



c/o ALLIANT INSURANCE SERVICES

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PAST PRESIDENTS:

Greg Baatrup
2018-2020
Paul Bushee
2014-2018

FINANCE COMMITTEE MEETING AGENDA

Meeting Via Teleconference at the Following Location(s):

180 State Street, Suite 225, Southlake, TX 76092

**Date/Time: Monday, April 15, 2024
10:00 AM**

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

		A = Action	
		I = Information	
		S = Separate	
		H = Handout	
A.	CALL TO ORDER		
B.	PUBLIC & COMMITTEE MEMBER COMMENTS		
C.	CONSENT CALENDAR		
1.	Meeting Minutes: November 6, 2023 <i>Recommendation: Approve minutes from the last meeting.</i>	A	p. 3
2.	Budget to Date Report as of March 31, 2024 <i>Recommendation: Review the budget to date report.</i>	I	p. 8
D.	GENERAL ADMINISTRATION		
1.	CSRMA Investment Performance Review <i>Recommendation: Receive an update on CSRMA's Investment Portfolio from PFM.</i>	I/H	p. 16
2.	Investment Policy <i>Recommendation: Review and approve the Investment Policy.</i>	A	p. 17
3.	CWIC Investment Performance Review <i>Recommendation: Receive an update on CWIC's Investment Portfolio from PFM.</i>	I/H	p. 25
4.	CWIC (Captive) Update <i>Recommendation: Receive an update on the Captive.</i>	I	p. 26
5.	Estimated Actual 23/24 Budget & Proposed 24/25 Budget - DRAFT <i>Recommendation: Review and approve the proposed 24/25 FY budget.</i>	A/S	p. 27
E.	STAFF/COMMITTEE REPORTS		
	None		
F.	INFORMATION ITEMS		
1.	Poem of the Day	I	p. 31
2.	Information - CAMP Proxy Statement	I	p. 33
3.	Article - DIR Assessment Early Estimate Indicates An Increase This Fall	I	p. 46
4.	Article - Another Target of Identity Theft Scammers	I	p. 47
5.	CSRMA 2024 Meeting Calendar	I	p. 49
6.	CSRMA Organizational Chart	I	p. 50
7.	CSRMA Service Team Chart	I	p. 51
	<i>Recommendation: Review the presented items.</i>		

G. ADJOURNMENT

The next meeting is scheduled for November 4, 2024 via teleconference.

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.

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**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
FINANCE COMMITTEE MEETING
NOVEMBER 6, 2023
TELECONFERENCE**

MEMBERS PRESENT

Mr. Jason Dow, Treasurer, Central Marin Sanitation Agency
Mr. Matt Anderson, Silicon Valley Clean Water
Mr. Philip Leiber, Central Contra Costa Sanitary District
Ms. Erica Castillo, Santa Margarita Water District

MEMBERS ABSENT

None

GUESTS AND CONSULTANTS

Mr. Dennis Mulqueeney, 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.
Ms. Tami Giovanni, Alliant Insurance Services, Inc.
Ms. Monique Spyke, PFM Asset Management Group, left 10:26 a.m.
Mr. James Marta, James Marta & Company, LLP, left 10:43 a.m.

A. CALL TO ORDER

The meeting was called to order by Chair Jason Dow at 10:01 a.m.

B. PUBLIC & COMMITTEE MEMBER COMMENTS

None.

C. CONSENT CALENDAR

C.1. Meeting Minutes: April 17, 2023

The minutes of the meeting on April 17, 2023 were reviewed.

C.2. Budget to Date Report as of September 30, 2023

The Committee reviewed the Budget to Date Report as of September 30, 2023.

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

MOTION: Matt Anderson

SECOND: Erica Castillo

MOTION CARRIED

AYES: Anderson, Castillo, Dow, Leiber

NAYS: None

ABSTAIN: None

ABSENT: None

D. GENERAL ADMINISTRATION

D.1. CSRMA Investment Performance Review

P.J. Skarlanic introduced Ms. Monique Spyke from PFM Asset Management Group to the Committee. Monique reviewed CSRMA's current investments at September 30, 2023 and provided both a market outlook and portfolio summary to the Committee.

Monique explained that The U.S. economy is characterized by stronger than expected growth, supported by a resilient consumer, Inflation that remains stubbornly above the Federal Reserve's ("Fed") target range, continued creation of new jobs by the labor market, albeit at a moderating pace. Fed paused again in its' rate hike campaign, after hiking in July, the Federal Reserve held rates steady at the September FOMC meeting as expected, while the Fed's most recent "dot plot" indicated one more rate hike for 2023 and set the stage for interest rates to remain "higher-for-longer", updated FOMC economic projections point to stronger GDP growth expectations, higher inflation, and slightly lower unemployment for the remainder of 2023 and into 2024. Interest rates reached their highest levels since 2006-7. The U.S. government rating downgrade by Fitch had little impact, although it highlighted growing worry about the erosion of governance standards and fiscal irresponsibility, treasury yields across the curve rose during Q3. Sticky inflation, a "higher for longer" market consensus, increased Treasury borrowing, and reduced Treasury holdings by China and Japan weighed especially on the long end of the curve, the next concern is the annual federal budget process and potential for a government shutdown, with the conflict in the Ukraine and now the conflict in Israel adding to pressures.

Monique reported that CSRMA's portfolio is performing well given the current economic picture. Excluding LAIF, 85% of the portfolio is invested in securities rated in the highest categories. CSRMA's portfolio experienced a 2.00% rate of return for the past year, .67% above the ICE BofAML 1-10 year U.S. Treasury Index, the benchmark CSRMA has set, which experienced a 1.33% return over the same period. CSRMA's annualized return, over the past 10 years, is at 0.93%, outperforming the 0.60% custom index benchmark.

The Committee expressed their satisfaction with the portfolio's performance under their management to the PFM Team.

D.2. 2022-2023 Fiscal Year Draft Financial Audit

P.J. Skarlanic reported that a draft of the 2022-2023 financial audit is complete and ready for the Committee's review. P.J. noted that while the Program Administrators prepared an Annual

Comprehensive Financial Report (ACFR), James Marta of James Marta & Company will focus his presentation on the financial section of the ACFR.

James directed the Committee's attention to the financial audit packet. James reported that the financial statements are in compliance with the accounting principles generally accepted in the United States. He reviewed a letter addressed to the Board of Directors reporting no significant issues with CSRMA's finances and reviewed the financial section of the draft ACFR with the Committee. James noted that the Net Position as of June 30, 2023 is \$10M, an increase of nearly \$3 million over last year.

In summary, the audit opinion is unmodified with no internal control deficiencies. Both the Pooled Liability and Workers' Compensation Programs are meeting equity targets. The Pooled Property ended the year with a negative net position as a result of an increase in the claims reserves. Overall, the program administrators and accounting team are well informed and are doing an excellent job.

The Finance Committee thanked James Marta and the Alliant Teams for their efforts.

James Marta will present the ACFR to the CSRMA Board of Directors' at their January 2024 Meeting at the CASA Conference.

A motion was made to recommend the financial audit to the Executive Board for their recommendation to the Board of Directors for adoption.

MOTION: Matt Anderson **SECOND:** Erica Castillo **MOTION CARRIED**

AYES: Anderson, Castillo, Dow, Leiber
NAYS: None
ABSTAIN: None
ABSENT: None

D.3. Reconciliation of Program Director Fees for the Fiscal Year Ended June 30, 2023

P.J. Skarlanic reviewed this item with the Finance Committee and explained that at the end of each fiscal year, the Program Administrators reconcile the Program Director Fees to ensure that payment to Alliant Insurance Services, Inc. was billed correctly and in accordance with the contract.

The table on page 22 prepared by the Program Administrators showed that the Pooled Liability, Workers' Compensation, Property and Primary Insurance Programs had no deviations from the contracted amounts.

As a matter of appropriateness, the auditor, Michael Manduca, verified the reconciliation calculations as requested by the Finance Committee.

D.4. Proposed 2024 Meeting Calendar

P.J. Skarlanic reviewed the proposed meeting calendar with the Finance Committee. Committee members were asked to review the meeting dates of April 15 and November 4, 2024 and to let the Program Administrators know of any conflicts. No conflicts were reported at this time.

The proposed meeting calendar for 2024 was reviewed. The Committee determined that they would like to meet in person in April and virtually in November.

A motion was made to adopt the 2024 Meeting Calendar as presented.

MOTION: Erica Castillo **SECOND:** Phil Leiber **MOTION CARRIED**

AYES: Anderson, Castillo, Dow, Leiber
NAYS: None
ABSTAIN: None
ABSENT: None

D.5. Captive Insurance Company

P.J. Skarlanic provided a verbal update to the Committee. This is the first meeting of the Finance Committee since the Captive was launched in July. Going forward, there will be a standing agenda item with a captive update.

With the Board of Directors' approval of the funding of the Clean Water Insurance Captive (CWIC) at their June meeting, it launched effective July 1, 2023, at which time it began insuring the retained layer of CSRMA's Pooled Workers' Compensation Program.

CWIC held its first official Board meeting on July 13th. At this meeting a number of critical items were approved in order to effectuate the Captive. Some of the items on the agenda included:

- Confirmation of the CWIC Board members
- Approval of the Articles of Incorporation and Bylaws
- Financial Approvals (Fiscal Year, Tax Election, Authorized signers)
- Reinsurance Agreement (Draft reviewed)
- Approval of Investment Policy Strategy
- Service Agreements vital to the operation of CWIC (PFM Agreement reviewed)

CWIC's most recent meeting was held on October 2nd. Some of the items on this agenda included:

- Approval of the Reinsurance Agreement for CSRMA's Workers' Compensation exposures, retroactive to July 1, 2023
- Authorization to bind Trustees Errors & Omissions coverage for the CWIC Board

- Authorization to move forward with an updated Feasibility study to insure go-forward liabilities in CSRMA's Pooled Liability Program effective 12/31/23

The next CWIC Board meeting is scheduled for December 4, 2023.

E. STAFF/COMMITTEE REPORTS - None.

F. INFORMATION ITEMS

F.1. Poem of the Day

F.2. Article – *Organisations warned of rise in phishing using QR codes*

F.3. Article – *Colorado judge chides company that tried to pay \$23,500 settlement in coins weighing 3 tons*

F.4. Article – *How to Recognize and Report Spam Text Messages*

F.5 CSRMA 2023 Meeting Calendar

F.6 CSRMA Organizational Chart

F.7 CSRMA Service Team

The Finance Committee reviewed the Information Items.

G. ADJOURNMENT

The meeting was adjourned at 10:50 a.m. The next meeting is scheduled for April 15, 2024.

Budget to Date Report as of March 31, 2024

ISSUE: Attached is the budget to date report as of March 31, 2024 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: None.

ATTACHMENTS:

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

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	TOTAL			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	753,556.08	1,037,630.00	-284,073.92	72.62%
4110 Program Directors' Fee	1,068,344.22	1,451,000.00	-382,655.78	73.63%
4220 Pooled Deposit	1,794,239.28	7,471,949.00	-5,677,709.72	24.01%
4300 Retro Adjustment	-802,166.75	-500,000.00	-302,166.75	160.43%
4400 Insurance Premium (Net)	10,315,180.69	13,997,015.00	-3,681,834.31	73.70%
4450 Affiliate Insurance Premium Rev	3,820,385.14	0.00	3,820,385.14	
4500 Deductible Recoveries	340,349.82	400,000.00	-59,650.18	85.09%
Total 4660 Investment Earnings	\$ 397,405.73	\$ 532,430.00	-\$ 135,024.27	74.64%
Total Income	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%
Gross Profit	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%
Expenses				
5201 Claims Expense	4,298,706.04	5,493,907.00	-1,195,200.96	78.24%
6330 Program Directors' Fee Exp.	1,068,538.00	1,451,000.00	-382,462.00	73.64%
6432 Net Insurance Premium	10,393,089.35	13,997,015.00	-3,603,925.65	74.25%
6435 Affiliate Insurance Premium Exp	4,297,341.25	0.00	4,297,341.25	
6464 User/Fraud Fund Assessment	118,456.18	103,289.00	15,167.18	114.68%
6506 Actuarial	12,500.00	66,250.00	-53,750.00	18.87%
6510 Claims Audit	5,900.00	5,900.00	0.00	100.00%
6512 Claims Admin. Annual Fee	17,800.00	24,480.00	-6,680.00	72.71%
6516 Coverage Counsel	0.00	5,500.00	-5,500.00	0.00%
6523 Outside Safety Consultant	323,486.03	455,300.00	-131,813.97	71.05%
6650 Program Legal	17,640.00	26,500.00	-8,860.00	66.57%
6652 Program Committee	169.90	3,850.00	-3,680.10	4.41%
6660 Program Consulting	15,271.00	35,000.00	-19,729.00	43.63%
6667 CSRMA Provided Seminars	68,748.71	85,000.00	-16,251.29	80.88%
7808 Financial Audit	18,670.00	22,171.00	-3,501.00	84.21%
7822 Board Counsel	13,661.88	20,700.00	-7,038.12	66.00%
8944 Printing/Promotion	283.59	6,500.00	-6,216.41	4.36%
8945 Computer Software/Programming	20,640.25	34,900.00	-14,259.75	59.14%
8946 Memberships/Other	3,940.00	4,307.00	-367.00	91.48%
8948 Banking Service Charges	3,407.05	13,137.00	-9,729.95	25.93%
8954 Executive/Officers Committee	32,316.00	30,000.00	2,316.00	107.72%
8956 Board of Directors	5,278.59	13,800.00	-8,521.41	38.25%
8960 JPA Insurance	57,626.37	75,049.00	-17,422.63	76.78%
8990 General Contingency	300.00	6,000.00	-5,700.00	5.00%
9120 Dividends	0.00	500,000.00	-500,000.00	0.00%
Total Expenses	\$ 20,793,770.19	\$ 22,479,555.00	-\$ 1,685,784.81	92.50%
Net Operating Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%
Net Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.021 - PIP			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	43,072.58	59,856.00	-16,783.42	71.96%
4110 Program Directors' Fee	99,847.22	138,000.00	-38,152.78	72.35%
4220 Pooled Deposit			0.00	
4300 Retro Adjustment			0.00	
4400 Insurance Premium (Net)	486,323.80	651,874.00	-165,550.20	74.60%
4450 Affiliate Insurance Premium Rev			0.00	
4500 Deductible Recoveries			0.00	
Total 4660 Investment Earnings	\$ 2,004.66	\$ 2,846.00	-\$ 841.34	70.44%
Total Income	\$ 631,248.26	\$ 852,576.00	-\$ 221,327.74	74.04%
Gross Profit	\$ 631,248.26	\$ 852,576.00	-\$ 221,327.74	74.04%
Expenses				
5201 Claims Expense			0.00	
6330 Program Directors' Fee Exp.	100,040.50	138,000.00	-37,959.50	72.49%
6432 Net Insurance Premium	490,528.71	651,874.00	-161,345.29	75.25%
6435 Affiliate Insurance Premium Exp			0.00	
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	
6523 Outside Safety Consultant	24,930.00	27,830.00	-2,900.00	89.58%
6650 Program Legal			0.00	
6652 Program Committee			0.00	
6660 Program Consulting	438.75	1,500.00	-1,061.25	29.25%
6667 CSRMA Provided Seminars	6,345.24	8,500.00	-2,154.76	74.65%
7808 Financial Audit	1,867.00	2,217.00	-350.00	84.21%
7822 Board Counsel	1,366.19	2,070.00	-703.81	66.00%
8944 Printing/Promotion	28.36		28.36	
8945 Computer Software/Programming	1,176.77	3,490.00	-2,313.23	33.72%
8946 Memberships/Other	394.00	431.00	-37.00	91.42%
8948 Banking Service Charges	227.58	1,314.00	-1,086.42	17.32%
8954 Executive/Officers Committee	3,218.87	3,000.00	218.87	107.30%
8956 Board of Directors	527.85	1,400.00	-872.15	37.70%
8960 JPA Insurance	5,762.63	7,505.00	-1,742.37	76.78%
8990 General Contingency	30.00	600.00	-570.00	5.00%
9120 Dividends			0.00	
Total Expenses	\$ 636,882.45	\$ 849,731.00	-\$ 212,848.55	74.95%
Net Operating Income	-\$ 5,634.19	\$ 2,845.00	-\$ 8,479.19	-198.04%
Net Income	-\$ 5,634.19	\$ 2,845.00	-\$ 8,479.19	-198.04%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.023 - Property			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	49,767.00	66,356.00	-16,589.00	75.00%
4110 Program Directors' Fee	144,000.00	192,000.00	-48,000.00	75.00%
4220 Pooled Deposit	445,430.28	593,907.00	-148,476.72	75.00%
4300 Retro Adjustment			0.00	
4400 Insurance Premium (Net)	6,262,329.00	8,356,902.00	-2,094,573.00	74.94%
4450 Affiliate Insurance Premium Rev			0.00	
4500 Deductible Recoveries			0.00	
Total 4660 Investment Earnings	\$ 3,967.49	\$ 10,730.00	-\$ 6,762.51	36.98%
Total Income	\$ 6,905,493.77	\$ 9,219,895.00	-\$ 2,314,401.23	74.90%
Gross Profit	\$ 6,905,493.77	\$ 9,219,895.00	-\$ 2,314,401.23	74.90%
Expenses				
5201 Claims Expense	255,554.64	593,907.00	-338,352.36	43.03%
6330 Program Directors' Fee Exp.	144,000.00	192,000.00	-48,000.00	75.00%
6432 Net Insurance Premium	6,323,468.07	8,356,902.00	-2,033,433.93	75.67%
6435 Affiliate Insurance Premium Exp			0.00	
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial		5,000.00	-5,000.00	0.00%
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee			0.00	
6516 Coverage Counsel			0.00	
6523 Outside Safety Consultant	24,930.00	27,830.00	-2,900.00	89.58%
6650 Program Legal	0.00	1,500.00	-1,500.00	0.00%
6652 Program Committee			0.00	
6660 Program Consulting	438.75	1,500.00	-1,061.25	29.25%
6667 CSRMA Provided Seminars	6,345.24	8,500.00	-2,154.76	74.65%
7808 Financial Audit	1,867.00	2,217.00	-350.00	84.21%
7822 Board Counsel	1,366.19	2,070.00	-703.81	66.00%
8944 Printing/Promotion	28.36		28.36	
8945 Computer Software/Programming	1,049.30	3,490.00	-2,440.70	30.07%
8946 Memberships/Other	394.00	431.00	-37.00	91.42%
8948 Banking Service Charges	235.26	1,314.00	-1,078.74	17.90%
8954 Executive/Officers Committee	3,346.34	3,000.00	346.34	111.54%
8956 Board of Directors	527.85	1,400.00	-872.15	37.70%
8960 JPA Insurance	5,762.63	7,505.00	-1,742.37	76.78%
8990 General Contingency	30.00	600.00	-570.00	5.00%
9120 Dividends			0.00	
Total Expenses	\$ 6,769,343.63	\$ 9,209,166.00	-\$ 2,439,822.37	73.51%
Net Operating Income	\$ 136,150.14	\$ 10,729.00	\$ 125,421.14	1268.99%
Net Income	\$ 136,150.14	\$ 10,729.00	\$ 125,421.14	1268.99%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.024 - Liability			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	267,315.25	386,883.00	-119,567.75	69.09%
4110 Program Directors' Fee	498,247.00	686,000.00	-187,753.00	72.63%
4220 Pooled Deposit	1,342,500.00	2,796,200.00	-1,453,700.00	48.01%
4300 Retro Adjustment	10,634.00	-250,000.00	260,634.00	-4.25%
4400 Insurance Premium (Net)	2,364,246.75	3,338,777.00	-974,530.25	70.81%
4450 Affiliate Insurance Premium Rev	736,806.25	0.00	736,806.25	0.00%
4500 Deductible Recoveries	340,349.82	400,000.00	-59,650.18	85.09%
Total 4660 Investment Earnings	\$ 148,477.45	\$ 182,592.00	-\$ 34,114.55	81.32%
Total Income	\$ 5,708,576.52	\$ 7,540,452.00	-\$ 1,831,875.48	75.71%
Gross Profit	\$ 5,708,576.52	\$ 7,540,452.00	-\$ 1,831,875.48	75.71%
Expenses				
5201 Claims Expense	1,968,137.52	2,400,000.00	-431,862.48	82.01%
6330 Program Directors' Fee Exp.	498,247.50	686,000.00	-187,752.50	72.63%
6432 Net Insurance Premium	2,364,246.68	3,338,777.00	-974,530.32	70.81%
6435 Affiliate Insurance Premium Exp	736,806.25	0.00	736,806.25	0.00%
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial	12,500.00	14,000.00	-1,500.00	89.29%
6510 Claims Audit	5,900.00	5,900.00	0.00	100.00%
6512 Claims Admin. Annual Fee	11,800.00	18,480.00	-6,680.00	63.85%
6516 Coverage Counsel		5,500.00	-5,500.00	0.00%
6523 Outside Safety Consultant	112,925.00	162,735.00	-49,810.00	69.39%
6650 Program Legal	17,392.50	23,500.00	-6,107.50	74.01%
6652 Program Committee		2,750.00	-2,750.00	0.00%
6660 Program Consulting	12,857.87	16,750.00	-3,892.13	76.76%
6667 CSRMA Provided Seminars	28,953.57	38,250.00	-9,296.43	75.70%
7808 Financial Audit	8,401.50	9,977.00	-1,575.50	84.21%
7822 Board Counsel	6,147.83	9,315.00	-3,167.17	66.00%
8944 Printing/Promotion	127.61		127.61	
8945 Computer Software/Programming	14,295.48	15,705.00	-1,409.52	91.03%
8946 Memberships/Other	1,773.00	1,938.00	-165.00	91.49%
8948 Banking Service Charges	1,420.18	5,911.00	-4,490.82	24.03%
8954 Executive/Officers Committee	14,484.80	13,500.00	984.80	107.29%
8956 Board of Directors	2,375.38	6,200.00	-3,824.62	38.31%
8960 JPA Insurance	25,931.88	33,772.00	-7,840.12	76.79%
8990 General Contingency	135.00	2,700.00	-2,565.00	5.00%
9120 Dividends		500,000.00	-500,000.00	0.00%
Total Expenses	\$ 5,844,859.55	\$ 7,311,660.00	-\$ 1,466,800.45	79.94%
Net Operating Income	-\$ 136,283.03	\$ 228,792.00	-\$ 365,075.03	-59.57%
Net Income	-\$ 136,283.03	\$ 228,792.00	-\$ 365,075.03	-59.57%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.025 - WC			% of
	Actual	Budget	over Budget	Budget
Income				
4100 JPA Charge	393,401.25	524,535.00	-131,133.75	75.00%
4110 Program Directors' Fee	326,250.00	435,000.00	-108,750.00	75.00%
4220 Pooled Deposit	6,309.00	4,081,842.00	-4,075,533.00	0.15%
4300 Retro Adjustment	-812,800.75	-250,000.00	-562,800.75	325.12%
4400 Insurance Premium (Net)	1,202,281.14	1,649,462.00	-447,180.86	72.89%
4450 Affiliate Insurance Premium Rev	3,083,578.89	0.00	3,083,578.89	
4500 Deductible Recoveries			0.00	
Total 4660 Investment Earnings	\$ 242,956.13	\$ 336,262.00	-\$ 93,305.87	72.25%
Total Income	\$ 4,441,975.66	\$ 6,777,101.00	-\$ 2,335,125.34	65.54%
Gross Profit	\$ 4,441,975.66	\$ 6,777,101.00	-\$ 2,335,125.34	65.54%
Expenses				
5201 Claims Expense	2,075,013.88	2,500,000.00	-424,986.12	83.00%
6330 Program Directors' Fee Exp.	326,250.00	435,000.00	-108,750.00	75.00%
6432 Net Insurance Premium	1,214,845.89	1,649,462.00	-434,616.11	73.65%
6435 Affiliate Insurance Premium Exp	3,560,535.00		3,560,535.00	
6464 User/Fraud Fund Assessment	118,456.18	103,289.00	15,167.18	114.68%
6506 Actuarial		47,250.00	-47,250.00	0.00%
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee	6,000.00	6,000.00	0.00	100.00%
6516 Coverage Counsel			0.00	
6523 Outside Safety Consultant	160,701.03	236,905.00	-76,203.97	67.83%
6650 Program Legal	247.50	1,500.00	-1,252.50	16.50%
6652 Program Committee	169.90	1,100.00	-930.10	15.45%
6660 Program Consulting	1,535.63	15,250.00	-13,714.37	10.07%
6667 CSRMA Provided Seminars	27,104.66	29,750.00	-2,645.34	91.11%
7808 Financial Audit	6,534.50	7,760.00	-1,225.50	84.21%
7822 Board Counsel	4,781.67	7,245.00	-2,463.33	66.00%
8944 Printing/Promotion	99.26	6,500.00	-6,400.74	1.53%
8945 Computer Software/Programming	4,118.70	12,215.00	-8,096.30	33.72%
8946 Memberships/Other	1,379.00	1,507.00	-128.00	91.51%
8948 Banking Service Charges	1,524.03	4,598.00	-3,073.97	33.15%
8954 Executive/Officers Committee	11,265.99	10,500.00	765.99	107.30%
8956 Board of Directors	1,847.51	4,800.00	-2,952.49	38.49%
8960 JPA Insurance	20,169.23	26,267.00	-6,097.77	76.79%
8990 General Contingency	105.00	2,100.00	-1,995.00	5.00%
9120 Dividends			0.00	
Total Expenses	\$ 7,542,684.56	\$ 5,108,998.00	\$ 2,433,686.56	147.64%
Net Operating Income	-\$ 3,100,708.90	\$ 1,668,103.00	-\$ 4,768,811.90	-185.88%
Net Income	-\$ 3,100,708.90	\$ 1,668,103.00	-\$ 4,768,811.90	-185.88%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority Income Statement

July 2023 - March 2024

Unaudited & Preliminary *

	TOTAL			% of Budget	
	Actual	Budget	over Budget		
Income					
4100 JPA Charge	753,556.08	1,037,630.00	-284,073.92	72.62%	Three quarters of amortized revenue
4110 Program Directors' Fee	1,068,344.22	1,451,000.00	-382,655.78	73.63%	Three quarters of amortized revenue
4220 Pooled Deposit	1,794,239.28	7,471,949.00	-5,677,709.72	24.01%	WC and PL Pooled Layer Risk transferred to CWIC
4300 Retro Adjustment	-802,166.75	-500,000.00	-302,166.75	160.43%	Workers' Compensation Program
4400 Insurance Premium (Net)	10,315,180.69	13,997,015.00	-3,681,834.31	73.70%	Three quarters of amortized revenue
4450 Affiliate Insurance Premium Rev	3,820,385.14	0.00	3,820,385.14		Premium paid to CWIC; 3 quarters WC, 1 quarter Liability
4500 Deductible Recoveries	340,349.82	400,000.00	-59,650.18	85.09%	
Total 4660 Investment Earnings	\$ 397,405.73	\$ 532,430.00	-\$ 135,024.27	74.64%	
Total Income	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%	
Gross Profit	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%	
Expenses					
5201 Claims Expense	4,298,706.04	5,493,907.00	-1,195,200.96	78.24%	
6330 Program Directors' Fee Exp.	1,068,538.00	1,451,000.00	-382,462.00	73.64%	Three quarters of amortized expense
6432 Net Insurance Premium	10,393,089.35	13,997,015.00	-3,603,925.65	74.25%	Three quarters of amortized expense less affiliate revenue
6435 Affiliate Insurance Premium Exp	4,297,341.25	0.00	4,297,341.25		Premium paid to CWIC; 3 quarters WC, 1 quarter liability
6464 User/Fraud Fund Assessment	118,456.18	103,289.00	15,167.18	114.68%	
6506 Actuarial	12,500.00	66,250.00	-53,750.00	18.87%	WC to be paid in Q4
6510 Claims Audit	5,900.00	5,900.00	0.00	100.00%	
6512 Claims Admin. Annual Fee	17,800.00	24,480.00	-6,680.00	72.71%	
6516 Coverage Counsel	0.00	5,500.00	-5,500.00	0.00%	
6523 Outside Safety Consultant	323,486.03	455,300.00	-131,813.97	71.05%	
6650 Program Legal	17,640.00	26,500.00	-8,860.00	66.57%	
6652 Program Committee	169.90	3,850.00	-3,680.10	4.41%	Committee travel reimbursements less than planned
6660 Program Consulting	15,271.00	35,000.00	-19,729.00	43.63%	
6667 CSRMA Provided Seminars	68,748.71	85,000.00	-16,251.29	80.88%	
7808 Financial Audit	18,670.00	22,171.00	-3,501.00	84.21%	
7822 Board Counsel	13,661.88	20,700.00	-7,038.12	66.00%	
8944 Printing/Promotion	283.59	6,500.00	-6,216.41	4.36%	
8945 Computer Software/Programming	20,640.25	34,900.00	-14,259.75	59.14%	
8946 Memberships/Other	3,940.00	4,307.00	-367.00	91.48%	
8948 Banking Service Charges	3,407.05	13,137.00	-9,729.95	25.93%	
8954 Executive/Officers Committee	32,316.00	30,000.00	2,316.00	107.72%	
8956 Board of Directors	5,278.59	13,800.00	-8,521.41	38.25%	
8960 JPA Insurance	57,626.37	75,049.00	-17,422.63	76.78%	Three quarters of amortized expense
8990 General Contingency	300.00	6,000.00	-5,700.00	5.00%	
9120 Dividends	0.00	500,000.00	-500,000.00	0.00%	Dividends not declared
Total Expenses	\$ 20,793,770.19	\$ 22,479,555.00	-\$ 1,685,784.81	92.50%	
Net Operating Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%	
Net Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%	

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Balance Sheet
As of March 31, 2024
Preliminary and Unaudited *

ASSETS

Current Assets	
Bank Accounts	
1002 LAIF	2,959,238.84
1005 Checking - US Bank	159,915.22
1006 WC Trust - US Bank 280	150,000.00
1007 Liability Trust - US Bank 272	100,000.00
1008 PFM/CA Asset Mgmt Program	22,960,176.26
1009 PFM-CAMP Cash Reserve	144,867.71
Total Bank Accounts	\$ 26,474,198.03
Accounts Receivable	
1100 Accounts Receivable	752,384.90
Total Accounts Receivable	\$ 752,384.90
Other Current Assets	
1150 Due from/to Subsidiary	172,064.56
1200 Interest Receivable	222,334.39
1300 Other Current Assets	296,544.75
1540 Prepaid Insurance Premium	9,029,762.52
1550 Prepaid Program Directors' Fee	774,749.99
1575 Prepaid Other	3,000.00
Total Other Current Assets	\$ 10,498,456.21
Total Current Assets	\$ 37,725,039.14
Other Assets	
1700 Investment in Subsidiary	1,365,000.00
Total Other Assets	\$ 1,365,000.00
TOTAL ASSETS	\$ 39,090,039.14
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	15,146.75
Total Accounts Payable	\$ 15,146.75
Other Current Liabilities	
2200 Deferred JPA Charge	482,571.26
2210 Deferred Program Directors' Fee	774,580.60
2220 Deferred Pooled Deposits	3,386,755.10
2240 Deferred Insurance Premium	5,646,002.55
Total Other Current Liabilities	\$ 10,289,909.51
Total Current Liabilities	\$ 10,305,056.26
Long-Term Liabilities	
2300 Claims Reserves	8,972,421.00
2500 Claims IBNR	11,082,684.00
2600 Claims ULAE	1,802,269.00
Total Long-Term Liabilities	\$ 21,857,374.00
Total Liabilities	\$ 32,162,430.26
Equity	
3900 Retained Earnings	10,034,084.86
Net Income	-3,106,475.98
Total Equity	\$ 6,927,608.88
TOTAL LIABILITIES AND EQUITY	\$ 39,090,039.14

*Excludes unrealized investment earnings, 3Q LAIF earnings and long term liability updates for this fiscal year.

CSRMA Investment Performance Review

ISSUE: Mr. Michael Kronbetter from PFM will present a review of CSRMA's current investments and provide a market outlook at the meeting.

RECOMMENDATION: None at this time.

FISCAL IMPACT: As depicted in the Investment Performance Review for the Quarter ended March 31, 2024.

BACKGROUND: None.

ATTACHMENT: Investment Performance Review for the Quarter ended March 31, 2024 (Handout)

CSRMA Investment Policy

ISSUE: PFM has reviewed the CSRMA Investment Policy. The Policy is in compliance with the sections of California Government Code that govern the investment of public funds. At this time, they are not recommending any changes to the Policy (with the exception of the proper fiscal year in the document's header).

Mr. Michael Kronbetter from PFM will be in attendance at the meeting to answer any questions the Finance Committee may have.

RECOMMENDATION: The Program Administrators recommend that the Finance Committee review the Investment Policy and provide direction.

FISCAL IMPACT: Unknown.

BACKGROUND: CSRMA's Investment Policy is reviewed annually to ensure it remains consistent with the California Government Code (Code) governing investment of public funds. CSRMA's Board then approves the Investment Policy with the annual budget each year.

ATTACHMENT:

1. PFM Memo
2. Redline Strikeout Version of the Investment Policy

Memorandum

To: Seth Cole, Assistant JPA Manager
California Sanitation Risk Management Authority

From: Michael Kronbetter, Relationship Manager
PFM Asset Management LLC

RE: Annual Investment Policy Review

We have completed our annual review of the Investment Policy (the “Policy”) of the California Sanitation Risk Management Authority (the “Authority”). The Policy is in compliance with the sections of California Government Code (“Code”) that govern the investment of public funds. At this time, we are not recommending any changes to the policy.

Although no Policy changes are being recommended, we wish to inform you of a recent Code change with Senate Bill 882, which took effect January 1, 2024. Also known as the Local Government Omnibus Act of 2023, SB 882 made a number of changes to Code, including a change to Section 53601(o). The bill clarified that mortgage-backed securities issued and/or guaranteed by the U.S. or its federal agencies/GSEs are exempt from the Code’s requirements described in Section 53601(o) for privately issued asset- and mortgage-backed securities. As the Authority’s Policy references relevant Code sections, the revision will automatically be implemented by the Policy’s reference to Code.

Please let us know if you have any questions or if you would like to discuss further.

California Sanitation Risk Management Authority

For the Fiscal Year 202~~3~~-2~~5~~4

Investment Policy

Introduction

The purpose of this policy is to provide guidelines to the officers of the California Sanitation Risk Management Authority (the “Authority”) charged with the responsibility for the investment of surplus monies not required for the immediate necessities of the Authority. All investment of such surplus monies is governed by California Government Code (CGC) Section 53600, et seq. and by this Investment Policy (the “Policy”).

To the extent possible, all money belonging to or in the custody of the Authority required for the immediate necessities of the Authority (those monies not designated as surplus monies) shall be deposited for safekeeping pursuant to relevant CGC sections, including **Sections 53635.2, 53637-53645 and 53649.**

The Treasurer is responsible for administering the Authority’s investments. In furtherance of this responsibility, the Treasurer may issue and administer detailed investment instructions which may change periodically and which will supplement, but conform to, the provisions of this Investment Policy.

Policy Guidelines

1. **Prudence** The standard of prudence to be used by investment officials shall be the “prudent investor” standard, as set forth in California Government Code (CGC) Section 53600.3, and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds shall act with care, skill, prudence and diligence, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Authority that a prudent person, acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Authority. To the extent permitted by law, investment officials acting in accordance with the Investment Policy, as supplemented by the Treasurer’s investment instructions, and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market prices changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
2. **Objectives** The primary objectives, in priority order, of the Authority’s investment activities shall be:
 - a) **Safety of principal** Safety of principal is the foremost objective of the Investment Policy. The investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
 - b) **Liquidity** The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements, which might be reasonably anticipated.
 - c) **Return on Investment** The investment portfolio shall be designed with the objective of attaining a market rate of return on its investments throughout budgetary and economic cycles, consistent with the constraints imposed by the

California Sanitation Risk Management Authority

For the Fiscal Year 202~~43~~-2~~53~~⁵⁴

Investment Policy

Authority's safety objective and cash flow requirements, and applicable law. Within the constraints of safety and liquidity, investments will be selected with the objective of attaining a long-term market rate of return in line with the Authority's performance benchmark.

- d) **Diversification** The portfolio will be diversified in order to avoid incurring unreasonable and avoidable risks regarding specific types of securities or individual financial institutions. Excluding U.S. Treasury obligations, federal agency/government sponsored enterprise (GSE) obligations, supranational obligations, and pooled invested vehicles like money market funds, local government investment pools, and the Local Agency Investment Fund, as described in section 7 below, no more than five percent (5%) of the portfolio may be invested in any one institution.
3. **Delegation of Authority** The management and oversight responsibility for the investment program is hereby delegated to the Treasurer who shall monitor and review all investments for consistency with this Investment Policy and state law. No person may engage in an investment transaction except as provided under the provisions of this policy, as supplemented by the Treasurer's investment instructions.
- The Treasurer may delegate day-to-day investment decision-making and execution authority to an investment advisor and shall maintain investment instruction for internal and external management of investments consistent with state requirements. Such investment advisor must have not less than five years' experience managing public agency funds subject to California Government Code and must have total public agency assets under management nationwide of at least \$10 billion. The rights and responsibilities delegated to an investment advisor must be in a written agreement. The investment advisor shall make all investment decisions and transactions in accordance with California Government Code and this Policy.
4. **Ethics and Conflict of Interest** Officers and employees involved in the investment process shall refrain from personal business activities or other conduct that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial decisions. Officer and employees involved in the investment process shall abide by CGC Section 1090, et seq., the California Political Reform Act, and any other applicable laws and regulations which prohibit public officials from engaging in governmental affairs in which they may have a conflict of interest.
5. **Internal Controls** The Treasurer shall establish and maintain an annual process of independent review by a financial auditor. This review will provide independent verification of compliance with policies and procedures.
6. **Performance Evaluation** The Treasurer shall establish one or more benchmarks for the purpose of evaluating the performance of the portfolio.
7. **Investments** All investments shall be made in the Local Agency Investment Fund of the State Treasurer's Office (LAIF), as provided in CGC Section 16429.1, or in investments authorized by CGC 53600 through 53601.6. All investments shall comply with the restrictions in those laws.

California Sanitation Risk Management Authority

For the Fiscal Year 2023-24

Investment Policy

a) Diversification

The Authority will diversify its investments by security type, institution, and maturities to prevent incurring unreasonable or avoidable risks regarding specific security types, individual financial institutions or maturity segments.

Percentage holding limits listed below apply at the time the security is purchased. Authority funds may be invested in accordance with the following table, which summarizes the allowable allocation of investments by percentage of total funds invested. For more information on credit quality restrictions, maximum maturity restrictions, and a detailed description on each authorized investment type, please see CGC sections 16429.1, and 53600 through 53601.6.

Authorized Investment	Maximum Allowable Percentage
Local Agency Investment Fund (LAIF)	Per State Treasurer
U.S. Treasury Obligations	100%
U.S. Federal Agency and Government Sponsored Enterprise (GSE) Obligations	100%
Repurchase Agreements	100%
FDIC-Insured Certificates of Deposit (CDs)	100%
Negotiable Certificates of Deposit	30%
Bankers' Acceptances	40%
Medium-Term Corporate Notes	30%
Mutual Funds and Money Market Funds	20% (10% per fund)
Joint Powers Authority Pool (e.g., CAMP)	100%
Commercial Paper	25%
Municipal Obligations	30%*
Supranational Obligations	30%
Asset-Backed Securities	20%

**A maximum of 30% of the Authority's portfolio may be invested in municipal obligations (as defined in CGC 53601(a), 53601(c), 53601(d), and 53601(e)). No more than 10% of the Authority's portfolio may be invested in municipal obligations that have a remaining time to maturity in excess of five years. Further, municipal obligations shall be rated in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization (NRSRO).*

b) Maximum Maturity

California Sanitation Risk Management Authority

For the Fiscal Year 202~~43~~-2~~53~~⁵⁴

Investment Policy

The purchase of U.S. Treasury, U.S. Federal Agency/Government Sponsored Enterprise (GSE), and municipal obligations with maturities in excess of five years is permitted, subject to the following constraints: U.S. Treasury, U.S. Federal Agency/GSE, and municipal obligations shall have a maximum remaining maturity at time of purchase of eleven years or less, and U.S. Federal Agency/GSE mortgage-backed securities (including pass-throughs and CMOs) shall have a maximum remaining average life of ten years or less. This change to the investment program was authorized at the August 9, 2018 meeting of the Board of Directors. The maximum maturity of all other authorized investment types may be found in CGC sections 53600 through 53601.1.

For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment.

- c) The Treasurer may delegate the responsibility for investment transactions to staff personnel or an outside professional service, but the Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. This shall include separation of transactional authority from accounting and bookkeeping, separation of transactional authority from custodial safekeeping, limitations of securities losses and remedial action, written confirmation of telephone transactions, documentation of transactions and strategies, and annual review of controls by the Treasurer.
- d) Investments shall be purchased according to the minimum credit standards provided in the California Government Code; in the event of a downgrade in credit after the date of purchase to a level below the minimum credit standards provided in the California Government Code, the Treasurer, or his/her designee, shall advise the Executive Board/Board of Directors of the change at or before the next regular meeting, or at a maximum, within 15 days of the rating downgrade. The Treasurer or his/her designee will use his/her best professional judgment to determine the appropriate course of action.

e) Excluded Investments

The following investments or investment practices are not permitted under this Statement of Investment Policy:

1. purchase or sale of securities on margin;
2. reverse repurchase agreements;
3. financial futures and financial options; and
4. Guaranteed Small Business Administration (SBA) Notes.

f) Banks and Securities Dealers

California Sanitation Risk Management Authority

For the Fiscal Year 202~~43~~-2~~53~~⁵⁴

Investment Policy

1. In selecting financial institutions and broker/dealers for the deposit or investment of Authority funds, the Treasurer shall consider their credit-worthiness. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which the Authority funds are deposited or invested. A commercial rating or bank watch service may be used to accomplish this objective.
2. Financial institutions and broker/dealers shall annually sign a certification form attesting that the individual responsible for the Authority's account with that firm has reviewed and understands the investment policy and intends to present only those investment transactions appropriate under the policy.

If an external investment advisor is authorized to conduct investment transactions on the Authority's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions, which it will maintain and review periodically. The adviser must make the list available to the Authority upon request.

g) Safekeeping and Custody.

1. Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account. The only exception to this policy is the collateral for time deposits in banks and savings and loans. Collateral for time deposits shall be held in accordance with applicable state and federal regulations.
2. In addition to these general policy considerations, the following specific policies will be followed: all transactions will be executed on a delivery versus payment basis; and a competitive bidding process will be used to place all investments, when practical.

8. **Reporting** In accordance with the Joint Exercise of Powers Agreement (the "JPA Agreement"), the Treasurer will prepare quarterly financial reports, which will include a review of the Authority's investment portfolio. The review of the investment portfolio shall include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested on all securities and amounts invested in money market funds and local government investment pools. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report.
2. A statement that the portfolio complies with this Investment Policy, or the manner that the portfolio is not in compliance.
3. A statement denoting the Authority's ability to meet its expenditure requirements for the next six months, or a statement denoting why sufficient money shall not or may not be available.

California Sanitation Risk Management Authority

For the Fiscal Year 202~~43~~-2~~53~~⁵⁴

Investment Policy

9. **Annual Review** In accordance with the JPA Agreement, this Investment Policy shall be reviewed and adopted annually by the Board of Directors at a public meeting.

Clean Water Insurance Captive (CWIC) Investment Review

ISSUE: Mallory Sampson from PFM will present (virtually) an update on CWIC's Investment performance for the Year Ended December 31, 2023, as well as an update on the performance for the Quarter Ended March 31, 2024.

RECOMMENDATION: None. Information Only.

FISCAL IMPACT: As depicted in the investment report.

BACKGROUND: Late in the third quarter of 2023 PFM received all the necessary approvals to invest the CWIC funds. In December of 2023 PFM began investing CWIC's funds per the asset allocation targets outlined in the Investment Policy Statement (IPS). Therefore, the Year End December 31, 2023, report provided by PFM includes one month of investment activity.

ATTACHMENTS: Investment Performance Review (Handout)

Clean Water Insurance Captive Update

ISSUE: The Program Administrators will provide the Finance Committee with an update on the Clean Water Insurance Captive (CWIC). Most notably, effective December 31, 2023 CWIC began reinsuring the retained layer of CSRMA’s Pooled Liability Program.

RECOMMENDATION: None. Information Only.

FISCAL IMPACT: None.

BACKGROUND: The Board of Directors approved the funding and launch of the Clean Water Insurance Captive (CWIC) at their June meeting. This action enabled CWIC to “go live” effective July 1, 2023 and begin insuring the retained layer of CSRMA’s Pooled Workers’ Compensation Program. Effective December 31, 2023 CWIC also now insures the retained layer of CSRMA’s Pooled Liability Program.

CSRMA is the “parent” of the Clean Water Insurance Captive. As such, the Program Administrators will include a standing item on Finance Committee, Executive Board and Board of Director agendas providing an update on CWIC. In its inaugural year, the CWIC Board will meet on a quarterly basis, and likely once annually thereafter.

Late in the third quarter of 2023 PFM received all the necessary approvals to invest the CWIC funds. Early in the fourth quarter of 2023 PFM began investing CWIC’s funds per the asset allocation targets outlined in the Investment Policy Statement (IPS).

The next CWIC Board meeting is tentatively scheduled in May, with the main topics being a review of the financial performance and planning for the annual meeting to be held in September.

ATTACHMENTS: None.

Estimated Actual 23/24 Budget & Proposed 24/25 Budget - DRAFT

ISSUE: Review and discuss the budget for Fiscal Year 2024/25.

In FY 23/24 the Pooled Layer risk in both the Workers' Compensation and Pooled Liability Programs was transferred to the Clean Water Insurance Captive (CWIC). A new line item was added to the budget (Affiliate Insurance Premiums) to capture the premiums paid to CWIC. Additionally, a new exhibit was created to show the projected consolidated budget for CSRMA and CWIC, which is attached to this item for the Committee's review.

RECOMMENDATION: The Program Administrators recommend that the Finance Committee discuss the draft budget and ultimately recommend to the Executive Board and Board of Directors adoption of a budget.

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 Finance Committee 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 2024-25, 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 24-25. They used an average earnings rate of 2.89% for total projected earnings of \$730,503. 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. No change to the Program Directors' Fee account is proposed for fiscal year 2024-25.
5. Dividends are not budgeted for the Workers' Compensation Program in fiscal year 24-25, 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 and is discussed in agenda item D.2. No changes are recommended by PFM.
7. Insurance Premium (Net) for all programs is budgeted to increase 13.8% (\$1,832,597) over the 23-24 'budget' amount. This is largely driven by insurance market conditions and changes in exposure (mainly total insured values and payroll). The Board of Directors approved a new member (Lincoln-Sewer Maintenance District 1 Wastewater Authority) into the Property and PIP Programs effective 5/4/24. The insurance premiums will be adjusted accordingly if LiSWA joins CSRMA.
8. Affiliate Insurance Premiums is a new item added to the budget this year. This line item accounts for the premiums paid to the CSRMA captive insurance company CWIC.
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 20.7% (\$94,259) largely due to additional services included in the approved FY 24/25 Risk Control Work Plan. Cyber security services provided by KYND are included in the Work Plan.
12. The Admin (Legal, Board, Operations, etc.) expenses are budgeted to increase approximately 7.4% (\$42,832) largely due to increases in User Fraud/Assessment, Memberships/Other (CAJPA Accreditation fee) and CSRMA Provided Seminars line items.

ATTACHMENTS: 1. Estimated Actual 23/24 Budget & Proposed 24/25 Budget (Separate)
2. CSRMA/CWIC Project Consolidated Budget 23/24 and Projected CWIC 24/25 Exhibit

**CSRMA / CWIC Projected Consolidated Budget
FY 2023-24**

Description	CSRMA Adopted Budget 2023-24	Projected CSRMA 2023-24	Projected CWIC 2023-24	Affiliate Elimination	Projected Consolidated 2023-24	Projected CWIC 2024-25
Operating Revenues:						
Non-Member Revenue	\$ -	\$ -	\$ -		\$ -	\$ -
JPA Charge	1,037,630	1,012,895	-		1,012,895	-
Program Directors' Fee	1,451,000	1,431,038	-		1,431,038	-
Pooled Deposit	7,471,949	1,936,407	-		1,936,407	-
Net Insurance Premium	13,997,015	13,834,577	-		13,834,577	-
Affiliate Insurance Premium		5,585,051	6,225,028	(6,225,028)	5,585,051	7,776,601
Deductible Recoveries	400,000	394,742	-		394,742	-
Total Operating Revenues	24,357,594	24,194,711	6,225,028	(0)	30,419,739	7,776,601
Non-Operating Revenues:						
Investment Earnings	532,430	689,164	460,592		1,149,756	460,592
Total Non-Operating Revenues	532,430	689,164	460,592	0	1,149,756	841,646
Total Revenues	24,890,024	24,883,875	6,685,620	0	31,569,495	8,618,247
Operating Expenses:						
Program Directors' Fee Expense	1,451,000	1,431,288	-		1,431,288	-
Net Insurance Premium	13,997,015	13,856,850	-		13,856,850	-
Affiliate Insurance Premium		6,225,028		(6,225,028)	-	
Risk Control	455,300	468,327	-		468,327	-
Admin (Legal, Board, Operations, etc.)	582,330	550,707	196,573		747,280	192,057
Risk Control Online	-	-	-		-	-
Total Operating Expenses	16,485,645	22,528,165	196,573	0	22,724,738	192,057
Non- Operating Expenses:						
Claims & Loss Adjustment Expense	5,493,907	4,616,362	460,592		5,076,954	841,646
Dividends	500,000	0	-		0	-
Total Non- Operating Expenses	5,993,907	4,616,362	460,592	(0)	5,076,953	841,646
Total Expenses	22,479,552	27,144,527	657,165	0	27,801,692	1,033,703
Estimated Income (Loss) Before Retro Adjustments	2,410,472	(2,260,652)	6,028,455	0	3,767,803	7,584,544
Retro Adjustments	(500,000)	(802,167)	-		(802,167)	-
Estimated Income (Loss) After Retro Adjustments	\$ 1,910,472	\$ (3,062,819)	\$ 6,028,455	\$ 0	\$ 2,965,637	\$ 7,584,544



Eclipse with Object

BY ANN LAUTERBACH

There is a spectacle and something is added to history.

It has as its object an indiscretion: old age, a
gun, the prevention of sleep.

I am placed in its stead
and the requisite shadow is yours.
It casts across me, a violent coat.

It seems I fit into its sleeve.
So the body wanders.
Sometime it goes where light does not reach.

You recall how they moved in the moon dust? *Hop, hop.*
What they said to us from that distance was stupid.
They did not say *I love you* for example.

The spectacle has been placed in my room.
Can you hear its episode trailing,
pretending to be a thing with variegated wings?

Do you know the name of this thing?
It is a rubbing from an image.
The subject of the image is that which trespasses.

You are invited to watch. The body
in complete dark casting nothing back.
The thing turns and flicks and opens.

Ann Lauterbach, "Eclipse with Object" from *And For Example*. Copyright © 1994 by Ann Lauterbach. Reprinted with the permission of Viking Books, an imprint of Penguin Publishing Group, a division of Penguin Random House LLC. All rights reserved.

Source: *If In Time: Selected Poems, 1975-2000* (Penguin Books, 2001)

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POETRY MOBILE APP

61 West Superior Street,
Chicago, IL 60654

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March 22, 2024

Re: CAMP 2024 Proxy Statement

Dear CAMP Shareholder:

The enclosed materials are being sent to you, as Participants of the California Asset Management Trust (the "Trust"), to approve or reject the appointment by the Trust's Board of Trustees of eight Trustees for the ensuing year and to approve changes to the Trust's Authorized Investments Policy. The CAMP Trustees and I appreciate you taking the time out of your busy schedules to submit your votes.

To access the Notice of Solicitation of Written Consent of Participants and Proxy Statement, please click [here](#). In order to submit your vote, fill out the form and hit the submit button. If the submit button does not work (there are sometimes issues with different computer configurations), then download the form and save the file, fill out the Written Consent form, and send via email to kennond@pfmam.com.

If you have any questions, please contact the Trust at camp@pfmam.com, or you may contact a Trust Representative at 1-800-729-7665.

Thank you for your participation in CAMP and for taking the time to fill out the Written Consent form.

Sincerely,

Kyle Tanaka
Secretary of the Board of Trustees/Program Administrator

TRUSTEES

President
Steve Dial
*Deputy Executive
Director and
Chief Financial Officer,
San Joaquin Council of
Governments*

Vice President
Karen Adams, CPA
*Treasurer-Tax Collector,
Merced County*

Treasurer
Jordan Kaufman
*Treasurer-Tax Collector,
Kern County*

Duane Wolterstorff, CPA
*Director II,
Business Services,
Modesto City Schools*

David Persselin
*Finance Director/Treasurer,
City of Fremont*

Phonxay Keokham, CPA
*Treasurer-Tax Collector,
San Joaquin County*

Hilda Flores, CPA
*Chief Financial Officer,
San Bernardino County
Transportation Authority*

Deborah Spaulding
*Assistant Finance Officer,
East Bay Regional Park
District*

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*This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust's investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust's current Information Statement, which should be read carefully before investing. A copy of the Trust's Information Statement may be obtained by calling [1-800-729-7665](tel:1-800-729-7665) or is available on the Trust's website at www.camponline.com. While the Cash Reserve Portfolio seeks to maintain a stable net asset value of \$1.00 per share and the CAMP Term Portfolio seeks to achieve a net asset value of \$1.00 per share at the stated maturity, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is an affiliate of PFM Asset Management LLC.*

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CALIFORNIA ASSET MANAGEMENT TRUST

One California Street, Suite 1000

San Francisco, CA 94111

213 Market Street

Harrisburg, PA 17101

NOTICE OF SOLICITATION OF WRITTEN CONSENT OF PARTICIPANTS

TO THE PARTICIPANTS OF THE CALIFORNIA ASSET MANAGEMENT TRUST:

The enclosed materials are being sent to you, as Participants (“Participants”) of the California Asset Management Trust (the “Trust”), for the following purpose:

1. To approve or reject the appointment by the Trust’s Board of Trustees of eight Trustees for the ensuing year.
2. To approve changes to the Trust’s Authorized Investments Policy.

Participants are requested to complete, date, and sign the enclosed written consent and return it promptly via email.

TO BE EFFECTIVE, THE CONSENT MUST BE RECEIVED BY THE TRUST NO LATER THAN MAY 7, 2024.

By Order of the Board of Trustees



Kyle Tanaka, Secretary

San Francisco, California

March 22, 2024

CALIFORNIA ASSET MANAGEMENT TRUST
2024 PROXY STATEMENT

The enclosed written consent is solicited by and on behalf of the Board of Trustees (the “Board”) of the California Asset Management Trust (the “Trust”). In addition to the solicitation of written consents by email, officers and employees of the Trust or PFM Asset Management LLC (PFMAM) may solicit by mail, in person or by telephone.

Participants of the Trust (Participants) which are holders of record of Participant Shares of the Cash Reserve Portfolio of the Trust (together with shares held by Investors, the “Shares”) at the close of business on March 8, 2024, (the “Record Date”) are entitled to execute written consents. Each whole Share held by a Participant is entitled to one vote, and each fractional Share is entitled to a proportionate fractional vote. As of the Record Date, of the 17,758,015,822 issued and outstanding Shares, there were 8,843,884,172 Shares held by Participants entitled to execute written consents. To the knowledge of the Trust, except as set forth in the table below, no Participant was the beneficial owner of more than 5% of the outstanding Participant Shares of the Cash Reserve Portfolio as of the Record Date, except as follows:

Name of Participant	Cash Reserve Portfolio		
	Number of Shares	As a Percentage of Shares Held by Participants	As a Percentage of Outstanding Shares
Bay Area Toll Authority	881,616,738.41	9.97%	4.96%
San Joaquin County	845,447,803.28	9.56%	4.76%
Stanislaus County	477,000,000.00	5.39%	2.69%
Yolo County	444,614,687.89	5.03%	2.50%

Unless marked to the contrary, the written consents received will be deemed to be in favor of the action proposed. Written consents may be revoked at any time before written consents in favor of the proposed action are received from holders of a majority of the Participant Shares outstanding on the Record Date. Written consents may be revoked by filing with the Trust’s Secretary via email at Tanakak@pfmam.com, a written notice of revocation or another form of written consent bearing a date later than the date of the previously submitted written consent.

The proposed actions will be deemed approved by Participants after written consents in favor of the proposed actions are received from holders of a majority of the Participant Shares outstanding on the Record Date. If the required majority is not received by May 7, 2024, all of the written consents with respect to the proposed actions will be ineffective.

This proxy statement, notice, and form of written consent were first emailed to Participants on March 22, 2024.

I. APPROVAL OF TRUSTEES

The eight persons named below have been appointed as of the Record Date by the Board of Trustees and will serve as Trustees of the Trust in accordance with the Declaration of Trust and the By-Laws of the Trust, subject to the approval of Participants:

Name	Business Experience
Steve Dial	<p>Mr. Dial has served as a Trustee since August 2002 and is the President of the Trust. Since February 2006, Mr. Dial has served as the Deputy Executive Director and Chief Financial Officer, San Joaquin Council of Governments (SJCOG), 555 East Weber Avenue, Stockton, California 95202, and SJCOG’s subsidiaries: SJCOG, Inc., Commute Connection, Inc., and the San Joaquin County Transportation Authority. In 2009, Mr. Dial was designated Treasurer and Controller for SJCOG. From 1985 to February 2006, he was Director of Administration and Chief Financial Officer for SJCOG.</p> <p>Chair, National Association of Regional Councils’ Finance Committee; Board Member, former President, and current Chair of the Finance Committee of United Cerebral Palsy of San Joaquin, Calaveras, and Amador Counties; Past Treasurer of the Leadership Stockton Alumni Association; Past Vice President of the United Way of San Joaquin County; and Member of the Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO).</p>
Karen D. Adams, CPA	<p>Ms. Adams has served as a Trustee since February 2010 and is the Vice President of the Trust. Since October 2002, Ms. Adams has served as the Treasurer-Tax Collector, Merced County, 2222 M Street, Merced, California 95340. Ms. Adams was the Merced County Assistant Treasurer-Tax Collector from October 1996 – October 2002.</p> <p>Past President, California Association of County Treasurers and Tax Collectors (CACTTC); Member of the Legislation Committee and Past Chair of the CACTTC Cannabis Committee; Member of the Government Finance Officers Association (GFOA), Government Investment Officers Association (GIOA), and California Municipal Treasurers Association (CMTA); Ex-Officio Trustee of the Merced County Retirement Association (MCERA); Chair of the Merced County Deferred Compensation Committee; Member and Current & Past President of the Kiwanis Club of Greater Merced; and Past Treasurer of Business & Professional Women (BPW).</p>
Duane Wolterstorff, CPA	<p>Mr. Wolterstorff has served as a Trustee since May 2014. Since November 2000, Mr. Wolterstorff has been employed by Modesto City Schools, 426 Locust Street, Modesto, California 95351, and currently serves as the Director II, Business Services.</p> <p>Secretary and Administrative Executive of Salida Area Public Facilities Financing Agency (SAPFFA) and Schools Infrastructure Financing Agency (SIFA); Chief Administrative Officer of Modesto Sylvan Schools Infrastructure Financing Agency (MSSIFA); Member of California Society of Certified Public Accountants (CalCPA).</p>

Jordan Kaufman	<p>Mr. Kaufman has served as a Trustee since January 2022 and is the Treasurer of the Trust. Since January 2015, Mr. Kaufman has served as the elected Treasurer-Tax Collector, Kern County, 1115 Truxtum Avenue, Bakersfield, California 93301. Mr. Kaufman was the Assistant Treasurer-Tax Collector 2006 – 2015 and the Deputy County Administrative Officer 1995 – 2006.</p> <p>Past President, California Association of County Treasurers and Tax Collectors (CACTTC); Treasurer and past President, Kern County Management Council; Treasurer, State Association of County Retirement Systems (SACRS); Treasurer and past President United Way of Kern County; Treasurer Boy Scouts of America Southern Sierra Council; Treasurer, California Statewide Communities Development Authority (CSCDA); Statutory Trustee, past elected Trustee, past Chairman, Kern County Employees Retirement Association (KCERA); Member, Rotary Club of Bakersfield, Downtown.</p>
David Persselin	<p>Mr. Persselin has served as a Trustee since January 2022. Since January 2014, Mr. Persselin has served as the Finance Director/Treasurer, City of Fremont, 3300 Capitol Avenue, Fremont, California 94537. January 2012 – May 2016, Mr. Persselin was an Adjunct Faculty/Lecturer at San Jose State University. He was the Assistant Finance Director, City of Pleasanton, 2011 – 2013, and from 2001 – 2011 worked for the City of San Jose.</p> <p>Member of the Government Finance Officers Association (GFOA), California Society of Municipal Finance Officers (CSMFO), and International City/County Management Association (ICMA).</p>
Hilda Flores, CPA	<p>Ms. Flores has served as a Trustee since January 2024. Since December 2016, Ms. Flores has served as Chief Financial Officer, San Bernardino County Transportation Authority, 1170 W. 3rd Street, 2nd Floor, San Bernardino, California 92410. From July 2011 – December 2016, Ms. Flores was the Accounting Manager, and prior to SBCTA she worked in public and private accounting.</p> <p>Certified Public Accountant in California since 2003. Member of the Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO).</p>
Phonxay Keokham, CPA	<p>Mr. Keokham has served as a Trustee since January 2024. Since September 2018, Mr. Keokham has served as the Treasurer-Tax Collector, San Joaquin County, 44 North San Joaquin Street, Stockton, California 95202. Mr. Keokham was the San Joaquin County Assistant Treasurer-Tax Collector from January 2012 – September 2018.</p> <p>President, California Association of County Treasurers and Tax Collectors (CACTTC); Ex-Officio Trustee of the San Joaquin County Retirement Association (SJCERA); Member of the State Association of County Retirement Systems (SACRS), California Municipal Treasurers Association (CMTA), California Revenue Officers Association (CROA), and the San Joaquin County Deferred Compensation Committee.</p>

Deborah Spaulding	<p>Ms. Spaulding has served as a Trustee since January 2024. Since February 2024, Ms. Spaulding has served as the Assistant General Manager, Finance & Management Services/CFO, East Bay Regional Park District, 2950 Peralta Oaks Court, Oakland, California 94605. From September 2008 – February 2024, Ms. Spaulding was the Assistant Finance Officer, East Bay Regional Park District. From 2005 to 2008 she was the Fiscal & Administrative Manager, Parks & Recreation, for the City of Oakland.</p> <p>Member of the California Society of Municipal Finance Officers (CSMFO), Government Finance Officers Association (GFOA), and California Municipal Treasurers Association (CMTA); Board of Trustees Member, Crowden School, Berkeley, California; Certified Public Finance Officers (CPFO) certification from GFOA.</p>
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The Trustees must be members of the governing body, officers or full-time employees of a California public agency. In addition, the By-Laws of the Trust provide that at least one Trustee shall be either a member of the governing body, an officer or a full-time employee of a California public agency of each of the following classes: (a) a county; (b) a city; and (c) A public district or other public or sovereign entity, including a Joint Powers Authority and a federally recognized Indian tribe; provided, however, that a public agency of such class has become and remains a Participant of the Trust.

Each person named above has agreed to serve as a Trustee if approved by May 7, 2024, by a majority of the outstanding Participant Shares of the Cash Reserve Portfolio as of the Record Date. If approved, each Trustee will hold office until his or her successor is appointed and approved by the Board and the Participants, and is qualified to serve as a Trustee, or until his or her earlier resignation, removal or disqualification.

The Board of Trustees held seven meetings during 2023. The Trustees serve without compensation but are reimbursed by the Trust for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. During the fiscal year ended December 31, 2023, the Trust incurred approximately \$17,107 in Trustees’ expenses.

II. APPROVAL OF AMENDMENTS TO TRUST AUTHORIZED INVESTMENTS POLICY

Due to a change to California Government Code (“Code”) that went into effect on January 1, 2024, following the passage of Senate Bill 882 (“SB 882”) in September 2023, the Trust is proposing to amend its Authorized Investments Policy as shown in Exhibit A, Authorized Investments, and as described below.

1. Amend the Trust’s Authorized Investments Policy due to the passing of Senate Bill 882 which incorporates changes in California Government Code section 53601(o), the paragraph that allows investment in Asset-Backed Securities (“ABS”). Senate Bill 882, also known as the Local Government Omnibus Act of 2023, made a number of changes to Code, including one change to Code section 53601, the section of Code that governs the investment of public funds. Language was added to Code Section 53601(o), the subdivision that allows investment in assets-backed securities, to state that securities allowed under 53601(o) that are issued by the U.S. Treasury, federal agencies, or United States government-sponsored enterprises are exempt from the credit and diversification requirements included in 53601(o). The change to Code and the Authorized Investments does not change what we are allowed to purchase on CAMP’s behalf nor the management of the Portfolios.

(9) (1) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

(2) For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision 53601 (b) or (f), the following limitations apply:

(A) The security shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of 397 days or less.

(B) Purchase of securities authorized by this paragraph shall not exceed 20 percent of the Portfolio.

III. OTHER INFORMATION

For further information about the Trust and its operations and agents, see the Trust’s Program Guide dated January 12, 2023, audited Financial Statements for the Cash Reserve Portfolio for year ended December 31, 2022, and the Trust’s Declaration of Trust dated December 15, 1989, as amended and restated as of October 25, 2022, which have been provided previously to Participants. Additional copies of these documents are available upon request by calling the Trust’s offices at (800) 729-7665 and are also available on the Trust’s web site at www.camponline.com.

Exhibit A – Authorized Investments Policy

Authorized Investments

The Investment Adviser will invest available cash in the Cash Reserve Portfolio and Term Portfolio exclusively in the following investments, which are authorized investments under the California Government Code Section 53601. It is noted that certain other investment types, although authorized by the applicable sections of the California Government Code, may not be approved for inclusion in this investment policy. Except as otherwise provided in sub-paragraph (1) under “Investment Restrictions” below, a change in authorized investments requires approval of the Trustees and the Participants holding a majority of the outstanding Participant Shares of the Trust.

(1) United States Treasury notes, bonds, bills, or certificates of indebtedness or other obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(2) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(3) Repurchase agreements with respect to securities described in paragraphs (1) and (2) above, provided that the term of any such repurchase agreement shall be one year or less at the time of purchase.

(4) Bills of exchange or time drafts drawn on and accepted by a commercial bank (otherwise known as bankers' acceptances) which are eligible for purchase by the Federal Reserve System, provided that such bankers' acceptances may not exceed one hundred eighty (180) days maturity or forty percent (40%) of the assets of the Portfolio and no more than ten percent (10%) of the Portfolio's assets are invested in the bankers' acceptances of any one commercial bank and further provided that the accepting bank has the highest short-term letter and numerical rating as provided by at least one NRSRO.

(5) Negotiable certificates of deposit issued by a nationally or state-chartered bank or by a savings association or a federal association (as defined in Section 5102 of the California Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that no more than thirty percent (30%) of the assets of the Portfolio may be invested in certificates of deposit and further provided that the deposits in any one institution shall not exceed the shareholders' equity of such institution.

(6) Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by at least one NRSRO, provided that its maturity may not exceed two hundred seventy (270) days. No more than forty percent (40%) of the assets of the Portfolio may be invested in eligible commercial paper; if assets of the Portfolio fall below \$100,000,000, no more than twenty-five percent (25%) of assets may be invested in eligible commercial paper; and no more than ten percent (10%) of the Portfolio's total investment assets may be invested in the commercial paper and the medium-term notes of any single corporate issuer. The entity that issues the commercial paper shall meet all of the following conditions either in (a) or (b) as follows: (a) the entity is organized and operating in the United States as a general corporation, has total assets in excess of five hundred million dollars (\$500,000,000), and has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by at least one NRSRO or (b) the entity is organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated “A-1” or higher, or the equivalent, by at least one NRSRO.

(7) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of 397 days or less, and eligible for purchase and sale within the United States. Investments shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the assets of the Portfolio.

(8) Medium-term notes, defined as all corporate and depository institution debt securities, with a maximum remaining maturity of 397 days or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Investments shall be rated in a rating category of “A” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the assets of the Portfolio. No more than 10 percent (10%) of the Portfolio's total investment assets may be invested in the commercial paper and the medium-term notes of any single issuer.

(9) (1) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

(2) For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivision 53601 (b) or (f), the following limitations apply:

(A) The security shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of 397 days or less.

(B) Purchase of securities authorized by this paragraph shall not exceed 20 percent of the Portfolio.

(10) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). The company shall have met either of the following criteria: (a) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or (b) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the assets of the Portfolio.

Obligations of Agencies or Instrumentalities of the United States Government Certain short-term obligations of agencies or instrumentalities of the United States Government purchased for the Portfolios may be backed only by the issuing agency or instrumentality and may not be backed by the full faith and credit of the United States Government. For example, Fannie Mae and Freddie Mac have agreements with the U.S. Treasury to provide them with capital in exchange for senior preferred stock. Securities issued by the Federal Home Loan Banks are supported only by the credit of the agency and not by the United States Government, and securities issued by the Federal Farm Credit System are supported by the agency’s right to borrow money from the U.S. Treasury under certain circumstances.

Repurchase Agreements A repurchase agreement involves the sale of securities to the Portfolio and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed upon price, thereby establishing the yield during the buyer’s holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The securities underlying a repurchase agreement are, in effect, collateral under the agreement. Securities purchased by the Portfolio and subject to repurchase agreements are limited to the obligations of the United States Government and agencies of the United States but may have maturities longer than one year. At the time a repurchase agreement is made, the underlying securities will have a market value at least equal to one hundred and two percent (102%) of the price plus the price differential. If an agreement is in effect for more than one day, the Investment Adviser is responsible for monitoring the value of the underlying securities, and, in the event their value drops below one hundred and two percent (102%) of the price plus price differential, the counterparty to the repurchase transaction is required to provide additional securities or money within one Business Day so that the value of the collateral is not less than one hundred and two percent (102%) of the price plus price differential. All securities underlying repurchase agreements are required to be delivered to the Custodian or to another custodian agreed to by the Trust and the counterparty. At the expiration of each agreement, the Custodian receives payment of the price plus price differential as a condition for the transfer of the underlying securities to the counterparty. If the counterparty fails to pay the agreed upon price plus price differential on the repurchase date, the risks to the Portfolio would include any difference between the liquidation value of the underlying securities and the price plus price differential, any costs of disposing of such securities, any costs related to foreclosure, and any loss resulting from a delay in foreclosing on such securities.

Funds placed by the Trust into the Portfolios will be invested in accordance with the prudent investor standard set forth in Section 53600.3 of the California Government Code. The Portfolios will not invest in any inverse floaters, range notes or mortgage derived, interest-only strips, or in any security that could result in a zero-interest accrual if held to maturity.

The Trust is not registered as an investment company under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and, accordingly, is not subject to the provisions of the Investment Company Act of 1940

and the rules and regulations promulgated thereunder including rules relating to registered money market mutual funds.

The authorizing statute, charter, or bylaws of a Public Agency or the trust indenture or ordinance or resolution under which the debt obligations of a Public Agency are issued or its funds are invested may contain investment restrictions which prohibit or otherwise limit investment in one or more of the above-described investments. Accordingly, Public Agencies should consult with their legal counsel or financial adviser regarding the legality of investing bond proceeds under the Trust prior to participating in the Trust or investing in the Shares issued by the Trust.

Investment Restrictions

The Trustees have adopted the following investment restrictions and fundamental policies, which, except as otherwise provided in (1) below, may be changed only by approval of the Trustees and the Shareholders holding a majority of the outstanding Participant Shares of the Portfolios. The Trust will not:

- (1) Purchase any securities other than those described under “Investment Objectives and Policies” unless California law at some future date redefines the types of securities which are legal investments for some or all classes of Shareholders, in which case the permitted investments for the Portfolios may be changed by the Trustees to conform to California law, provided that prior written notification is given to Shareholders of the Trust.
- (2) Invest in securities of any issuer in which a Trustee, Officer, employee, agent, or adviser of the Trust is an officer, director, or ten percent (10%) shareholder unless such investment is periodically authorized by resolutions adopted by a majority of the Trustees who are not officers, directors, or ten percent (10%) shareholders of such issuer.
- (3) Make loans, except that the Portfolios may enter into repurchase agreements.
- (4) Borrow money or pledge, hypothecate, or mortgage its assets to an extent greater than twenty percent (20%) of the market value of the total assets of the Portfolios, and then only as a temporary measure for extraordinary or emergency purposes to facilitate withdrawal requests which might otherwise require untimely dispositions of portfolio securities. All such borrowings may be secured only by the assets of the Portfolios and must be repaid before the Portfolios make any additional investments. Interest paid on such borrowings will reduce net income of the Portfolios.
- (5) Purchase any security or enter into a repurchase agreement if, as a result, more than ten percent (10%) of the Portfolios’ total assets would be invested in securities subject to restrictions on resale, securities for which there is no readily available market, and repurchase agreements with maturities exceeding seven (7) days and not terminable at approximately the carrying value before that time.
- (6) Purchase the securities of any single issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies, or instrumentalities) if, as a result, more than ten percent (10%) of the Portfolios’ total assets would be invested in the securities of any one issuer.
- (7) Invest more than 5% of net assets in illiquid investments. Illiquid investments are securities that cannot be sold or disposed of in the ordinary course of business at approximately the value ascribed to it by the Trust. Illiquid investments include:
 - Restricted investments (those that, for legal reasons, cannot be freely sold).
 - Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
 - Any repurchase agreement maturing in more than seven days and not terminable at approximately the carrying value in the Trust before that time.
 - Other investments that are not readily marketable at approximately the carrying value in the Trust.

If the 5% limitation on investing in illiquid securities is adhered to at the time of investment but later increases beyond 5%, resulting from a change in the values of the Trust’s portfolio securities or total assets, the Trust shall then bring the percentage of illiquid investments back into conformity as soon as practicably possible. The Trust believes that these liquidity requirements are reasonable and appropriate to assure that the securities in which the Trust invests are sufficiently liquid to meet reasonably foreseeable redemptions of Shares.

Any percentage limitation or rating requirement described under “Authorized Investments” will be applied at the time of purchase.

CALIFORNIA ASSET MANAGEMENT TRUST
WRITTEN CONSENT
THIS CONSENT IS SOLICITED BY THE BOARD
OF TRUSTEES OF THE TRUST

The Board of Trustees recommends that Participants CONSENT to the following proposal:

1. APPROVAL OF TRUSTEES:

- CONSENT to all individuals listed below (except as marked to the contrary)
 WITHHOLD CONSENT to all individuals listed below

Steve Dial	Jordan Kaufman	Phonxay Keokham, CPA
Karen D. Adams, CPA	David Persselin	Deborah Spaulding
Duane Wolterstorff, CPA	Hilda Flores, CPA	

WITHHOLD CONSENT to the following individual(s)

LIST NAMES FOR WHOM YOU ARE WITHHOLDING CONSENT ON THE LINE BELOW:

2. APPROVAL OF AMENDMENTS TO AUTHORIZED INVESTMENTS POLICY

- APPROVE
 WITHHOLD APPROVAL

If this written consent is properly executed and returned, the Shares to which it relates will be voted to approve as Trustees the persons specified in the proxy Statement and to approve the amendment to the Trust's Investment Policy unless a contrary specification is made.

The undersigned Participant hereby acknowledges receipt of the Notice of Solicitation of Written Consent of Participants and 2024 Proxy Statement.

NAME OF PARTICIPANT:
(Name of Public Agency)

AUTHORIZED SIGNATORY'S NAME:

TITLE:

DATE:

**TO SUBMIT, PLEASE COMPLETE THE FORM AND CLICK THE BUTTON BELOW OR
DOWNLOAD THE FORM, FILL OUT, SAVE, AND EMAIL TO KENNOND@PFMAM.COM**

Submit Form

THIS WRITTEN CONSENT MAY BE REVOKED AT ANY TIME BEFORE THE DATE WHEN WRITTEN CONSENTS IN FAVOR OF THE PROPOSAL REPRESENTING A MAJORITY OF THE OUTSTANDING SHARES OF THE CASH RESERVE PORTFOLIO HAVE BEEN RECEIVED BY THE TRUST.

TO BE EFFECTIVE, THIS WRITTEN CONSENT MUST BE EXECUTED BY AN AUTHORIZED OFFICER, AGENT OR EMPLOYEE LISTED ON THE TRUST RECORDS AND RECEIVED BY THE TRUST
NO LATER THAN MAY 7, 2024.



2025 DIR ASSESSMENT EARLY ESTIMATE INDICATES AN INCREASE THIS FALL

Representatives from the California Association of Joint Powers Authorities (CAJPA) participated in the annual planning brief with the California Department of Industrial Relations (DIR) Director Katie S. Hagen, and Chief Financial Officer Josh Iverson. To assist CAJPA members with budgetary planning, DIR has graciously provided a preliminary forecast of the estimated change in assessment factors for the year 2025. This year the early estimate is for increases in the assessment factors on self-insured plans in the 5-10 percent range.

This estimated figure will be adjusted and billed in late November 2024 and due by the end of December 2024. As a reminder, this early estimate is preliminary and is made amid considerable uncertainty in the state's current economic environment. The assessment factors will continue to be refined as Governor Newsom and the Legislature negotiate the state's fiscal year 2024-2025 budget.

Please note that each agency's assessment is calculated based on several elements, including total indemnity payments. This increase only applies to the assessment factors that come from DIR. Your agency's workers' compensation costs will affect the amount and percentage change of your final assessment.

CAJPA will update members on future assessment figures when they become available later this year.

Another target of identity theft scammers - Social Influencers

In the latest Fraud Magazine, identify thieves are now targeting social influencers (and college students, but that will be in a separate post) with “job opportunity” schemes, in order to collect personal identifiable information (PII) with which to scam the target. Here are some red flags:

- Scam message redirects to a website with a different address than the company the scammer purports to work for, lacks official domain name, logo, etc.
- Requests for PII upfront, such as bank account info
- Demands for money – reputable companies don’t ask influencers to pay for the products they’ve agreed to promote.

Here is an additional resource: “Understanding Influencer Scams: 9 Red Flags and How to Spot Them” by Quinn Schwartz, GRIN, <https://grin.co/blog/avoiding-influencer-scams/>

And “Job scam targeting influencers” by Larissa Bungo, FTC, <https://consumer.ftc.gov/consumer-alerts/2023/10/job-scam-targeting-influencers>

Since our founding in 1996, SAFEChecks has never had its checks replicated by criminals or used in a check fraud scam. [Order our checks today.](#)

Contact **SAFEChecks** with your fraud concerns - **we have solutions!**

Wishing you a Fraud Free Friday,

SAFEChecks

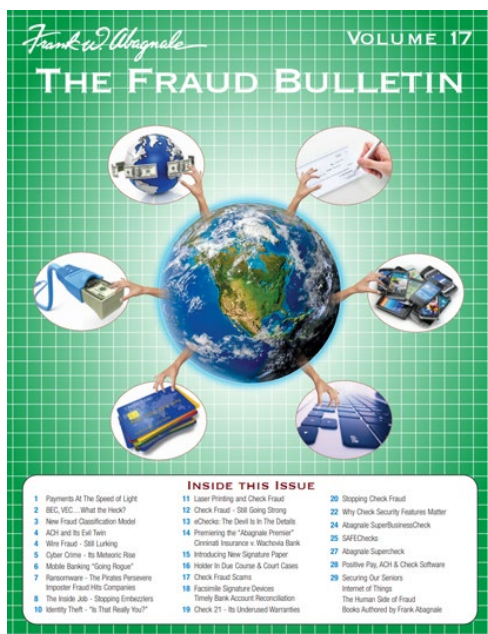
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Frank Abagnale

Mr. Abagnale's Fraud Bulletin, Volume 17, produced by SAFEChecks, is now expanded to 32 pages and is available on our website. [Request a hard copy and/or download it here.](#)



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CSRMA MEETING CALENDAR 2024			
JANUARY	FEBRUARY	MARCH	APRIL
CSRMA EB - WED - 24	CSRMA LIAB (TC) - MON - 12	CSRMA LRP - SUN - TUE - 3, 4, 5	CSRMA FIN - MON - 15 (SFO)
CSRMA BD - WED - 24	CSRMA WC - THUR - 15		
<i>CASA January 24 - 26</i>	<i>PARMA February 20 - 23</i>		
<i>Palm Springs</i>	<i>Indian Wells</i>		
MAY	JUNE	JULY	AUGUST
CSRMA LIAB - MON - 6 (WC OFFICE)	CSRMA EB (TC) - MON - 10	CSRMA EB - WED - 31	CSRMA BD - THUR - 1
CSRMA OC (TC) - TUES - 7	CSRMA BOD (TC) - THUR - 20		
CSRMA WC (TC) - THUR - 16	CSRMA OC (TC) - WED - 26		
		<i>CASA July 31 - August 2</i>	
		<i>Monterey</i>	
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
CSRMA LIAB - MON - 9 (WC OFFICE)	CSRMA EB - MON - 7 (SFO)	CSRMA OC (TC) - FRI - 1	CSRMA EB (TC) - MON - 2
CSRMA OC (TC) - FRI - 13	CSRMA WC (TC) - WED - 16	CSRMA FIN (TC) - MON - 4	CSRMA OC (TC) - THUR - 12
		CSRMA LIAB - MON - 18 (WC OFFICE)	
<i>CAJPA September 10 - 13</i>			
<i>South Lake Tahoe</i>			

Meetings in RED are IN-PERSON

**CSRMA
Board of Directors
60 Members**

Finance Committee
Jason Dow, Chair
Matt Anderson
Philip Leiber
Erica Castillo

Executive Board
Craig Murray, Carpinteria SD (President)
Sandeep Karkal, Novato SD (Vice President)
Michael Thornton, San Elijo JPA
Vince De Lange, Delta Diablo
Michelle Gallardo, Dublin San Ramon SD
Teresa Herrera, Silicon Valley Clean Water
Patrick Ostly, North of River SD
Tyson Zimmerman, Ironhouse SD (Alternate)

Officers Committee
Craig Murray
Sandeep Karkal

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 Kronbeter,
PFM Asset Management LLC

Pooled Liability Program Committee
Teresa Herrera, Silicon Valley Clean Water, Chair
Sergio Ramirez, West Bay SD
Jimmy Dang, Oro Loma SD
Mark Carlson, Union SD
Jordan Damerel, Fairfield-Suisun SD
VACANT

Workers' Compensation Program Committee
Vince De Lange, Delta Diablo, Chair
Jeff Palmer, Ojai Valley SD
Jeffrey Kingston, Sausalito-Marin City SD
Curtis Paxton, Las Gallinas Valley Sanitary District
Jennifer Sabine, Encina Wastewater Authority
VACANT

Claims
Alan Dialon
Carl Warren & Co.

Claims
Stella Sebastiani
Athens

Service Team

