

August 29, 2011

Dear Broker:

You are by way of this letter invited to submit a proposal to perform Risk Management and Commercial Insurance Brokering Services for East Bay Municipal Utility District (District). Please send your proposal to the undersigned at the following location:

**East Bay Municipal Utility District
Risk Management Unit
P.O. Box 24055, Mail Stop 604
Oakland, CA 94623-1055
Phone: (510) 287-0802**

Your proposal must be received in this office by: **3:00 p.m. on Monday, September 19, 2011.**

MINIMUM REQUIREMENTS

Interested and qualified Brokers are invited to submit proposals, provided the following minimum requirements are met:

- Ten years in business as a firm and licensed as a broker in California.
- Premium volume of over \$50,000,000 annually, excluding personal, life and accident and health lines.
- One account executive (ten years' experience in commercial insurance business, as a broker, underwriter, or in risk management). One assistant account executive. Both must have Property and Casualty Broker's License.
- Establish a contract and service fee for a three-year term commencing January 1, 2012, with provisions for two 2-year extensions.
- Contract Equity Program (CEP) – CEP/EEO compliance: The District has an overall contracting objective of 25% Ethnic minority participation, 25% White male participation and 6% White female participation. Please note that a proposal must include a full response to the District's CEP/EEO guidelines for the Proposer and any subcontractors/consultant(s) on your team.

- The Proposer must complete the Contract Equity Participation form (P-040), Good Faith Efforts Documentation form (P-041), and Contract Equity Program Guidelines Certification form (P-042). Each vendor or consultant doing \$20,000 or more work on this project must complete the Employment Data & Certification form (P-025).
- An indemnification of the District will be required. Proposers must comply with the District's insurance requirements outlined in the attached "RFP Draft Agreement for Ins Broker Contract 2012-2014" document, and if selected, complete three (3) District Certificates of Insurance (Workers' Compensation, Public Liability, and Professional Liability Insurance Errors and Omissions).

The following lists the schedule of events pertaining to the RFP selection process. Strict adherence to this timetable is required, as well as satisfying all requirements of the RFP format:

TIMETABLE

I. Release of RFP	08/29/11	
II. Proposal Due	09/19/11	3:00 pm
III. Selection of Finalists	09/26/11	
IV. Oral Presentations	10/13/11	
V. Final Selection	10/17/11	
VI. Contract Negotiated	10/19/11	
VII. Board of Directors' Approval	11/08/11	
VIII. Inception of Service	01/01/12	

The office location for EBMUD is:

East Bay Municipal Utility District
375 Eleventh Street
Risk Management Unit, M/S 604
Oakland, CA 94607

The District's Risk Management and Commercial Insurance program is managed by the Risk Manager under the authority of the Director of Finance. Questions concerning this RFP should be directed to Karen K. Curry, Risk Manager at telephone number (510) 287-0177 or fax number (510) 287-0179.

If you would like to be considered for this contract you must do the following:

1. Meet the minimum requirements outlined in this letter.
2. Present four copies of your proposal within the time frame and format outlined in the RFP.

The District will review the proposals and a list of firms will be selected from the candidates that are judged to be best qualified to perform the required work. Those firms may be asked to make

an oral presentation before a Selection Committee. After a firm is selected, an agreement will be negotiated based on the firm's proposal.

The District reserves the right to negotiate with Proposers on any and all aspects of the proposed work and to reject any and all proposals.

Sincerely,

A handwritten signature in blue ink that reads "Karen K. Curry". The signature is written in a cursive style with a large initial "K" and a long, sweeping underline.

Karen K. Curry
Risk Manager

Request for Proposals

Risk Management and Commercial Insurance Brokering Services

August 29, 2011

Response due by 3:00 p.m. PDT
Monday, September 19, 2011



East Bay Municipal Utility District
P.O. Box 24055
Oakland, CA 94623

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PURPOSE

- a. The District will be conducting a Broker of Record (BROKER) selection process for Risk Management Services, including Loss Control Consultation, Claim Consultation, and marketing of all commercial lines of insurance coverages.
- b. The desired outcome for the Broker of Record is to:
 - i. Reduce overall risk management cost
 - ii. Enable us to protect and preserve rate-payer dollars
 - iii. Provide the highest level of customer service in coordinating the assessment and management of the District's risk
 - iv. Provide an efficient and cost effective means of processing information and/or claims

II. INSTRUCTIONS

- a. Below are the Minimum Requirements, Broker of Record Questionnaire, Broker of Record Fee Proposal and the Employment Data and Certification Form (P-025) Booklet.
- b. If your firm is a branch or local office of a multi-office or national broker, answer the questions as to the local office.
- c. **Failure to provide all of the required information may disqualify you.**
- d. Employee safety and employee benefits are not managed in the Risk Management Division.
- e. Questions must be submitted in writing. Questions and answers to any questions will be distributed to all responding entities.
- f. Broker of Record must deliver four (4) hard copies of the completed Questionnaire, Proposal and Employment Data and Certification Forms by 3:00 p.m., Monday, September 19, 2011 to:

Karen K. Curry, Risk Manager
East Bay Municipal Utility District, M/S 604
P.O. Box 24055
Oakland, CA 94623

- g. Selected Broker's may be required to participate in an oral presentation process. The presenters for the Broker should include, but are not limited to the Account Executive and Assistant Account Executive, if available. The Brokers selected to make a presentation to the District as part of the final selection process will be advised of their scheduled time. The verbal presentations are scheduled to take place on **October 13, 2011**.

The District can provide overhead, slide projector and screen. Any other presentation equipment is to be provided by the presenters at their expense. Presentations will be made at:

East Bay Municipal Utility District
Orinda Watershed Headquarters
500 San Pablo Dam Road
Orinda, CA 94563

III. TIMELINE

- a. The District expects to award the contract to a Broker of Record effective January 1, 2012. Annual insurance renewals will be due on March 31, 2012 for all lines except crime which will be due on February 1, 2012.

IV. MINIMUM REQUIREMENTS FOR BROKER OF RECORD

a. GENERAL REQUIREMENTS

- i. Ten years in business as a firm and licensed as a broker in California.
- ii. Premium volume of over \$50,000,000 annually, excluding personal, life and accident and health lines.
- iii. One account executive (ten years' experience in commercial insurance business, as a broker, underwriter, or in risk management). One assistant account executive. Both must have Property and Casualty Broker's License.
- iv. Compliance with Contract Equity Program. See attached guidelines.

b. INDEMNIFICATION REQUIREMENTS

- i. Indemnification Agreement: BROKER expressly agrees to defend, indemnify, and hold harmless DISTRICT and its Directors, officers, agents and employees from and against any and all loss, liability, expense, claims, suits, and damages, including attorneys' fees, arising out of or resulting from BROKER's, its associates', employees', SUBCONSULTANTS', or other agents' performance under this Agreement.

c. INSURANCE REQUIREMENTS

- i. Insurance Requirements: BROKER shall take out and maintain during the life of the Agreement all the insurance required in this ARTICLE, and shall submit certificates for review and approval by DISTRICT. The Notice to Proceed shall not be issued, and BROKER shall not commence work until such insurance has been approved by DISTRICT. The certificates shall be on forms provided by DISTRICT. Acceptance of the certificates shall not relieve BROKER of any of the insurance requirements, nor decrease the liability of BROKER. DISTRICT reserves the right to require BROKER to provide insurance policies for review by DISTRICT.
- ii. Workers' Compensation Insurance: BROKER shall take out and maintain during the life of the Agreement, Workers Compensation Insurance, for all of its employees on the project. In lieu of evidence of Workers Compensation Insurance, DISTRICT will accept a Self-Insured Certificate from the State of California. BROKER shall require any SUBCONSULTANT to provide it with evidence of Workers Compensation Insurance.
- iii. Commercial General and Auto Liability Insurance: BROKER shall take out and maintain during the life of the Agreement Commercial General and Automobile Liability Insurance that provides protection from claims, that may arise, from operations or performance under this Agreement. If BROKER elects to self-insure (self-fund) any liability exposure during the contract period above \$50,000, BROKER is required to notify the DISTRICT immediately. Any request to self-insure must first be approved by

the DISTRICT before the changed terms are accepted. BROKER shall require any SUBCONSULTANT to provide evidence of liability insurance coverages. The amounts of insurance coverages shall not be less than the following:

- A. \$5,000,000/Occurrence, Bodily Injury, Property Damage – General Liability.
- B. \$5,000,000/Occurrence, Bodily Injury, Property Damage – Automobile Liability.
- C. The following coverages or endorsements must be included in the policy(ies)
 - i. DISTRICT and its Directors, officers, and employees are additional insureds in the policy(ies) as to the work being performed under this Agreement;
 - ii. The coverage is primary and non-contributory to any other insurance carried by DISTRICT;
 - iii. The policy(ies) cover(s) contractual liability;
 - iv. The policy(ies) is(are) written on an occurrence basis;
 - v. The policy(ies) cover(s) broad form property damage liability;
 - vi. The policy(ies) cover(s) personal injury (libel, slander, wrongful entry and eviction) liability;
 - vii. The policy(ies) cover(s) products and completed operations;
 - viii. The policy(ies) cover(s) use of owned, non-owned, and hired automobiles.
 - ix. The policy(ies) shall not be canceled nor reduced unless 30 days' written notice is given to DISTRICT.

iv. Professional Liability Insurance

BROKER shall take out and maintain during the life of the Agreement, Professional Liability Insurance (Errors and Omissions) with a minimum of \$10,000,000 of liability coverage. BROKER shall require any subconsultant to provide evidence of professional liability with a minimum of \$1 Million. A deductible may be acceptable upon approval of the DISTRICT. The policy shall provide 30 days advance written notice to DISTRICT for cancellation or reduction in coverage.

d. OTHER REQUIREMENTS

i. Ability to:

- A. Provide services consistent with the terms and conditions outlined in RFP and sample contract.
- B. Provide review of DISTRICT contracts and advise on appropriate insurance requirements.
- C. Update and trend DISTRICT property values for marketing of property coverages.
- D. Discuss gaps, proposed changes, and improvements in coverage with Risk Manager prior to renewal; arrange meetings with Risk Manager and the underwriters prior to renewals.
- E. Explore markets and obtain quotations for coverage as requested by DISTRICT (including quotations for programs with various deductibles, SIR's, etc.).
- F. Annually provide updates on contacts for notifying excess insurance carriers of claims with potential to pierce excess layers.
- G. Provide claims assistance to DISTRICT, as needed to process insurance claims.
- H. Provide Annual Summary of DISTRICT Insurance by end of April each year.

- I. Provide quarterly report of commissions earned and Risk Mgmt. approved expenses paid out of the commissions account. Ensure commissions account maintains adequate balance to cover annual broker fees.

e. CONTRACT PERFORMANCE PERIOD

The term of the contract awarded under this proposal shall be for the three-year period beginning January 1, 2012 and ending December 31, 2014, with two (2), two (2)-year periods options, to be exercised at the sole discretion of the District.

Should this Agreement be extended beyond the third year, the cost ceiling shall remain the same as year three unless there is a written amendment to this Agreement. In no event shall the price increase exceed the Cost of Living Adjustments (COLA) based on the San Francisco/Oakland/San Jose Region Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in effect at the time of negotiations and shall cover the two-year period under consideration. Price decreases can be submitted at any time during the term of this Agreement.

V. BROKER OF RECORD QUESTIONNAIRE

CONFIDENTIAL

Date _____

Firm Name:

Address/Zip Code:

Phone Number:

Date Established:

Provide a brief history of your Firm and Local Office.

Provide the name, experience, and qualifications of each proposed team member in each category. Specifically include public entity and utility experience.

ACCOUNT SUPERVISION

i. What will be the specific responsibilities of:

- A. Account Executive
- B. Assistant Account Executive

b. INSURANCE MARKETING

i. What will be the specific responsibilities of:

- A. Account Executive
- B. Assistant Account Executive
- C. Other marketing team members

ii. Describe your firm's marketing philosophy.

iii. Will wholesale brokers be used? To what extent?

c. RISK MANAGEMENT SERVICES

i. Describe all available services included under the proposed annual fee and list separately any optional services that would be available for an additional fee.

ii. Of those services listed above that would be provided at an additional fee, please outline the fees for each additional/optional service.

- iii.** Insurance Premium Volume of Firm: (Excluding Personal, Life, Accident and Health)

Under \$50 Million	\$50-100 Million	Over \$100 Million
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- iv.** Describe the resources available to you through your organization and/or strategies you will use to assist the DISTRICT reducing its overall risk management costs; please include a description of the extent of contract review services your firm provides?

- v.** Provide a description of the characteristics your firm and/or your staff has that set you apart from your competitors?

- vi.** What services do you offer that set you apart from your competitors? Please confirm whether the referenced services are covered under the annual fee. If not, please include pricing.

- vii.** Will you provide the District with a specific point of contact to facilitate all insurance and risk-related business? If so, who will that be? If multiple contacts, please explain.

- viii.** Please carefully review the RFP and the attached Sample Contract and confirm your firm's ability and willingness to comply with all of the terms and conditions.

- ix.** If unable or unwilling to comply with all terms and conditions listed in the RFP and/or sample Contract, please list each item in which you are unwilling or unable to comply with and clearly outline any counter-proposals specific to each.

- x.** Why is your firm best suited to be the District's Broker of Record? What would be the objectives for the first six months? First year? Ongoing?

d. CONTRACT EQUITY PROGRAM

- i.** The District adopted the Contract Equity Program (CEP) to enhance equal opportunities for business owners of all races, ethnicity and genders who are interested in doing business with the DISTRICT. Please see the attached Contract Equity Program and Equal Employment Opportunity Guidelines.

All business enterprises and their subcontractors performing work for the DISTRICT must be Equal Employment Opportunity (EEO) employers. All business enterprises and their subcontractors shall assure that there is no discrimination against any person based on race, color, religion, creed, national origin, ancestry, gender, age, marital status, disability, or sexual orientation, and shall be bound by all laws prohibiting such discrimination in employment. The Employment Data and Certification form (P-025)

must be completed and submitted with the proposal. Failure to submit the form may render the proposal as non-responsive and may cause the proposal to be rejected.

Questions regarding the Contract Equity Program (CEP) should be addressed to the CEP Office at (510) 287-0114.

e. OTHER INFORMATION:

- i.** References are requested as part of the proposal format. Five references are requested. Having a Public Utility as a reference is desirable but not required. Include client name and address along with a contact and phone number. Comment as to the number of years of service and briefly describe the services provided. Expect that the references will be contacted.

Provide a list of clients that have transferred their account to a new Broker within the last 24 months.

VI. BROKER OF RECORD FEE PROPOSAL

SERVICES	2012	2013	2014	2015-2016 (optional)	2017-2018 (optional)
Account Supervision					
Risk Management Services					
Technical Services <ul style="list-style-type: none"> • Engineering Consultation • Liability Loss Control Consultation, including contract review and advisement on insurance and indemnification requirements. • Review and update District standard insurance and indemnification language annually. • Workers' Compensation Loss Control Consultation • Financial Consultation 					
Claims Management <ul style="list-style-type: none"> • Claim Consultation • Claim Audit Service 					
Insurance Marketing <ul style="list-style-type: none"> • Casualty Insurance • Property 					

• Miscellaneous Insurance					
* Proposed Cost Per Year	\$ *	\$ *	\$ *	\$ *	\$ *

*Includes all fees, i.e., staff support, secretarial, clerical, work processing, etc. A contract fee for the authorized years of the contract will be negotiated and approved before the contract is awarded as a flat annual fee and will be paid through the insurance commissions. Any commission funds over the negotiated broker fee will be held in an account with the selected broker and/or returned to the DISTRICT (at the DISTRICT’s discretion). Excess funds may be used to cover risk management services at the discretion of the Risk Manager.

VII. EVALUATION OF PROPOSALS

a. SELECTION

i. Proposals will be evaluated on the following criteria:

- A. Services
- B. Firm’s Qualifications and Experience
- C. Staffing
- D. Public Agency Experience
- E. Fee
- F. Contract Equity Program Participation

b. QUESTIONS

i. Questions regarding this Request for Proposal should be submitted in writing to Karen K. Curry, Risk Manager, Mail Stop 604 at East Bay Municipal Utility District, P.O. Box 24055, Oakland, CA 94623.

VIII. DESCRIPTION OF OPERATIONS

a. East Bay Municipal Utility District is a publicly owned utility formed under the Municipal Utility District Act passed by the State Legislature in 1921. The Act permits formation of multi-purpose governmental agencies to provide needed services on a regional basis. In accordance with the Act’s provisions voters in the East San Francisco Bay Area created the District in 1923 to provide water service.

The District’s mission is:

To manage the natural resources with which the District is entrusted, to provide reliable, high-quality water and wastewater services for the people of the East Bay and to preserve and protect the environment for future generations.

b. SOURCES OF WATER

- i.** Water is piped to the East Bay and delivered to customers in parts of Alameda and Contra Costa Counties; wastewater from the cities of Albany, Berkeley, Emeryville, Oakland, Piedmont, and the Stege Sanitary District is directed to the wastewater treatment plant for treatment and disposal into the Bay.

Most of the water used by customers begins as snow in California's highest mountain range, the Sierra Nevada. Water is captured in Pardee Reservoir from 577 square miles of the Mokelumne River watershed (see map this Section). The District has rights and contracts for up to 325 million gallons of Mokelumne River water a day.

EBMUD has a contract with the U.S. Bureau of Reclamation for a supplemental water supply because during times of drought or emergency, EBMUD's Mokelumne River supply cannot meet customer needs. That supplemental supply comes from the Sacramento River. In a typical year of precipitation, EBMUD uses 15 to 25 million gallons per day of water from local watershed runoff to the East Bay reservoirs. In dry years, enough water can be lost through evaporation to completely offset any water gained from local runoff.

c. DAMS

- i.** The District has two major dams within ten miles of each other. The largest dam is at Pardee, built on the Mokelumne River, in 1929. Along with supplying water (the reservoir can hold up to 197,950 acre-feet of water), there is also the Pardee Powerhouse, which typically generates about 140 million-kilowatt hours of electricity in a year of average runoff. The electrical power generated is immediately sold to the Sacramento Municipal Utility District as a way of providing energy to Californians and bringing income to the District to help keep water rates low. The other major dam is the Comanche Dam ten miles downstream from Pardee completed in 1964. Also possessing a power plant, Camanche generates 45 million-kilowatt hours of renewable energy annually. Other dams are Briones (1964), Chabot (1875), Lafayette (1928), Upper San Leandro (1926), and San Pablo (1919). Dams are routinely inspected and upgraded as needed.

d. RESERVOIRS AND LANDS

- i.** The District operates seven reservoirs at the location of the dams. Five of the seven large reservoirs offer recreation services (Briones and Upper San Leandro do not). Pardee, Lafayette, San Pablo and Chabot store drinking water, so body-contact water activities are prohibited. Camanche is a flood control and irrigation reservoir, therefore swimming and other recreational water sports are permitted.

The District owns 54,605 acres of watershed lands (a land region that drains snow and rain runoff into a river system or other bodies of water) and 12,765 acres of water surface in its seven reservoirs in the East Bay and Mokelumne watersheds, which allows the District to manage the water supply and control water quality.

East Bay Watersheds

The District maintains a 65-mile system of public hiking and equestrian trails in the Briones, San Pablo, and Upper San Leandro watersheds. Additionally, the major recreation areas available to the public are located at San Pablo and Lafayette Reservoirs. Boating and fishing are the major water-based activities and body contact is prohibited. Jogging and picnicking are also popular activities. While the District maintains the dam and appurtenant facilities at Lake Chabot, the East Bay Regional Park District has a long-term lease to provide public recreation at the reservoir. District employees maintain the reservoirs and trails and law enforcement services are provided by the East Bay Regional Park Police Department through a Joint Powers Agreement. A private concessionaire under contract to the District manages San Pablo Recreation Area. The Lafayette Recreation Area is managed and operated by District staff. District policies allow uses of the lands that are compatible with primary watershed purposes of protecting both water quality and biodiversity with emphasis on preserving and managing open space.

Mokelumne Watershed

The District maintains a 31-mile system of public hiking and equestrian trails in the Mokelumne watershed adjacent to Comanche and Padre Reservoirs. Two major recreation areas are available to the public at Comanche Reservoir with day use, camping, seasonal recreational vehicle use and a full range of water-based activities, including body contact sports. In addition, the Comanche Hills Hunting Preserve provides public upland game hunting and Mokelumne River Day Use Area allows and the Mokelumne River Day Use Area allows access to the Mokelumne River below Camanche Dam. The Middle Bar Take-Out Facility provides parking and access primarily for kayakers utilizing the Mokelumne River above Pardee Reservoir. Three year round residential mobile home parks with privately owned mobile homes on rented lots are also located at Camanche Reservoir. Pardee Reservoir has one major recreation area, which also provides accommodations for overnight camping and seasonal recreational vehicle use, but water-based activities are limited to boating and fishing and body contact is prohibited. The District employees maintain and patrol the reservoirs and trails and law enforcement services are provided by the Amador and Calaveras County Sheriff. All three recreation areas and the hunting preserve are managed by private concessionaires under contract with the District. District policies allow uses of the lands that are compatible with primary watershed purposes with emphasis on preserving open space.

e. WATERSTORAGE

- i.** After water arrives in the East Bay, it is either treated immediately in filter plants or stored until needed in one of the five large reservoirs in the East Bay hills. Called terminal reservoirs, they also collect local rainwater, but most of the water is from the Mokelumne River.

f. WATER QUALITY

- i.** EBMUD water supplies require minimal treatment to meet health standards. EBMUD water supplies meet all primary (health related) and secondary (aesthetics) standards established by the U.S. Environmental Protection Agency and the California Department of Health Services.

g. WATER TREATMENT FACILITIES

- i.** Raw water contains impurities, such as dirt particles, bacteria and algae. EBMUD filters all water it delivers to customers and adds fluoride to promote dental hygiene. Five treatment plants filter and purify the water before it reaches customers. The water treatment facilities are located in Upper San Leandro, Sobrante, Orinda, Lafayette and Walnut Creek. San Pablo is a sixth treatment plant and is currently a standby plant that is not in use.

h. DISTRIBUTION

- i.** Delivering water to 20 incorporated and 15 unincorporated communities in Alameda and Contra Costa Counties is a major job for EBMUD. Using over 4,100 miles of pipe, 140 pumping plants and 170 distribution tanks and reservoirs, treating and pumping occur day and night. The service area is divided into more than 120 pressure zones with a range in elevation from sea level to 1,450 feet. While the pumping plants are an important part in distributing the water, about 50% of treated water is distributed by gravity flow serving more than 1,300,000 people.

i. WASTEWATER TREATMENT SYSTEM

- i.** Domestic, commercial and industrial wastewater is treated for the cities of Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont and for the Stege Sanitary District, which includes El Cerrito, Kensington and part of Richmond. These communities within Special District No. 1, a separate district governed by the same Board of Directors, operate sewer collection systems that discharge into one of three intercepting sewers.

Wastewater collected by the interceptors flows to the District's Wastewater Treatment Plant in Oakland at the foot of the Bay Bridge. The plant provides secondary treatment for a maximum flow of 168 million gallons a day. Primary treatment can be provided for up to 320 million gallons a day. Primary treatment removes floating materials, oils, greases, sand, silt and other organic solids heavy enough to settle in water. Secondary treatment biologically removes most of the suspended and dissolved organic and chemical impurities that would rob the life giving oxygen from the water of the Bay, if allowed to decompose naturally. After several treatment steps from prechlorination to sludge digestion and dewatering the treated effluent is then disinfected, dechlorinated and discharged one-half mile off the East Bay shore into the deepest part of the San Francisco Bay.

j. WET WEATHER PROGRAM

- i.** In the 1980s, defective sewer pipes and improper storm drain connections allowed entry of rainwater into the community wet sewer systems, causing overflows at more than 175 locations during heavy storms. The Weather Program grew out of concerns over regional wet weather problems. A joint powers agreement was entered into with communities in its wastewater service area to develop a regional solution. EBMUD spent \$325 million between 1988 and 1998 to build a wet weather collection and treatment system to keep raw sewage from entering the Bay when heavy rainfall overwhelmed the system. The

communities invested more than \$360 million in sanitary sewer system improvements.

- ii. Despite the progress made, the system today is still unable to handle the storm drainage from the communities, where sewer pipes leak heavily during rainstorms. In 2011, EBMUD and the communities launched a program to invest in further improving the wet weather flow management by investing in sewer infrastructure. EBMUD is providing technical support for property owners to help them fix private sewer laterals and for communities to help them fix damaged sewer pipes. EBMUD is also investing in upgrades to its wastewater infrastructure.

k. RESOURCE CONSERVATION

- i. One wastewater treatment byproduct is methane gas, produced by the sludge digestion process. The District began operating a power generation plant in 1985 to generate 50% of the electrical power needed to operate the wastewater treatment plant. In 2011, the addition of 4.5 megawatt low-emissions turbine allows the wastewater treatment plant to generate an abundance of power and sell renewable energy generated from waste back to the grid.

In 1972, a local source control program was implemented requiring pretreatment of wastes by certain categories of industrial customers. The program cut by 98% the amount of heavy metals discharged into the sewers. Over time, the program expanded. By collaborating with industry groups to promote best management practices, EBMUD helps local businesses adopt effective business practices that protect the environment from toxics such as mercury, radiator coolant, solvents, and other lubricants. Working with public agencies and Bay protection groups, EBMUD educates households on what materials should not be put down the drain and on wise cleaning product choices that help protect the Bay.

IX. 2011/2012 INSURANCE POLICY SUMMARY

POLICY	LIMITS	DEDUCTIBLE (S.I.R.)
Liability (General/Auto)	\$90 Million	\$10 Million (Water and Wastewater Operations)
Workers' Compensation	Statutory (\$1 Million – Employer's Liability)	\$5 Million
Property All Risk Flood Earthquake	\$200 Million \$ 25 Million None currently	\$500,000 \$1.5 Million
Boiler & Machinery	\$10 Million All locations – Business Interruption/Extra Expense Utility Interruption	\$25,000, except \$50,000 for Pardee Dam, Camanche Dam, and Wake Ave., Treatment Plant 24 Hours 8 Hours
Crime Policy Employee Dishonesty, including faithful performance	\$10 Million	\$25,000

X. LIABILITY CLAIMS SUMMARY

Liability Claims Summary				
Fiscal Year	General Liability	Auto Liability	Total	Cost
FY07	275	47	322	\$6.6M
FY08	274	43	317	\$2.9M
FY09	294	57	351	\$1.6M
FY10	277	43	320	\$1.2M
FY11	257	32	289	\$573K

Liability Claims Excess of \$100K				
Fiscal Year	Number of Claims	Total Paid to Date	Estimated Future Costs	Total Anticipated Costs
FY07	10	\$4.9M	\$100K	\$5M
FY08	6	\$1.4M	\$0	\$1.4M
FY09	6	\$500K	\$175K	\$675K
FY10	2	\$180K	\$180K	\$320K
FY11	0	\$0	\$0	\$0

Liability claims are presently administered both in-house (approx. 50-75%) with the balance being administered by Carl Warren, Third Party Administrator (TPA).

XI. ADDITIONAL INFORMATION

Additional information regarding EBMUD can be found through the links listed below:

- i.** Link for most current “**Comprehensive Annual Financial Report for the year ended June 30, 2010**”:
http://www.ebmud.com/sites/default/files/pdfs/2010_comprehensive_annual_financial_report.pdf
- ii.** Link for “**All About EBMUD**”:
<http://www.ebmud.com/sites/default/files/pdfs/All-About-EBMUD-2011.pdf>
- iii.** Link for “**Budget for Fiscal Years 2012 and 2013**”
http://www.ebmud.com/sites/default/files/pdfs/FY12_13-Budget-Fact-Sheet_1.pdf
- iv.** Link for “**EBMUD Energy**”:
http://www.ebmud.com/sites/default/files/pdfs/2010_EBMUD_Energy_0.pdf