program</li> </ul>	<ul style="list-style-type: none"> <li>• Easement Maintenance</li> </ul>
<ul style="list-style-type: none"> <li>• Laterals — What Do I Do With These?</li> </ul>	<ul style="list-style-type: none"> <li>• Source Control for the Collection System Worker</li> </ul>
<ul style="list-style-type: none"> <li>• Work Planning and Scheduling</li> </ul>	<ul style="list-style-type: none"> <li>• Selecting the Best Nozzle/Attachment for Cleaning Pipes</li> </ul>
<ul style="list-style-type: none"> <li>• Developing a Condition Assessment Program for All Assets</li> </ul>	<ul style="list-style-type: none"> <li>• Mobile Cleaning Operations Safety</li> </ul>
<ul style="list-style-type: none"> <li>• Maintenance Strategies to Keep Infrastructure from Failing</li> </ul>	<ul style="list-style-type: none"> <li>• Combo Unit Operation for Safety and Efficiency</li> </ul>
<ul style="list-style-type: none"> <li>• Sewer Backup Response Plan (SERP) Best Practices</li> </ul>	<ul style="list-style-type: none"> <li>• Bypass Pumping</li> </ul>
<ul style="list-style-type: none"> <li>• SWRCB Regulatory Updates</li> </ul>	<ul style="list-style-type: none"> <li>• Manhole Inspections and Rehabilitation</li> </ul>
<ul style="list-style-type: none"> <li>• New &amp; Emerging Sewer Technology (x2)</li> </ul>	<ul style="list-style-type: none"> <li>• Easement Road Essentials</li> </ul>
<ul style="list-style-type: none"> <li>• CSRMA Legal Counsel: Sewer Ordinance Considerations</li> </ul>	<ul style="list-style-type: none"> <li>• Lift Station Condition Assessment</li> </ul>
	<ul style="list-style-type: none"> <li>• What to Say to a Resident Following a Sewer Backup</li> </ul>

*All sessions are live and interactive. Recordings are posted to the member portal within days of each session.*

**PROGRAM BENEFITS & SUBSCRIPTION PRICING**

<p><b>Reduces Sewer Backup Claims</b></p> <p>Documented, role-specific training reduces the operational gaps that lead to preventable backups and property damage claims.</p>	Subscription Tier	Rate / Year
<p><b>Strengthens Regulatory Compliance</b></p> <p>Regular sessions on SWRCB requirements, SSO reporting, and spill response keep agencies current and audit-ready throughout the year — not just at renewal time.</p>	Insurance Pool (per member agency)	\$475
<p><b>Supports Loss Prevention Goals</b></p> <p>Consistent training documentation demonstrates a proactive safety and compliance posture, supporting favorable loss history and claims defensibility for insurance pools and member agencies.</p>	Individual Agency (direct enrollment)	\$2,950
<p><b>Builds Field Competency Over Time</b></p> <p>Year-round delivery reinforces skills progressively. Topics build on each other across the program year, improving retention and operational consistency across crews.</p>	<b>Included in All Subscriptions:</b>	
<p><b>Reduces Scheduling Burden</b></p> <p>Short sessions at shift-friendly times eliminate the need for full-day absences. Agencies can train more staff with less operational disruption than any conference-style event.</p>	✓ 22 live sessions annually (both tracks)	
<p><b>Immediate Value at Enrollment</b></p> <p>Access to 90+ on-demand recordings and the full resource library begins at enrollment — agencies do not have to wait for the next scheduled session to start benefiting.</p>	✓ All session recordings on demand	
	✓ 90+ webinar library at enrollment	
	✓ Compliance & regulatory resource center	
	✓ SERP templates & backup response guides	
	✓ Sample policies, procedures & ordinances	
	✓ Unlimited staff registration — no per-seat cap	
	✓ SewerAcademy.com member portal access	
	<p><i>Four insurance pools have subscribed for FY 2026/27. Member agencies within those pools receive full program access at no additional cost to the agency.</i></p>	

**MEMBER INTRODUCTION WEBINAR — JULY 29, 2026**

<b>Date &amp; Time:</b>	Tuesday, July 29, 2026   10:30 – 11:15 AM   Via Zoom
<b>Purpose:</b>	To introduce the SOMA program to member agency staff, walk through the FY 2026/27 course schedule, demonstrate the SewerAcademy.com portal, and explain how agencies can register staff for upcoming sessions.
<b>Who Should Attend:</b>	Collections supervisors, lead operators, O&M managers, and any staff involved in training coordination. Agencies are encouraged to forward the invitation broadly — all agency staff are welcome.
<b>Cost:</b>	No charge. Open to all staff at agencies whose insurance pool has enrolled in SOMA for FY 2026/27.

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DKF Solutions Group, LLC | Risk Control & Training Compliance Consulting | [dpatzer@dkfsolutions.com](mailto:dpatzer@dkfsolutions.com) | [SewerAcademy.com](https://SewerAcademy.com)



## Summer

BY CARLO BETOCCHI

TRANSLATED BY GEOFFREY BROCK

And it grows, the vain  
summer,  
even for us with our  
bright green sins:

behold the dry guest,  
the wind,  
as it stirs up quarrels  
among magnolia boughs

and plays its serene  
tune on  
the prows of all the leaves—  
and then is gone,

leaving the leaves  
still there,  
the tree still green, but breaking  
the heart of the air.

Notes:

[Read the translator's notes on this poem.](#)

Source: *Poetry* (March 2010)

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REGISTRATION IS NOW OPEN!



# CAJPA 2026 Annual Conference

SEPTEMBER 15-18, 2026 | LAKE TAHOE

We are excited to announce that registration for [CAJPA's 2026 Annual Conference](#) is **officially open to attendees, sponsors, and exhibitors! Golf and hotel registration are open as well!**

Join us in beautiful Lake Tahoe for a high-quality conference featuring in-depth sessions on pooling. This year, we're thrilled to host the event at the Tahoe Blue Event Center, conveniently located within walking distance of our host hotels, Caesar's Republic and Margaritaville, with complimentary shuttle service also provided between the hotels and the venue.

While most activities will take place at the Tahoe Blue Event Center, the Wednesday Late-Night Party will be held in the South Shore Room at Harrah's. The Thursday reception will take place on the 18th floor of Harrah's, offering breathtaking sunset views over Lake Tahoe.

Mark your calendars for **September 15 – 18** and register early to take advantage of the \$50 early bird discount, available until June 17, 2026.

#### Attendee Registration Rates:

Members: \$550/person

Non-Members: \$950/person

[REGISTER TODAY!](#)

[VIEW CONFERENCE DETAILS](#)

**Myron D Leavell**

**From:** CAJPA <staff@cajpa.org>  
**Sent:** Thursday, April 30, 2026 4:29 PM  
**To:** Myron D Leavell  
**Subject:** CAJPA WEEKLY UPDATE

This message has originated externally from organization.

## CAJPA WEEKLY UPDATE

### SB 827 MANDATE CLARIFICATION – DOES THIS APPLY TO JPAS?

CAJPA received requests from members for clarification on the recently passed **SB 827 (Gonzalez)** which requires local agency officials to complete fiscal and financial training.

#### Does SB 827 apply to JPAs?

We reached out to the CAJPA legal counsel, BKS Law, with this question. Their response:

*Regarding your question about the application of SB 827 to CAJPA members, I do not believe that JPAs generally, and risk-pool JPAs in specific, are subject to SB 827. As enacted, SB 827 applies to “local agencies,” which are defined as “a city, county, city and county, charter city, charter county, charter city and county, school district, county office of education, charter school, or special district.” (Gov’t Code sections 53234 and 53238.) CAJPA members are independent public agencies as defined in Section 6507 of the Joint Exercise of Powers Act. They are not one of the types of public agencies listed in Government Code sections 53234 and 53238. Compare the Brown Act, which provides in Government Code section 54951 that the Brown Act applies to any “local agency” [that is] a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.” This shows that when the Legislature wants to include JPAs in the application of a statute, it provides a definition*

### UPCOMING EVENTS

May 18, 2026

[LITL Program - Mitigating Cumulative Trauma in an Aging Workforce](#)

June 16, 2026

[CAJPA Accreditation Committee Meeting](#)

June 30, 2026

[CAJPA LITL In-Person Training](#)

August 18, 2026

[CAJPA Accreditation Committee Meeting](#)

September 15-18, 2026

[CAJPA Fall Conference](#)

[View Full Calendar](#)

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*broad enough to include them. Because the Legislature did not do this in the case of SB 827, I conclude it does not apply to CAJPA members.*

Find us on 

They did note that individual representatives appointed to member JPAs may have an obligation at their home agency to take SB 827 training, but that depends on their position at the home agency.

## APRIL 28 LITL TRAINING RECAP

Thank you to everyone who attended the **CAJPA Litigation, Insurance, and Tort Liability (LITL) Training on April 28**, hosted by Schools Insurance Authority! We appreciated the insights shared by our expert speakers: **Daniel Barer, Peder Batalden, and Darrell Smith**. Below are the presentation materials for your reference.

We also extend our sincere thanks to our sponsor, Cogent Legal, for their support in making this training possible.

A special thank you to Bob Kretzmer for his many years of dedicated leadership and service to CAJPA and the LITL Committee. Bob has made a lasting impact, and he will be truly missed. Wishing him all the best in his well-deserved retirement this June.





## LINKS TO PRESENTATIONS

DANIEL BARER PRESENTATION

PEDER BATALDEN PRESENTATION

## CAJPA RELEASES 2025 CLAIMS DATA

An updated [report](#) compiled by Polco for CAJPA reveals that lawsuits against public entities — including schools, cities, and counties — are skyrocketing in cost, shifting billions in taxpayer dollars away from classrooms, community safety, infrastructure, and other vital services. The new analysis, covering claims data through June 30, 2025, shows an alarming rise in the frequency, size, and duration of liability claims across California.

Our partnership with Polco has been a part of CAJPA’s long, ongoing efforts to encourage tort reform through the State Legislature. CAJPA’s Legislative Action Day attendees met with legislators and staff in the Capitol. We can assist members with connecting at the local level. Calls, emails, and in-district meetings are the engines that move legislators. Members who would like assistance connecting with their legislator, or who have questions, are encouraged to contact CAJPA’s Policy Assistant, Brett Moore, at [bmoore@cajpa.org](mailto:bmoore@cajpa.org).

CAJPA’s top priority is always to our members; tort reform will provide funding relief for all public entities and restore balance in the insurance market. Recent years, changes in public opinion, and landmark reports have set the stage for a time of change in the Golden State.

## BUDGET PLANNING UPDATE: DIR ASSESSMENT FACTOR OUTLOOK

CAJPA leadership and staff recently met with Department of Industrial Relations (DIR) Director Jennifer Osborn, Chief Deputy Director Adam Romero, and Chief Financial Officer Josh Iverson as part of our annual assessment factor planning discussion. As a courtesy, DIR provides CAJPA with a preliminary estimate to assist members in budgeting for the assessment factors billed each Spring.

This year's estimate is especially significant. DIR has indicated a projected increase in the assessment factors ranging from **85% to 95%**.

We want to emphasize that these figures are **preliminary and subject to change**, as additional data is still being evaluated. DIR attributes the anticipated increase primarily to continued growth in the Subsequent Injuries Benefits Trust Fund (SIBTF), along with broader departmental cost pressures, including increased staffing needed to process SIBTF claims.

To provide context, benefits paid per SIBTF claim have risen sharply over the past decade—from \$13,699 to \$80,814. Total fund liabilities for resolved and pending cases are now estimated to be as high as \$28 billion, according to actuarial analyses.

The significant impact of SIBTF on employer assessments is why Governor Newsom has directed the development of proposed reforms as part of the state budget process. CAJPA strongly supports the Governor's Budget Trailer Bill language addressing these issues. Additional information, including our coalition letter of support, is available here.

#### COALITION LETTER

It is important to note that the worst-case planning scenario—nearly doubling of the assessment—assumes that legislative reforms are not enacted. If the Governor's proposed reforms are successful in addressing pending cases, the future growth in the assessment factors could be mitigated.

This issue remains a top priority for CAJPA. It was a central focus of our recent Legislative Action Day, and we will continue to advocate aggressively on behalf of our members throughout the budget process and legislative year.

Please also keep in mind that each agency's final assessment is influenced by multiple factors, including total indemnity payments. The estimated increase discussed here applies only to the DIR assessment factors component; your agency's workers' compensation experience will continue to affect your overall costs.

CAJPA will keep members informed as updated figures become available later this year. If you have any questions, please feel free to contact us at [info@cajpa.org](mailto:info@cajpa.org).

## CAJPA EDUCATION CONTENT SURVEY

CAJPA is seeking your input to help guide our future educational programming.

We've developed a short survey to gather your feedback on CAJPA's current professional development offerings so we can better understand what topics, formats, and resources would be most valuable to you moving forward. Your input will help ensure our educational content remains relevant and beneficial to our membership. Please complete the survey by **today, April 30th**.

SHARE YOUR INPUT

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VIEW CONFERENCE DETAILS

## UPCOMING LITL TRAININGS



**STRATEGIES FOR MITIGATING CUMULATIVE TRAUMA (CT) EXPOSURE WITHIN AN AGING WORKFORCE, INCLUDING ERGONOMIC INTERVENTION AND EXIT-CLAIM MANAGEMENT**

**Monday, May 18, 2026 | 1:00 PM - 2:00 PM**

**Zoom (link will come to those registered after registration closes)**

Join us for our next training session hosted by the CAJPA LITL Committee (Litigation, Insurance and Tort Liability).

**CAJPA**  
California Association of  
Joint Powers Authorities

Trusted Leadership  
for California's Public  
Risk Sharing Pools

### **STRATEGIES FOR MITIGATING CUMULATIVE TRAUMA (CT) EXPOSURE WITHIN AN AGING WORKFORCE, INCLUDING ERGONOMIC INTERVENTION AND EXIT-CLAIM MANAGEMENT**

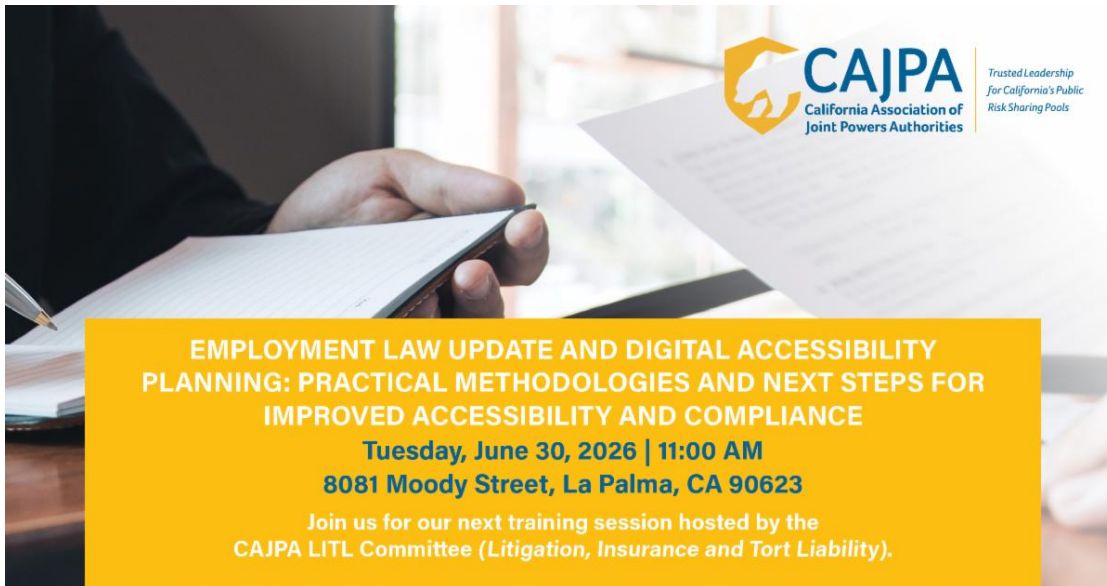
**Monday, May 18, 2026 | 1:00 PM – 2:00 PM**  
**Zoom**

Join us for the virtual CAJPA LITL Training on Strategies for Mitigating Cumulative Trauma (CT) Exposure Within an Aging Workforce, Including Ergonomic Intervention and Exit-Claim Management, May 18th, from 1:00 pm - 2:00 pm on Zoom.

As California's public sector workforce ages, agencies face a rise in "exit claims"—cumulative trauma (CT) filings that coincide with retirement. This session offers a strategic roadmap for navigating this approaching storm through proactive mitigation and defensive claims handling.

We will explore how long-term job duties evolve into compensable injuries and detail targeted ergonomic interventions—such as assistive technology and modified work cycles—designed to extend career longevity. Shifting to the separation phase, we analyze defenses against post-termination claims, including Labor Code § 3600(a)(10) protections and the use of medical baseline screenings. Join us to learn how to bridge the gap between proactive employee wellness and forensic risk management.

LEARN MORE & REGISTER TODAY!



**EMPLOYMENT LAW UPDATE AND DIGITAL ACCESSIBILITY  
PLANNING: PRACTICAL METHODOLOGIES AND NEXT STEPS FOR  
IMPROVED ACCESSIBILITY AND COMPLIANCE**

**Tuesday, June 30, 2026 | 11:00 AM**

**8081 Moody Street, La Palma, CA 90623**

Join us for our next training session hosted by the  
CAJPA LITL Committee (*Litigation, Insurance and Tort Liability*).

**EMPLOYMENT LAW UPDATE AND DIGITAL ACCESSIBILITY PLANNING:  
PRACTICAL METHODOLOGIES AND NEXT STEPS FOR IMPROVED  
ACCESSIBILITY AND COMPLIANCE**

**Tuesday, June 30, 2026 | 11:00 AM**

**California Joint Powers Insurance Authority (CJPIA)**

**8081 Moody Street, La Palma, CA 90623**

We're excited to offer a rare in-person LITL Training in Southern California on **June 30, 2026**, hosted at the California Joint Powers Insurance Authority (CJPIA) in **La Palma, CA**. While this training was originally scheduled for March, we're pleased to bring it back this summer. We don't often bring this training to the region, so don't miss this opportunity to attend.

**SCHEDULE**

- 11:00 am – 12:00 pm: Registration & Lunch
- 12:00 pm – 1:15 pm: **Session 1 – Employment Law Update**
- 1:15 pm – 1:30 pm: Break
- 1:30 pm – 3:00 pm: **Session 2 – Digital Accessibility Planning: Practical Methodologies and Next Steps for Improved Accessibility and Compliance**

**LEARN MORE AND REGISTER TODAY!**

**THANK YOU TO OUR SPONSOR**



## CALL FOR VOLUNTEERS

### MAKE A DIFFERENCE: ANNUAL CONFERENCE COMMITTEE IS LOOKING FOR VOLUNTEERS!

Do you want to play a part in planning the CAJPA Annual Conference? The Annual Conference Committee currently has vacancies and is looking for volunteers to join. This is a great opportunity to contribute your ideas and help shape CAJPA's biggest event of the year!

If you're interested, please reach out to [info@cajpa.org](mailto:info@cajpa.org) for more information.

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Self-Insured Schools of California | Sacramento, CA

### Indemnity Claims Examiner - Workers' Compensation

Self-Insured Schools of California | Clovis/Fresno, CA

### Finance Program Coordinator

Municipal Pooling Authority | Concord, CA

### Supervisor, Liability Claims

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# 'Never going to feel safe': California neighborhood flooded with over 1 million gallons of sewage

By [Annie Vainshtein](#), Staff Writer

Updated May 12, 2026 2:32 p.m.



At least 75 residents of a rural Northern California neighborhood sued Lake County last week after a sewer line rupture in January unleashed around 1.38 million gallons of untreated waste, creating a moat of raw sewage around their homes for nearly 40 hours and contaminating a network of private water wells supplied by a shallow aquifer.

In multiple complaints filed over the last week in Lake County Superior Court, dozens of residents of Robin Lane accused the county and the agencies that run its water and sewage systems of insufficiently maintaining the sewage system for decades before the spill on Jan. 11. County officials declined to comment on the lawsuits but said crews had installed more than 100 UV sanitation and filtration systems on residents' properties.

The lawsuits come as the county-run sewer system faces mounting pressure from regulators and city officials who have raised concerns for years about how the system has been operated and maintained. Clearlake

officials said they plan to wrest control of the sewer system from the county and file complaints with a range of environmental and regulatory agencies.

According to state regulators, the rupture occurred at the site of a 2003 repair on the same 16-inch pipe that broke open in January. In 2023, a break involving the same sewer pipe released 600,000 gallons of sewage into a nearby area of town and subsequently into Clear Lake.

The steaming sewage — wastewater that originated from surrounding communities — surged down Robin Lane for two days as crews struggled to stop the flow because crucial shutoff valves were stuck. Residents who are suing allege that the county knew the shutoff valve was faulty but had not procured emergency parts. They are seeking monetary compensation, extended groundwater monitoring and court orders that would require the county to clean up the aquifer.

The outflow swiftly inundated an area of about 550 acres and affected at least 475 residents. Around 200 properties were impacted when the raw sewage touched their properties or contaminated their wells before the gushing stream flowed into a nearby creek and again into Clear Lake, the complaint alleged.

Residents alleged that even after the county made efforts to remediate the spill with vacuum trucks and dustings of agricultural lime, airborne particles — residue they described as “poop dust” — still lingered.



Cassandra Hulbert holds a jug of discolored water outside her home on Robin Lane in Clearlake, Calif., on Monday, May 11, 2026. Residents say they remain concerned about water contamination months after a sewage pipe rupture released millions of gallons of untreated sewage into the neighborhood. Rachel Bujalski/For the S.F. Chronicle

The sewer system that serves Clearlake is operated by the county's Special Districts and overseen by the county's Sanitation District, an agency governed by the Board of Supervisors.

"Lake County knew for years that this system was failing," said Knut Johnson, an attorney representing some of the residents. "When that force main finally gave way, nearly 500 residents paid the price and many are still

waiting for clean water today.”

Matthew Rothstein, a public information officer for the county and its sanitation and special districts, said the county would not comment on pending litigation.

Five months after the spill, families who once cherished their self-reliance said they now depend on bottled water to cook, drink and brush their teeth — and are spending hundreds of dollars a month for water from county-provided tanks.



Cassandra Hulbert makes pretzel dough using bottled water inside her home on Robin Lane in Clearlake, Calif., on Monday, May 11, 2026. Residents say they continue to avoid using their well water months after a sewage pipe rupture flooded the neighborhood with untreated sewage.  
Rachel Bujalski/For the S.F. Chronicle

Lake County officials said they installed UV sanitation and filtration systems at 103 eligible properties and declared many wells safe again after repeated testing. But residents interviewed by the Chronicle said they still distrust the water, explaining that they do not have confidence in the county’s testing or filtration systems.

Some property owners told the Chronicle they worried cloudy or sediment-heavy water could reduce the UV systems’ effectiveness and said they viewed the county’s efforts as a “Band-Aid” solution.

According to one of the lawsuits, the private wells in the area are “particularly vulnerable” to contamination because they’re shallow and less protected by natural barriers that could repel potential contaminants. The second complaint, which represents 60 residents, alleges approximately 82% of the sewage spillage by the county has occurred in the last five years.

Like many others, the spill surrounded and went under the home of Juan and Stephanie Piseno, a married couple who run a home daycare on Robin Lane and have sued the county. The putrid streams flooded their septic tank and affected their well-water system, they said.

“We’re never going to feel safe here again,” said Stephanie Piseno, who said she and her husband lost clients after the spill. “We’re going to have to move, but our home value is going to be a lot lower.”



Mike Holland makes rice for dinner with bottled water at his home in Clearlake, Calif.  
Rachel Bujalski/For the S.F. Chronicle

Robin Lane lifer Mike Holland, an engineer for AT&T whose grandparents bought the property in the mid-1950s, went 26 days without water at his home until the county provided a 2,500-gallon water tank. Though he was technically “cleared” by the county to use the well his grandparents installed, he said he will never drink from it again.

“I still love where I live, I have the best neighbors,” said Holland, who described the neighborhood as an idyllic community of large parcels and orchards. “This was beyond our control, and now we’re just living with it the best we can.”

Residents also said they were not made aware of the scope — or contents — of the spill for hours. Some, like Cassandra Hulbert, say they were not told to halt their water use until hours after the spill was reported and initially assumed it was just a broken water line.

“All day (the first day after the spill), we were doing dishes, washing our clothes, brushing our teeth, giving our animals this water,” said Hulbert, who is immunocompromised and lives with her husband and two children.



Cassandra Hulbert gives her kids water bottles to drink with their dinner at their home in Clearlake, California.  
Rachel Bujalski/For the S.F. Chronicle

The family, which cares for four rabbits, chickens, two dogs and four cats, had to temporarily relocate after the spill. Paying \$600 a month for water is unsustainable, Hulbert said — but for now, they believe it is their safest option.

During City Council meetings this year, Clearlake officials decried a lack of consistent oversight and their dwindling confidence in the county-run sewer system. In statements to the Chronicle, Clearlake City Manager Alan Flora alleged there had been “very frequent spills with no apparent corrective action plans” under the current system.

The city also plans to file complaints with the Environmental Protection Agency, the Regional Water Board, the state’s Natural Resources Agency and other entities for alleged code violations from lack of odor control systems to violations of the Clean Water Act, Flora said.

“The Robin Lane spill would not have been as significant of an issue if basic maintenance had happened and the pitiful response and recovery efforts were really the last straw,” he said. “Any hope that this scope of disaster would help them refocus their efforts on taking honesty, maintenance and thoughtful planning seriously was soon dashed as well.”



Cassandra Hulbert carries bags filled with empty water bottles outside her home on Robin Lane in Clearlake, Calif., on Monday, May 11, 2026. Residents say they have relied on purchased water since January’s sewage spill contaminated the neighborhood.

Rachel Bujalski/For the S.F. Chronicle

Though plaintiffs have alleged the spill involved nearly 3 million gallons, regulators and county reports later described that as a maximum estimate and cited the figure as closer to 1.38 million gallons, according to technical reports shared with the Chronicle by state officials.

State water regulators declined to comment on any enforcement against the county, but said they were working with the Lake County Special Districts. They also said they were unaware of any updated Capital Improvement Plan — the long-term infrastructure roadmap agencies use to assess vulnerabilities in equipment — after the county received a notice of violation in 2024.

May 12, 2026 | Updated May 12, 2026 2:32 p.m.



Annie Vainshtein

REPORTER



Annie is a reporter for the Chronicle who focuses on breaking news, crime and human-interest stories. She previously was a breaking news reporter and producer for the Chronicle’s Datebook section. She graduated from Cal Poly, San Luis Obispo in 2017 with a degree in journalism. During her time there, she spearheaded a culture column, produced radio pieces for NPR-affiliate station KCBX, and was a DJ and writer for KCPR, the campus radio station. Before joining the Chronicle, she was an associate producer at SFGATE and interned at VICE and Flood Magazine.

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## From Experiment To Exposure: Executive Strategies To Contain Shadow AI

April 13, 2026

Shadow AI refers to employees using artificial intelligence tools that have not been formally approved or monitored by their organization's IT or security teams. This makes shadow AI a growing subset of shadow IT that can expose sensitive data and create compliance risks.

A survey of 5000 workers found that 73 percent say their company encourages experimentation with AI, yet 37 percent admit they do not always follow company AI policies. Another 27 percent acknowledge using AI tools that are not authorized by their employer, compared with 52 percent who have downloaded other applications without IT approval.

Unauthorized AI use is described as particularly risky because such tools can absorb sensitive information into training data, violate legal or regulatory requirements, or even act as malware. Employees are drawn to these tools primarily for convenience and perceived productivity gains, with 45 percent citing convenience, and 43 percent saying they feel more productive when using AI.

Employees deploy generative AI for tasks such as transcribing and summarizing customer call notes, supporting hiring and performance review processes, and analyzing both company and customer data, which broadens the potential impact of any misuse or data leakage.

The rise of shadow AI is linked in part to the freemium business model of many large language model services, which allows workers to do significant amounts of work with free, browser-based tools and can encourage them to overlook contractual and risk-management obligations they would normally associate with paid software.

Security leaders note that browser-based tools such as writing assistants and productivity apps may not be perceived as "apps" by employees even though they can expose corporate data, contributing to underestimation of the actual level of shadow IT and shadow AI in organizations.

Source: <https://www.infosecurity-magazine.com/news/shadow-ai-employees-use-unapproved/>

### *Commentary*

Shadow AI is the use of unapproved AI tools by employees outside IT and risk management controls, often through personal accounts or browser-based assistants that feel harmless but can quietly move sensitive data beyond the organization's defenses. For executive leadership, shadow AI poses a far greater risk than shadow IT.

Losses most often arise when staff paste source code, internal documents, or customer data into public generative AI tools to draft emails, debug code, or summarize calls, creating a record of proprietary or regulated information the organization cannot see, control, or delete.

One widely cited incident involved engineers entering confidential source code into a public chatbot for debugging help, after which the provider's outputs were found to resemble that proprietary code, effectively leaking intellectual property and forcing the company to restrict AI use and reassess its controls.

For executive leadership, shadow AI is not primarily a technology story but a governance failure. Data is processed in tools that have never been vetted for security, contracts do not address retention or training on corporate data, and compliance teams cannot demonstrate where regulated information travels. This exposes the organization to regulatory penalties, litigation, and reputational harm if that data surfaces in a breach or AI output.

Recommended governance practices include maintaining an up-to-date inventory of AI tools in use and auditing them regularly, establishing and enforcing clear AI usage policies while directing employees toward safer options. Implement technical controls so that only sanctioned AI tools can access company data.

The final takeaway is that executives must set a clear rules for AI. Provide approved and monitored AI options that actually meet business needs, and back them with policy, training, and technical controls that detect and block unapproved tools.

Additional Sources: <https://www.journalofaccountancy.com/news/2025/nov/lurking-in-the-shadows-the-costs-of-unapproved-ai-tools/>; <https://www.hipaajournal.com/insider-breach->

*costs-increase-shadow-ai-use/*

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<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>	<b>APRIL</b>
<b>CSRMA EB - TUE - 13</b>	CSRMA LIAB (TC) - TUE - 17	<b>CSRMA LRP - SUN - TUE - 1, 2, 3</b>	<b>CSRMA FIN - MON - 27 (SFO)</b>
<b>CSRMA BD - WED - 14</b>	<b>CSRMA WC - THUR - 19 (SFO)</b>		
<i>CASA January 13 - 16</i>	<i>PARMA February 24 - 27</i>		
<i>Indian Wells</i>	<i>Monterey</i>		
<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUGUST</b>
CSRMA LIAB (TC) - MON - 4	CSRMA EB (TC) - MON - 8		<b>CSRMA EB - TUE - 4</b>
CSRMA OC (TC) - TUES - 5	CSRMA BOD (TC) - WED - 17		<b>CSRMA BD - WED - 5</b>
CSRMA WC (TC) - THUR - 21	CSRMA OC (TC) - WED - 24		
			<i>CASA August 4 - 7</i>
			<i>Napa</i>
<b>SEPTEMBER</b>	<b>OCTOBER</b>	<b>NOVEMBER</b>	<b>DECEMBER</b>
<b>CSRMA LIAB - TUE - 8 (WC OFFICE)</b>	<b>CSRMA EB - MON - 5 (SFO)</b>	CSRMA FIN (TC) - MON - 9	CSRMA EB (TC) - MON - 7
CSRMA OC (TC) - FRI - 11	CSRMA WC (TC) - WED - 14	<b>CSRMA LIAB - MON - 16 (WC OFFICE)</b>	CSRMA OC (TC) - THUR - 10
	CSRMA OC (TC) - FRI - 30		
<i>CAJPA September 15 - 18</i>			
<i>South Lake Tahoe</i>			

**Meetings in RED are IN-PERSON**

**CSRMA  
Board of Directors  
60 Members**

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*Jason Dow, Chair*  
*Philip Leiber*  
*Ryan Green*  
*Jeffery Tucker*

**Executive Board**  
*Sandeep Karkal, Novato SD (President)*  
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*Michael Thornton, San Elijo JPA*  
*Tyson Zimmerman, Ironhouse SD*  
*Curtis Paxton, Las Gallinas Valley SD*  
*Jimmy Dang, Oro Loma SD*  
*Patrick Ostly, North of River SD*  
*Matt Anderson, Silicon Valley Clean Water (Alternate)*

**Officers Committee**  
*Sandeep Karkal*  
*Vince De Lange*

**Treasurer-Auditor**  
*Jason Dow*

**Secretary**  
*Roland Williams*

**Legal Counsel**  
*Byrne Conley, Esq.*  
*Gibbons & Conley*

**Financial Auditor**  
*James Marta,*  
*James Marta & Company*

**Program Management  
Alliant Insurance Services, Inc.  
JPA Administration & Insurance**  
*Dennis Mulqueeny*  
*Seth Cole*  
*Myron Leavell*  
*Marilyn Schley*  
*P.J. Skarlanic*  
*Steve Davidson*  
*Thary Ou*  
*Tevea Him*  
*Phuntsok Gaphel*  
**Loss Control Services**  
*David Patzer, Patzer Risk Control Services*  
*CSRMA Risk Control Advisor*  
*Heather Truro, HT Consulting*  
*Return to Work Consultant*  
**Accounting**  
*Tami Giovanni*

**Financial Advisor**  
*Michael Kronbetter,*  
*PFM Asset Management LLC*

**Pooled Liability Program Committee**  
*Patrick Ostly, North of River SD, Chair*  
*Sergio Ramirez, West Bay SD*  
*Jordan Damerel, Fairfield-Suisun SD*  
*Veronica Cazares, Selma-Kingsburg-Fowler County SD*  
*Robert Grantham, Santa Margarita Water District*

**Workers' Compensation Program Committee**  
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*Jan Lee, Dublin San Ramon SD*  
*Erik Brown, Novato SD*  
*Amber Boone, SOCWA*  
*Felicia Newhouse, Ross Valley SD*

**Claims**  
*Bill Kirker*  
*Beth Tavares*  
*Carl Warren & Co.*

**Claims**  
*Stella Sebastiani*  
*Athens*

***Service Team***

