



c/o ALLIANT INSURANCE SERVICES
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OFFICERS:

Russ Baggerly, President
805.646.5548
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760.753.0155

PAST PRESIDENTS:

Robert Reid
2006-2010
Kevin Hardy
2003-2006

EXECUTIVE BOARD MEETING AGENDA

Meeting Via Teleconference at the Following Location(s):

20111 Shay Road, Victorville, CA 92394

**Date/Time: Monday, December 8, 2014
10:00 AM**

**LOCATION: Alliant Offices
100 Pine Street, 11th Floor
San Francisco, CA 94111**

A.	CALL TO ORDER	A: ACTION	I: INFORMATION
B.	PUBLIC & BOARD MEMBER COMMENTS	V: VERBAL	S: SEPARATE
C.	CONSENT CALENDAR	H: HANDOUT	
1.	Meeting Minutes - October 10, 2014	A	p. 8
2.	Demands as of September 29, October 27, and November 10, 2014	A	p. 14
3.	Reporting and Ratification of Claims Settlements	A/V	
4.	Budget to Date Report at September 30, 2014	I	p. 17
5.	Long Range Action Plan Update	I	p. 25
D.	CLOSED SESSION TO DISCUSS PENDING CLAIMS		
	Action may be taken per Government Code Section 54956.95. See Reverse for Full Listing of Claims to be Discussed	A	
E.	GENERAL ADMINISTRATION		
1.	2013-14 Fiscal Year Audit	A/S	p. 42
2.	CSRMA Investment Performance Review	I/S	p. 57
3.	Trustees E & O Renewal	A	p. 58
4.	Member Satisfaction Survey	A	p. 62
5.	Ancillary Coverages	I	p. 67
F.	OFFICER/PROGRAM DIRECTOR/COMMITTEE REPORTS		
1.	Long Range Planning Session Arrangements	A/H	p. 70
2.	Long Range Planning Session Topics	I	p. 71
3.	2015 Proposed Meeting Calendar	A	p. 73
G.	POOLED LIABILITY PROGRAM		
1.	Actuarial Study	I/S	p. 75
2.	Retrospective Rating Calculation at 12/31/14	A	p. 76
3.	Program Year 29 (2014/15) Renewal	A	p. 78
4.	Dividend Calculation as of 12/31/14	A	p. 81
5.	Deductible Selection Policy & Procedure	A/H	p. 83
6.	Member Request to Review Duty of Defense Cover in MOC	I/H	p. 95

H.	PROPERTY PROGRAM		
	None.		
I.	WORKERS' COMPENSATION PROGRAM		
1.	Claims Audit	I/S	p. 97
2.	WC Payroll Audit PY 24 (2013-2014)	I	p. 101
3.	PY 24 Workers' Compensation Awards for Excellence	I/H	p. 103
4.	Evaluating Criteria for the Workers' Compensation Excellence Award	A	p. 104
5.	Annual Workers' Compensation Loss Analysis Reports	I/H	p. 108
6.	York Staffing Changes	I	p. 109
J.	PRIMARY INSURANCE PROGRAM		
1.	Program Renewal	A	p. 111
K.	LOSS CONTROL		
1.	Fall/Winter/Spring 2014/15 Area Training Update	I	p. 112
L.	INFORMATION ITEMS		
1.	<i>Poem of the Day</i>	I	p. 114
2.	<i>Article - Attitude Matters - How to Hire for a Positive Attitude</i>	I	p. 116
3.	<i>Article - The Power Of</i>	I	p. 118
4.	<i>Article - Is Training A Benefit Or A Detriment? - Our Readers Chime In</i>	I	p. 120
5.	<i>Article - Tis The Season For Weight Gain - What Can You Do.....</i>	I	p. 121
6.	CSRMA 2014 Meeting Calendar	I	p. 122
7.	CSRMA Organizational Chart	I	p. 123
8.	CSRMA Service Team	I	p. 124
M.	ADJOURNMENT		

The next meeting will be held on January 21, 2015 during the CASA Conference

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.

CSRMA - OPEN / ACTIVE REPORT
AS OF 11-30-14



MEMBER DISTRICT	CLAIM#	CLAIMANT	CLAIM DESCRIPTION	DATE OF LOSS	DATE REPORTED
CITY OF HALFMOON BAY	1890762	O'BRIEN, GLEN	Property Damage	001 7/27/2014	7/29/2014
DELTA DIABLO	1888867	USPS, .	Property Damage	001 6/27/2014	6/27/2014
DELTA DIABLO	1893720	CAMPOS SR, UNKNOWN	Property Damage	001 9/13/2014	9/15/2014
DELTA DIABLO	1893720	PASSAPERA BEITA, MARIA	Property Damage	002 9/13/2014	9/15/2014
DELTA DIABLO	1893720	CAMPOS, FERNANDO	Property Damage	003 9/13/2014	9/15/2014
DELTA DIABLO	1893720	UNKNOWN, LETICIA	Property Damage	004 9/13/2014	9/15/2014
DUBLIN SAN RAMON SERVICES DISTRICT	1892516	SOO, PHILIP	Property Damage	001 8/19/2014	8/26/2014
DUBLIN SAN RAMON SERVICES DISTRICT	1896305	ENDERBY, CHRISTINE	Property Damage	001 9/26/2014	10/24/2014
DUBLIN SAN RAMON SERVICES DISTRICT	1898179	[REDACTED]	Employment	001 12/30/2013	11/24/2014
HOMESTEAD VALLEY SANITARY DISTRICT	1815496	SIEGEL, DAN AND JENNY	Property Damage	001 12/22/2012	12/22/2012
IRONHOUSE SANITARY DISTRICT	1896228	ZARTE, MONICA	Property Damage	001 10/3/2014	10/23/2014
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT	1882918	[REDACTED]	Employment	001 5/1/2012	3/24/2014
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT	1887929	BRACKETT, STEPHEN AND KATHY	Property Damage	001 6/7/2014	6/12/2014
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT	1892970	BEN-HUR, SHEILA	Property Damage	001 8/28/2014	9/3/2014
LAKE ARROWHEAD CSD (SBU)	1844653	DOAN, KELLY	Property Damage	001 12/31/2012	12/31/2012
LAKE ARROWHEAD CSD (SBU)	1844653	CAMPBELL, MARQUIS / CHERYL	Property Damage	002 12/31/2012	12/31/2012
MONTEREY REGIONAL WATER	1897269	OMOTO, WILLIAM	SUB	001 11/10/2014	11/10/2014
MONTEREY REGIONAL WATER	1898115	MORENO, CARMEN	Property Damage	001 11/4/2014	11/21/2014
MT. VIEW SANITARY DISTRICT	1887883	FRANKS, STEVEN	Property Damage	001 6/11/2014	6/12/2014
MT. VIEW SANITARY DISTRICT	1893606	LAS JUNTAS, SDL	Property Damage	001 9/11/2014	9/11/2014
NOVATO SANITARY DISTRICT	1548646	MADIAS, MICHAEL & LAURIE	Property Damage	001 2/15/2011	3/15/2011
NOVATO SANITARY DISTRICT	1865711	MOLLOY, TERENCE	Property Damage	001 6/18/2013	9/12/2013
NOVATO SANITARY DISTRICT	1884397	JIMENEZ, CONRAD	Bodily Injury	001 10/11/2013	4/14/2014
NOVATO SANITARY DISTRICT	1892810	WILLIAMS, CHARLIE ³	Property Damage	001 8/29/2014	8/29/2014

MEMBER DISTRICT	CLAIM#	CLAIMANT	CLAIM DESCRIPTION	DATE OF LOSS	DATE REPORTED
NOVATO SANITARY DISTRICT	1897259	BUZBAZIAN, BILL	Property Damage	001 11/7/2014	11/10/2014
OJAI VALLEY SANITARY DISTRICT	1442319	SEDLAK, JR., MICHAEL	Bodily Injury	001 6/19/2006	12/7/2006
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1892208	1029 SAN ANSELMO, .	Property Damage	001 8/20/2014	8/20/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1857964	CIMINO, JOSEPH	Employment	001 1/27/2012	6/7/2013
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1868090	BARANCO, DAVE	Property Damage	001 10/15/2013	10/16/2013
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1869964	VAHLE, GABRIELLE	Property Damage	001 11/11/2013	11/12/2013
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1882069	BETTENCOURT, MARYANNA	Property Damage	001 3/9/2014	3/10/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1887086	UNKNOWN, HOMEOWNER	Incident	001 5/28/2014	5/29/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1889653	TUFFLI, MARTHA	Incident	001 7/10/2014	7/10/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1890245	WINN, CORINA	Incident	001 7/18/2014	7/22/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1890321	PALMER, BEN	Incident	001 7/21/2014	7/23/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1890349	LEPERI/SAMET, MICHAEL/MELISSA	Property Damage	001 4/18/2014	7/23/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1892364	PIRO, DAN	Property Damage	001 8/22/2014	8/22/2014
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1868090	YOUNG, CHEYENNE & SAMANTHA	Property Damage	002 10/15/2013	10/16/2013
SANITARY DISTRICT NO. 1 OF MARIN COUNTY	1890321	HETH, TIM	Property Damage	002 7/21/2014	7/23/2014
SANITARY DISTRICT NO. 5 OF MARIN COUNTY	1897294		Employment	001 4/23/2014	11/10/2014
SANTA MARGARITA WATER DISTRICT	1564019	LENNAR HOMES OF CA., .	Property Damage	001 5/17/2011	5/18/2011
SANTA MARGARITA WATER DISTRICT	1564019	KIDD, MICHAEL	Property Damage	002 5/17/2011	5/18/2011
SANTA MARGARITA WATER DISTRICT	1564019	TRAVELERS ASO,, ABRAHAMS	Property Damage	004 5/17/2011	2/11/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO LAPPIN, .	Property Damage	006 5/17/2011	4/12/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO BAIN, .	Property Damage	007 5/17/2011	4/12/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO LUDWIG, .	Property Damage	008 5/17/2011	4/12/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO GRATTEAU, .	Property Damage	010 5/17/2011	4/12/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO TURNER, .	Property Damage	011 5/17/2011	4/12/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO FEHER, .	Property Damage	012 5/17/2011	11/4/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO, MALDONADO	Property Damage	013 5/17/2011	11/4/2013

MEMBER DISTRICT	CLAIM#	CLAIMANT	CLAIM DESCRIPTION	DATE OF LOSS	DATE REPORTED
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO TIBER, .	Property Damage	014 5/17/2011	11/4/2013
SANTA MARGARITA WATER DISTRICT	1564019	MUELLER INDUSTRIES, .	Property Damage	015 5/17/2011	11/4/2013
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO VANDERLO, .	Property Damage	016 5/17/2011	5/18/2011
SANTA MARGARITA WATER DISTRICT	1564019	MERCURY ASO HERNANDE, .	Property Damage	017 5/17/2011	4/12/2013
SILICON VALLEY CLEAN WATER	1897415	COMMUNITY, ROSSMOOR	SUB	001 8/19/2014	10/31/2014
SOUTH TAHOE PUBLIC UTILITY DISTRICT	1764045	GRCLT CONDOMINIUM, AKA MARRIOTT ET AL	LEO	001 3/13/2012	9/12/2012
SOUTH TAHOE PUBLIC UTILITY DISTRICT	1851347	KLECKER, DAVID	Property Damage	001 3/13/2013	3/14/2013
SOUTH TAHOE PUBLIC UTILITY DISTRICT	1867293	COOPER, MARTHA	Property Damage	001 9/28/2013	10/3/2013
SOUTH TAHOE PUBLIC UTILITY DISTRICT	1889881	SILVESTRI, GARY	Property Damage	001 7/3/2014	7/16/2014
SOUTH TAHOE PUBLIC UTILITY DISTRICT	1890660	CUNI, GENTI	Property Damage	001 7/28/2014	7/28/2014
SOUTH TAHOE PUBLIC UTILITY DISTRICT	1892517	CITY SO. LAKE TAHOE, .	Property Damage	001 8/14/2014	8/26/2014
STEGE SANITARY DISTRICT (SBU)	1543173	PETERSON, DWIGHT	Property Damage	001 1/2/2011	1/3/2011
STEGE SANITARY DISTRICT (SBU)	1543173	DUNHAM, GLENN	Property Damage	002 1/2/2011	1/3/2011
UNION SANITARY DISTRICT	1886821	CIARDELLI, JEAN	Property Damage	001 5/22/2014	5/27/2014
UNION SANITARY DISTRICT	1893145	DEPPNER, JIM	Property Damage	001 9/4/2014	9/5/2014
UNION SANITARY DISTRICT	1894338	LAKHA PROPERTIES, .	Property Damage	001 9/11/2014	9/24/2014
UNION SANITARY DISTRICT	1896308	ZENG, LYNN	Property Damage	001 10/24/2014	10/24/2014
UNION SANITARY DISTRICT	1896332	WHITMAN, PAUL	Property Damage	001 10/1/2014	10/24/2014
VALLEJO SANITATION AND FLOOD CONTROL	1768515	JACKSON, JAYESHA (MINOR)	Bodily Injury	001 2/19/2012	11/2/2012
VALLEJO SANITATION AND FLOOD CONTROL	1878357	YUSUF, MOHAMED	Property Damage	001 1/15/2014	1/17/2014
VALLEJO SANITATION AND FLOOD CONTROL	1888797	PROUD, VICKY	Incident	001 6/24/2014	6/26/2014
VALLEJO SANITATION AND FLOOD CONTROL	1892010	EVERETT/CROSS, JUSTINA/KEN	Property Damage	001 1/1/2014	8/6/2014
VALLEJO SANITATION AND FLOOD CONTROL	1895431	NEWSON, BENTEL AND BONNIE	Property Damage	001 10/10/2014	10/10/2014
VALLEJO SANITATION AND FLOOD CONTROL	1896127	Stewart, Anita	Property Damage	001 10/21/2014	10/22/2014
VALLEJO SANITATION AND FLOOD CONTROL	1898118	BIG BAY RV, .	Property Damage	001 11/6/2014	11/21/2014
VALLEJO SANITATION AND FLOOD CONTROL	1895431	homeowner, unknown	Property Damage	002 10/10/2014	10/10/2014

MEMBER DISTRICT	CLAIM#	CLAIMANT	CLAIM DESCRIPTION	DATE OF LOSS	DATE REPORTED
VALLEJO SANITATION AND FLOOD CONTROL	1878357	YUSUF, MOHAMED	Bodily Injury	003 1/15/2014	1/17/2014
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY	1882684		Employment	001 4/4/2012	3/19/2014
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY	1895556	INDUSTRIAL CLERICAL, RECRUITERS, INC.	LPI	001 5/28/2014	10/14/2014
WEST COUNTY WASTEWATER DISTRICT	1888403	BOLTON, BRADLEY	Property Damage	001 6/19/2014	6/20/2014
WEST COUNTY WASTEWATER DISTRICT	1892736	MIRA VISTA ELEM, .	Property Damage	001 8/10/2014	8/28/2014
WEST VALLEY SANITATION DISTRICT	1846367	LAMBERT, DAVID	Property Damage	001 1/21/2013	1/21/2013
WEST VALLEY SANITATION DISTRICT	1893276	CHISUM, RACHEL & HUBERT	Property Damage	001 6/29/2014	9/4/2014
WEST VALLEY SANITATION DISTRICT	1894670	UNKNOWN, UNKNOWN	Property Damage	001 9/29/2014	9/29/2014
WEST VALLEY SANITATION DISTRICT	1894980	MASON, RALPH	Property Damage	001 8/29/2014	10/2/2014
WEST VALLEY SANITATION DISTRICT	1895628	LOS GATOS LODGE, .	Property Damage	001 10/14/2014	10/14/2014
WEST VALLEY SANITATION DISTRICT	1895711	STUCKY, DAVID	Property Damage	001 10/15/2014	10/15/2014
WEST VALLEY SANITATION DISTRICT	1895962	ABBASI, AMY	Property Damage	001 10/20/2014	10/20/2014

Claims Excess

As Of: 10/31/2014

Loss Dates: 01/01/1900 -10/31/2014

C.S.R.M.A. W/C - 3507 Incurred Limits

>= \$100000

Claimant Name	Employer	Date of Injury
INDEMNITY		
Almond, Dennis	Central Contra Costa Sanitary	4/1/2009
Bittle, Shawn	Central Contra Costa Sanitary	9/15/2006
Brown, Keith	West Bay Sanitary District	11/10/2011
Denton, Gregory	West County Wastewater Distric	5/8/2013
Godinez, Ignacio	Ventura Regional Sanitation Di	9/6/2010
Jones, Lorine	Silicon Valley Clean Water	10/5/2005
Kupel, Nora	West Valley Sanitation Distric	10/21/2013
Lloyd, Raymel	Ventura Regional Sanitation Di	11/29/2012
McAbee, Curtis	Novato Sanitary District	12/28/2007
Smith, David	Ironhouse SD - Susan Walde P&C	4/9/2012
Van Horn, James	Carmel Area Wastewater Distric	8/4/2011
Wilkinson, Edward	South Tahoe Public Utility Dis	1/24/2014
FUTURE MEDICAL		
Alsbury, Jay	South Tahoe Public Utility Dis	5/5/2008
Armstrong, Albert	West Valley Sanitation Distric	11/10/1998
Ayers, James	Vallejo Sanitation & Flood Con	9/11/2002
Baker, Jacob	Lake Arrowhead Community Servi	1/6/2005
Bamber, Gary	West Valley Sanitation Distric	6/25/2004
Binder, Penny	Central Contra Costa Sanitary	9/17/2007
Bouyett, Timothy	Ventura Regional Sanitation Di	3/11/2010
Branum, Aaron	Lake Arrowhead Community Servi	8/29/2001
Comito, Anthony	Montecito Sanitary District	11/16/1995
Diaz, Juan	Union Sanitary District	4/17/2007
Dugan, Jodey	Santa Margarita Water District	3/28/2007
Dvorak, Josef	South Tahoe Public Utility Dis	10/11/2006
Flanders, Dolores	Central Contra Costa Sanitary	4/16/2009
Ford Sr., Thomas	Central Contra Costa Sanitary	6/22/2009
Gerke, Fred	Silicon Valley Clean Water	12/5/2001
Gonzales, Frank	Carpinteria Sanitary District	6/19/2001
Grabowski, Mat	Union Sanitary District	7/31/2008
Grabowski, Mathew	Union Sanitary District	3/6/2009
Grubka, Steven	Central Contra Costa Sanitary	9/18/2007
Herlihy, Thomas	Union Sanitary District	12/14/2010
Hernandez, Ralph	Delta Diablo	4/17/1997
Hesse, Richard	Lake Arrowhead Community Servi	5/5/2009
Jenkins, David	South East Regional Reclamatio	1/29/2001
Johnson, Larry	South Tahoe Public Utility Dis	8/1/1999
Lofgren, Russell	Delta Diablo	11/25/1997
Lucia, Jesse	Central Contra Costa Sanitary	4/9/2012
Mccoy, Michael	Ironhouse SD - Susan Walde P&C	6/6/2011
Mendoza, Joey	Carpinteria Sanitary District	4/20/2010
Mooney, Stephen	Oro Loma Sanitary District	12/14/1998
Moraida, Christopher	South Tahoe Public Utility Dis	4/4/2005
Raphael, Zandra	Delta Diablo	2/11/2010
Rigdon, Bud	Union Sanitary District	8/3/1998
Roletto, Jeffrey	Union Sanitary District	8/24/2011
Rondoni, Michael	South Tahoe Public Utility Dis	4/21/2004
Rutherford, Jeremy	South Tahoe Public Utility Dis	8/5/2008
Saenz, Edward	Carpinteria Sanitary District	5/18/2012
Strickland, David	South Tahoe Public Utility Dis	8/25/1998
Synsteby, Eric	Monterey Regional Water Pollut	9/21/2000
Szabo, John	Sewer Authority Mid-Coastside	4/16/2007
Thompson, Franklin	Union Sanitary District	10/14/2000
Tracy, Jeannette	Sewer Authority Mid-Coastside	3/9/2011
Vasut, Victor	Union Sanitary District	10/6/2011
Wedemeyer, Patricia	Central Contra Costa Sanitary	2/24/2011
Wilhite, Randy	Oro Loma Sanitary District	9/16/2002
Wood, Ron	Lake Arrowhead Community Servi	5/13/1998
Youry, Timothy	West County Wastewater Distric	5/21/2001

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
EXECUTIVE BOARD MEETING TELECONFERENCE
SAN FRANCISCO, CA
OCTOBER 10, 2014**

MEMBERS & OFFICERS PRESENT

Mr. Russ Baggerly, President, Ojai Valley Sanitary District, Ojai, CA
 Mr. Paul Bushee, Vice President, Leucadia Wastewater District, Carlsbad, CA
 Mr. Kenneth Spray, Treasurer, Vallejo Sanitation & Flood Control District, Vallejo, CA
 Mr. Craig Murray, Carpinteria Sanitary District, Carpinteria, CA
 Mr. Jason Warner, Oro Loma Sanitary District, San Lorenzo, CA
 Mr. Greg Baatrup, Fairfield/Suisun Sewer District, Fairfield, CA
 Mr. Logan Olds, Victor Valley Wastewater Reclamation Authority, Hesperia, CA
 Mr. Bert Michalczyk, Dublin San Ramon Services District, Dublin, CA

MEMBERS & OFFICERS ABSENT

Mr. George Emerson, Secretary, Goleta Sanitary District
 Mr. Dan Child, Silicon Valley Clean Water

GUESTS & CONSULTANTS

Mr. Dennis Mulqueeny, Alliant Insurance Services, Inc., San Francisco, CA
 Mr. Seth Cole, Alliant Insurance Services, Inc., San Francisco, CA
 Mr. Myron Leavell, Alliant Insurance Services, Inc., San Francisco, CA
 Ms. Shadi Jalali, Alliant Insurance Services, Inc., San Francisco, CA
 Mr. James Blattler, Alliant Insurance Services, Inc., San Francisco, CA
 Mr. Byrne Conley, Gibbons & Conley, Walnut Creek, CA
 Mr. David Patzer, DKF Solutions Group, Vallejo, CA

A. CALL TO ORDER

The meeting was called to order by President Russ Baggerly at 10:02 a.m.

B. PUBLIC & BOARD MEMBER COMMENTS

There were no public or board member comments.

C. CONSENT CALENDAR

C.1. Meeting Minutes – August 20, 2014

The minutes of the meeting of August 20, 2014 were reviewed.

A motion was made to approve the minutes as presented.

MOTION: Paul Bushee **SECOND:** Logan Olds **MOTION CARRIED**

MEMBER	AYES	NAYS	ABSTAIN	ABSENT
Baggerly	X			
Baatrup	X			
Bushee	X			
Child				X
Michalczyk	X			
Murray	X			
Olds	X			
Warner	X			

C.2. Demands as of August 25 and September 10, 2014

The Executive Board reviewed the demands as of August 25 and September 10, 2014.

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

MOTION: Paul Bushee **SECOND:** Logan Olds **MOTION CARRIED**

MEMBER	AYES	NAYS	ABSTAIN	ABSENT
Baggerly	X			
Baatrup	X			
Bushee	X			
Child				X
Michalczyk	X			
Murray	X			
Olds	X			
Warner	X			

C.3. Reporting and Ratification of Claims Settlements

It was reported that the Siegel v. Homestead Valley Sanitary District matter was settled for \$40,000. A motion was made to ratify the settlement.

MOTION: Bert Michalczyk **SECOND:** Jason Warner **MOTION CARRIED**

MEMBER	AYES	NAYS	ABSTAIN	ABSENT
Baggerly	X			
Baatrup	X			
Bushee	X			
Child				X
Michalczyk	X			
Murray	X			

Olds	X			
Warner	X			

C.4. Long Range Action Plan 2014/2015 Update

The Executive Board reviewed the Long Range Action Plan with the majority of the items on target or in process.

D. CLOSED SESSION TO DISCUSS PENDING CLAIMS

The Board entered Closed Session at 10:04 a.m. pursuant to Government Code Section 54956.95. The Board left Closed Session at 10:32 a.m., at which time it was announced that legal counsel was provided direction concerning the disposition of certain claims, however no final settlements were approved, nor was any action taken.

E. OFFICER/PROGRAM DIRECTOR/COMMITTEE REPORTS None.

F. GENERAL ADMINISTRATION

F.1. Executive Board Elections – Nominating Committee Formation

Dennis Mulqueeny reviewed the table depicting the current Executive Board membership and the eligibility of members whose terms are expiring. Paul Bushee, Craig Murray, Greg Baatrup and Jason Warner agreed to continue to serve for the upcoming term. There was discussion on this being Russ Baggerly’s last year as President.

The Program Administrators were directed to prepare the Executive Board Elections letters for distribution to the membership.

A motion was made to form a Nominating Committee consisting of Kevin Hardy and E.J. Shalaby.

MOTION: Bert Michalczyk **SECOND:** Logan Olds **MOTION CARRIED**

MEMBER	AYES	NAYS	ABSTAIN	ABSENT
Baggerly	X			
Baatrup	X			
Bushee	X			
Child				X
Michalczyk	X			
Murray	X			
Olds	X			
Warner	X			

F.2. Ancillary Coverages

P.J. Skarlanic reviewed the item with the Executive Board. At the direction of the Executive Board, the Program Administrators drafted a brochure highlighting CSRMA's coverage programs and ancillary coverages available to the membership.

The Executive Board offered comments and suggestions to the Program Administrators and asked that they rework the brochure and bring back for review at its next meeting.

No action was taken at this time.

F.3 Long-Range Planning Session

Seth reviewed the item with Executive Board. There was discussion on holding the meeting this year in a Central Coast venue, with the Santa Barbara or surrounding area of particular interest for the convenience of the members in that area. The Executive Board discussed and consensus was that the current LRP meeting schedule of Sunday through Tuesday is preferred.

The Executive Board directed the Program Administrators to investigate locations in the Santa Barbara/Carpinteria area and report back with options at its' December 8th, 2014 meeting. Further, the Program Administrators were directed to contact Michelle Murphy regarding her availability to facilitate the Long Range Planning session.

F.4 CSRMA 2015 Preliminary Calendar Review

Dennis Mulqueeny reviewed the 2015 Preliminary Calendar with the Executive Board. On a cursory review, the Executive Board members found no conflicting meeting dates.

This item was tabled until the December Executive Board meeting to allow the members to check their calendars; and to advise the Program Administrators of any conflicts.

No action was taken at this time.

G. POOLED LIABILITY PROGRAM

G.1. PY 29 (2014-15) Renewal Update

Seth Cole reported that the Pooled Liability Program is due to renew on December 31, 2014. Initial indications from the actuary are that losses are trending favorably. A slight increase in reinsurance costs for the renewal is anticipated. Discussions with the reinsurance and excess markets on the renewal are progressing without issue.

G.2. Annual Liability Loss Analysis Report

David Patzer reviewed the item with the Executive Board. Last year, the Pooled Liability Committee requested that David Patzer prepare charts similar to those produced for the Workers Compensation Program. David reviewed the loss analysis report with the Executive Board. Losses were analyzed by Frequency, Total Incurred and Average Incurred; and sorted by claim type for the years 2004-14. The most common type of claim experienced by our members

continues to be sewer backups, however, wrongful termination claims have the highest average cost at this review.

This analysis has historically been used to target the losses with the highest frequency and expense to the pool and then implement loss control measures for implementation by the membership.

H. WORKERS COMPENSATION PROGRAM None.

I. PROPERTY PROGRAM None.

J. PRIMARY INSURANCE PROGRAM

J.1. Program Renewal Update

Seth Cole reported that the Primary Insurance Program will be renewing on December 31, 2014. The carrier is proposing a favorable renewal with the exception a few members who will see a premium increase due to poor loss experience. An update will be provided at the December 8th Executive Board Meeting.

K. LOSS CONTROL

K.1 Fall/Winter 2014 Area Training Update

David Patzer reviewed the area training schedule with the Executive Board.

David reported that topics slated to be presented are: Mobile App for SSO/Backup Response and SSO Volume Estimation; SSO's and Water Quality Monitoring Plans: CSRMA Template WQMP; Pump Station Emergency Response Plans: A Commonly Overlooked SSMP Requirement; Overflow Emergency Response Plans: Addressing Civil and Regulatory Liability; Defensible SSO Volume Estimations, Sewer Collections Workers and CalOSHA Requirements; SSMP Audits: Pre-Emptive Auditing to Increase Risk Management and Fall Protection: CalOSHA's Requirements for Wastewater Treatment and Collections.

At the Sewer Summit, on November 13, 2014, the topics will include:

- SWRCB SSMP Auditing Update, *Victor Lopez*
- Sewer Ordinances and Risk Management *Doug Humphrey*
- The Why's and the How's of SSMP Auditing *Paul Causey*
- Force Main Condition Assessment and Integrity Testing *Chris Ewers*
- Mobile SSO/Backup Response App *David Patzer*
- Water Quality Monitoring Plans *Doug Humphrey*
- SSO Volume Estimation *Paul Louis*
- Pump Station Contingency Planning *John Balestrini*
- Fall Protection for Sewer Workers *John Balestrini*
- Biomechanics and Ergonomics for the Sewer Worker *David Patzer*

- Underground Utility Locating Overview *Rudy Schroeder*
- State of the Art Error and Accident Prevention: Sewer Worker Core Competencies
David Patzer

L. INFORMATION ITEMS

L.1. Poem of the Day

The Executive Board reviewed the poem.

L.2. ABAG Plan-CSRMA Sewer Summit 2014

The Executive Board reviewed the Sewer Summit materials.

L.3. CASA – Wheeler Institute Citizen Suit Research Kickoff

The Executive Board reviewed the communication from CASA.

L.4. Article – *Testing the Waters of Legalization*

The Executive Board reviewed the article.

L.5. Article – *Sticking Your Head In The Sand Will Not Make Sexual Harassment Go Away*

The Executive Board reviewed the article.

L.6. CSRMA 2014 Meeting Calendar

The Executive Board reviewed the CSRMA 2014 Meeting Calendar.

L.7. CSRMA Organizational Chart

The Executive Board reviewed the CSRMA Organizational Chart.

L.8. CSRMA Service Team Chart

The Executive Board reviewed the CSRMA Service Team Chart.

M. ADJOURNMENT

The meeting was adjourned at 11:15 a.m. The next meeting is scheduled for December 8, 2014 in San Francisco.


**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
CHECK REGISTER GENERAL ACCOUNT NO. 7020015599
DEMANDS AS OF September 29, 2014**

CHECK #	CHECK DATE	VENDOR	INVOICE NUMBER	INVOICE AMOUNT	CHECK AMOUNT	DESCRIPTION
	09/29/2014	AWARDS BY THE BAY	2	441.58	441.58	Award Plaques
	09/29/2014	CARL WARREN & CO.	August Claims	34,063.29	34,063.29	FEES/Monthly Claims Admin & Billings - 8/2014
	09/29/2014	GIBBONS & CONLEY	14-jul-2741	7,779.76	7,779.76	General CSRMA Matters: Program/Gen Fees & Exp □
	09/29/2014	HEATHER TRURO	05387	3,285.60	3,285.60	FEE Consulting 8/21 - 9/20, 2014
	09/29/2014	LIEBERT CASSIDY WHITMORE	1392425	329.00	329.00	FEES /Legal Hotline through 8/14
	09/29/2014	MARRIOTT BUSINESS SERVICES	337N517175	4,865.01	4,865.01	CASA Annual Conference August 2014
	09/29/2014	ONLINE RISK SOLUTIONS	11143	19,101.25	19,101.25	CJPRMA subscription - RCO
	09/29/2014	SCHOOLS INSURANCE PROGRAM FOR EMPL 103		4,875.00	4,875.00	Risk Control Online
	09/29/2014	YORK INSURANCE SERVICES GROUP	500011107	18,000.00	18,000.00	Claims Administration 9/14

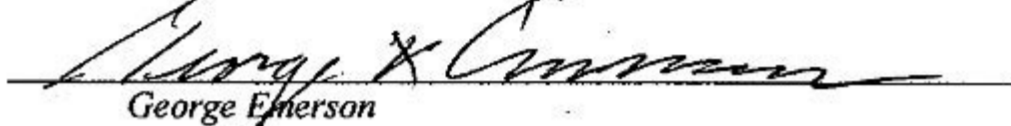
TOTALS

\$ 92,740.49 \$ 92,740.49

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


Kenneth Spray

KENNETH SPRAY
(Please print name)


George Emerson

GEORGE EMERSON
(Please print name)


**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
CHECK REGISTER GENERAL ACCOUNT NO. 7020015599
DEMANDS AS OF October 27, 2014**

CHECK #	CHECK DATE	VENDOR	INVOICE NUMBER	INVOICE AMOUNT	CHECK AMOUNT	DESCRIPTION
	10/27/2014	ALLIANT INSURANCE SERVICES	279203	10,605.50	10,605.50	RCO Subscriptions
	10/27/2014	CARL WARREN & CO.	Sept Claims	31,592.19	31,592.19	FEES/Monthly Claims Admin & Billings - 9/2014
	10/27/2014	DAVID PATZER DBA RISK MANAGEMENT SOL	31465	2,550.84	2,550.84	printing & shipping - shell award
	10/27/2014	ED OYAMA	Reimburse	435.03	435.03	9/14 Liability Mtg
	10/27/2014	GIBBONS & CONLEY	14-aug-2773	5,479.65	5,479.65	General CSRMA Matters: Program/Gen Fees & Exp □
	10/27/2014	HEATHER TRURO	05391	5,381.00	5,381.00	FEE Consulting 9/21 - 10/20, 2014
	10/27/2014	ONLINE RISK SOLUTIONS	11145	1,000.00	1,000.00	Online Ctr. 9/2014
	10/27/2014	PROFESSIONAL DYNAMICS, INC.	1291188	1,100.00	1,100.00	MPN Admin 9/2014
	10/27/2014	TUBE DESIGN	96624	400.00	400.00	Website Maint 9/2014:
	10/27/2014	WELLNESS COUNCILS OF AMERICA	120541	317.16	317.16	Well Workplace Newsletter 10/14
	10/27/2014	YORK INSURANCE SERVICES GROUP	500011438	18,000.00	18,000.00	Claims Administration 10/14

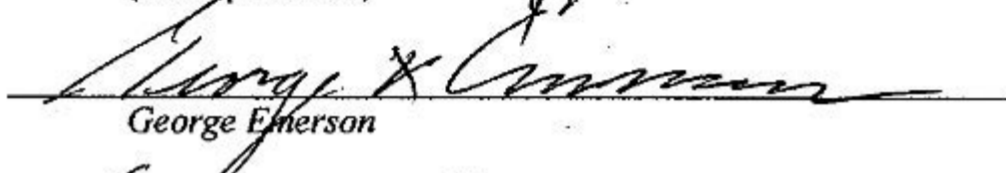
TOTALS

\$ 76,861.37 \$ 76,861.37

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


Kenneth Spray

KENNETH SPRAY
(Please print name)


George Emerson

GEORGE EMERSON
(Please print name)


**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
CHECK REGISTER GENERAL ACCOUNT NO. 7020015599
DEMANDS AS OF November 10, 2014**

CHECK #	CHECK DATE	VENDOR	INVOICE NUMBER	INVOICE AMOUNT	CHECK AMOUNT	DESCRIPTION
	11/10/2014	BRENDA KROUT	Reimburse	573.61	573.61	11/4/14 Finance Committee
	11/10/2014	CARL WARREN & CO.	Oct Claims	27,281.09	27,281.09	FEES/Monthly Claims Admin & Billings - 10/2014
	11/10/2014	DAVID PATZER DBA RISK MANAGEMENT SOL 31466		178.06	178.06	handouts training event
	11/10/2014	JAMES MARTA & CO.	8249	7,800.00	7,800.00	FEE/audit
	11/10/2014	KENNETH SPRAY	Reimburse	41.60	41.60	11/2014 - Finance Meeting
	11/10/2014	KRISTIN GRIFFITH	Reimburse	605.48	605.48	11/14 Finance Committee
	11/10/2014	LIEBERT CASSIDY WHITMORE	1393382	305.50	305.50	FEES /Legal Hotline through 9/14
	11/10/2014	ONLINE RISK SOLUTIONS	11149	2,202.50	2,202.50	Online Ctr. 10/2014 & RCO - adj
	11/10/2014	PROFESSIONAL DYNAMICS, INC.	1292078	1,000.00	1,000.00	MPN Admin 10/2014
	11/10/2014	TUBE DESIGN	96626	400.00	400.00	Website Maint 10/2014:
	11/10/2014	WELLNESS COUNCILS OF AMERICA	118200	324.18	324.18	Well Workplace Newsletter 7/14

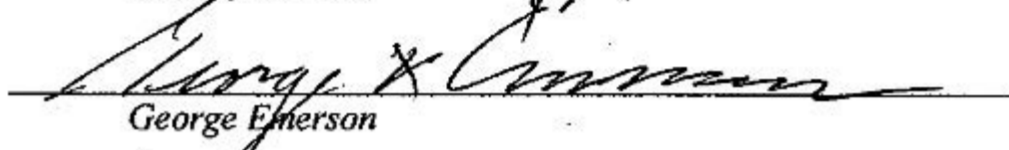
TOTALS

\$ 40,712.02 \$ 40,712.02

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


Kenneth Spray

KENNETH SPRAY
(Please print name)


George Emerson

GEORGE EMERSON
(Please print name)

Budget to Date Report as of September 30, 2014

ISSUE: Attached is the budget to date report as of September 30, 2014 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 1 - September 30, 2014 - Unaudited &

	TOTAL			
	Jul - Sep 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Non-Member Revenue	54,900.00	48,105.00	6,795.00	114.13%
4100 · JPA Charge	178,673.64	705,007.00	(526,333.36)	25.34%
4110 · Program Directors' Fee	319,275.04	1,277,515.00	(958,239.96)	24.99%
4220 · Pooled Deposit	1,348,124.98	5,418,652.00	(4,070,527.02)	24.88%
4391 · Retro Adjustment	(147,487.00)	(500,000.00)	352,513.00	29.5%
4400 · Insurance Premium (Net)	940,493.76	3,859,092.00	(2,918,598.24)	24.37%
4602 · 'Deductible Recoveries	36,260.50	50,000.00	(13,739.50)	72.52%
4620 · Interest Income	2,279.92	256,310.00	(254,030.08)	0.89%
Total Income	2,732,520.84	11,114,681.00	(8,382,160.16)	24.59%
Expense				
5201 · Claims Expense	1,268,594.53	4,100,000.00	(2,831,405.47)	30.94%
5300 · Risk Control Online	23,714.25	25,023.00	(1,308.75)	94.77%
6330 · Program Directors' Fee Exp.	319,514.70	1,277,515.00	(958,000.30)	25.01%
6432 · Net Insurance Premium	941,309.30	3,859,092.00	(2,917,782.70)	24.39%
6464 · User/Fraud Fund Assessment	0.00	54,364.00	(54,364.00)	0.0%
6506 · Actuarial	17,040.00	63,700.00	(46,660.00)	26.75%
6510 · Claims Audit	8,200.00	17,700.00	(9,500.00)	46.33%
6512 · Claims Admin. Annual Fee	2,550.00	46,905.00	(44,355.00)	5.44%
6516 · Coverage Counsel	0.00	5,000.00	(5,000.00)	0.0%
6522 · Safety Other	648.36	10,500.00	(9,851.64)	6.18%
6523 · Outside Safety Consultant	109,670.93	234,100.00	(124,429.07)	46.85%
6650 · Program Legal	7,590.00	36,500.00	(28,910.00)	20.8%
6652 · Program Committee	0.00	2,500.00	(2,500.00)	0.0%
6658 · Program Contingency	0.00	4,000.00	(4,000.00)	0.0%
6660 · Program Consulting	446.50	13,500.00	(13,053.50)	3.31%
6667 · CSRMA Provided Seminars	18,957.34	60,000.00	(41,042.66)	31.6%
7804 · Accounting Consulting	0.00	2,840.00	(2,840.00)	0.0%
7808 · Financial Audit	6,000.00	18,100.00	(12,100.00)	33.15%
7822 · Board Counsel	189.76	15,000.00	(14,810.24)	1.27%
8944 · Printing/Promotion	290.52	13,000.00	(12,709.48)	2.24%
8945 · Computer Software/Programming	2,125.00	12,500.00	(10,375.00)	17.0%
8946 · Memberships/Other	450.00	2,200.00	(1,750.00)	20.46%
8948 · Banking Service Charges	0.00	8,098.00	(8,098.00)	0.0%
8954 · Executive/Officers Committee	1,187.10	24,500.00	(23,312.90)	4.85%
8956 · Board of Directors	1,331.18	5,000.00	(3,668.82)	26.62%
8960 · JPA Insurance	15,731.28	33,000.00	(17,268.72)	47.67%
8990 · General Contingency	2,250.00	22,000.00	(19,750.00)	10.23%
9120 · Dividends	0.00	1,000,000.00	(1,000,000.00)	0.0%
Total Expense	2,747,790.75	10,966,637.00	(8,218,846.25)	25.06%
Net Ordinary Income	(15,269.91)	148,044.00	(163,313.91)	(10.31%)
Net Income	(15,269.91)	148,044.00	(163,313.91)	(10.31%)

* Preliminary - investment & banking information not available

California Sanitation Risk Management Authority
Income Statement
July 1 - September 30, 2014 - Unaudited & Preliminary

.021 - PIP

	Jul - Sep 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Non-Member Revenue	2,745.00	2,420.00	325.00	113.43%
4100 · JPA Charge	9,228.89	33,605.00	(24,376.11)	27.46%
4110 · Program Directors' Fee	30,194.79	121,192.00	(90,997.21)	24.92%
4220 · Pooled Deposit	0.00			
4391 · Retro Adjustment	0.00			
4400 · Insurance Premium (Net)	100,541.83	396,005.00	(295,463.17)	25.39%
4602 · 'Deductible Recoveries	0.00			
4620 · Interest Income	6.38	1,357.00	(1,350.62)	0.47%
Total Income	142,716.89	554,579.00	(411,862.11)	25.73%
Expense				
5201 · Claims Expense	0.00			
5300 · Risk Control Online	2,354.93	1,251.00	1,103.93	188.24%
6330 · Program Directors' Fee Exp.	30,338.27	121,192.00	(90,853.73)	25.03%
6432 · Net Insurance Premium	100,827.00	396,005.00	(295,178.00)	25.46%
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			
6522 · Safety Other	0.00	400.00	(400.00)	0.0%
6523 · Outside Safety Consultant	3,620.00	12,510.00	(8,890.00)	28.94%
6650 · Program Legal	0.00			
6652 · Program Committee	0.00			
6658 · Program Contingency	0.00			
6660 · Program Consulting	0.00	500.00	(500.00)	0.0%
6667 · CSRMA Provided Seminars	1,895.73	6,000.00	(4,104.27)	31.6%
7804 · Accounting Consulting	0.00	300.00	(300.00)	0.0%
7808 · Financial Audit	600.00	1,810.00	(1,210.00)	33.15%
7822 · Board Counsel	18.98	1,500.00	(1,481.02)	1.27%
8944 · Printing/Promotion	29.05	1,000.00	(970.95)	2.91%
8945 · Computer Software/Programming	80.00	1,250.00	(1,170.00)	6.4%
8946 · Memberships/Other	45.00	225.00	(180.00)	20.0%
8948 · Banking Service Charges	0.00	810.00	(810.00)	0.0%
8954 · Executive/Officers Committee	118.71	2,500.00	(2,381.29)	4.75%
8956 · Board of Directors	133.12	500.00	(366.88)	26.62%
8960 · JPA Insurance	1,573.13	3,300.00	(1,726.87)	47.67%
8990 · General Contingency	0.00	1,000.00	(1,000.00)	0.0%
9120 · Dividends	0.00			
Total Expense	141,633.92	552,053.00	(410,419.08)	25.66%
Net Ordinary Income	1,082.97	2,526.00	(1,443.03)	42.87%
Net Income	1,082.97	2,526.00	(1,443.03)	42.87%

* Preliminary - investment & banking information not available

California Sanitation Risk Management A
Income Statement
July 1 - September 30, 2014 - Unaudited &

	.023 - Property			
	Jul - Sep 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Non-Member Revenue	2,745.00	2,125.00	620.00	129.18%
4100 · JPA Charge	8,401.25	33,605.00	(25,203.75)	25.0%
4110 · Program Directors' Fee	42,327.50	169,310.00	(126,982.50)	25.0%
4220 · Pooled Deposit	0.00			
4391 · Retro Adjustment	0.00			
4400 · Insurance Premium (Net)	400,392.15	1,615,656.00	(1,215,263.85)	24.78%
4602 · 'Deductible Recoveries	0.00			
4620 · Interest Income	8.44	1,361.00	(1,352.56)	0.62%
Total Income	453,874.34	1,822,057.00	(1,368,182.66)	24.91%
Expense				
5201 · Claims Expense	0.00			
5300 · Risk Control Online	2,354.93	1,251.00	1,103.93	188.24%
6330 · Program Directors' Fee Exp.	42,327.50	169,310.00	(126,982.50)	25.0%
6432 · Net Insurance Premium	400,392.15	1,615,656.00	(1,215,263.85)	24.78%
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			
6522 · Safety Other	0.00	400.00	(400.00)	0.0%
6523 · Outside Safety Consultant	3,620.00	12,510.00	(8,890.00)	28.94%
6650 · Program Legal	0.00			
6652 · Program Committee	0.00			
6658 · Program Contingency	0.00			
6660 · Program Consulting	0.00	500.00	(500.00)	0.0%
6667 · CSRMA Provided Seminars	1,895.73	6,000.00	(4,104.27)	31.6%
7804 · Accounting Consulting	0.00	300.00	(300.00)	0.0%
7808 · Financial Audit	600.00	1,810.00	(1,210.00)	33.15%
7822 · Board Counsel	18.98	1,500.00	(1,481.02)	1.27%
8944 · Printing/Promotion	29.05	1,000.00	(970.95)	2.91%
8945 · Computer Software/Programming	1,405.00	1,250.00	155.00	112.4%
8946 · Memberships/Other	45.00	225.00	(180.00)	20.0%
8948 · Banking Service Charges	0.00	810.00	(810.00)	0.0%
8954 · Executive/Officers Committee	118.71	2,500.00	(2,381.29)	4.75%
8956 · Board of Directors	133.12	500.00	(366.88)	26.62%
8960 · JPA Insurance	1,573.13	3,300.00	(1,726.87)	47.67%
8990 · General Contingency	0.00	1,000.00	(1,000.00)	0.0%
9120 · Dividends	0.00			
Total Expense	454,513.30	1,819,822.00	(1,365,308.70)	24.98%
Net Ordinary Income	(638.96)	2,235.00	(2,873.96)	(28.59%)
Net Income	(638.96)	2,235.00	(2,873.96)	(28.59%)

* Preliminary - investment & banking information not available

California Sanitation Risk Management A
Income Statement
July 1 - September 30, 2014 - Unaudited &

	.024 - Liability			
	Jul - Sep 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Non-Member Revenue	21,960.00	19,360.00	2,600.00	113.43%
4100 · JPA Charge	71,974.00	281,519.00	(209,545.00)	25.57%
4110 · Program Directors' Fee	151,047.75	604,193.00	(453,145.25)	25.0%
4220 · Pooled Deposit	535,502.25	2,195,550.00	(1,660,047.75)	24.39%
4391 · Retro Adjustment	0.00	(250,000.00)	250,000.00	0.0%
4400 · Insurance Premium (Net)	332,740.75	1,339,280.00	(1,006,539.25)	24.85%
4602 · 'Deductible Recoveries	36,260.50	50,000.00	(13,739.50)	72.52%
4620 · Interest Income	967.83	133,322.00	(132,354.17)	0.73%
Total Income	1,150,453.08	4,373,224.00	(3,222,770.92)	26.31%
Expense				
5201 · Claims Expense	361,606.10	1,500,000.00	(1,138,393.90)	24.11%
5300 · Risk Control Online	10,654.90	10,009.00	645.90	106.45%
6330 · Program Directors' Fee Exp.	151,143.93	604,193.00	(453,049.07)	25.02%
6432 · Net Insurance Premium	332,646.12	1,339,280.00	(1,006,633.88)	24.84%
6464 · User/Fraud Fund Assessment	0.00			
6506 · Actuarial	17,040.00	29,700.00	(12,660.00)	57.37%
6510 · Claims Audit	0.00	9,500.00	(9,500.00)	0.0%
6512 · Claims Admin. Annual Fee	2,550.00	15,300.00	(12,750.00)	16.67%
6516 · Coverage Counsel	0.00	5,000.00	(5,000.00)	0.0%
6522 · Safety Other	0.00	3,700.00	(3,700.00)	0.0%
6523 · Outside Safety Consultant	71,780.36	78,295.00	(6,514.64)	91.68%
6650 · Program Legal	7,590.00	35,000.00	(27,410.00)	21.69%
6652 · Program Committee	0.00	1,500.00	(1,500.00)	0.0%
6658 · Program Contingency	0.00	2,000.00	(2,000.00)	0.0%
6660 · Program Consulting	446.50	10,000.00	(9,553.50)	4.47%
6667 · CSRMA Provided Seminars	8,530.82	27,000.00	(18,469.18)	31.6%
7804 · Accounting Consulting	0.00	1,260.00	(1,260.00)	0.0%
7808 · Financial Audit	2,700.00	8,145.00	(5,445.00)	33.15%
7822 · Board Counsel	85.39	6,750.00	(6,664.61)	1.27%
8944 · Printing/Promotion	130.73	5,000.00	(4,869.27)	2.62%
8945 · Computer Software/Programming	360.00	5,625.00	(5,265.00)	6.4%
8946 · Memberships/Other	202.50	1,000.00	(797.50)	20.25%
8948 · Banking Service Charges	0.00	3,644.00	(3,644.00)	0.0%
8954 · Executive/Officers Committee	534.19	11,000.00	(10,465.81)	4.86%
8956 · Board of Directors	599.03	2,250.00	(1,650.97)	26.62%
8960 · JPA Insurance	7,079.07	14,850.00	(7,770.93)	47.67%
8990 · General Contingency	0.00	5,000.00	(5,000.00)	0.0%
9120 · Dividends	0.00	1,000,000.00	(1,000,000.00)	0.0%
Total Expense	975,679.64	4,735,001.00	(3,759,321.36)	20.61%
Net Ordinary Income	174,773.44	(361,777.00)	536,550.44	(48.31%)
Net Income	174,773.44	(361,777.00)	536,550.44	(48.31%)

* Preliminary - investment & banking information not available

California Sanitation Risk Management A
Income Statement
July 1 - September 30, 2014 - Unaudited &

.025 - WC

	Jul - Sep 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Non-Member Revenue	27,450.00	24,200.00	3,250.00	113.43%
4100 · JPA Charge	89,069.50	356,278.00	(267,208.50)	25.0%
4110 · Program Directors' Fee	95,705.00	382,820.00	(287,115.00)	25.0%
4220 · Pooled Deposit	812,622.73	3,223,102.00	(2,410,479.27)	25.21%
4391 · Retro Adjustment	(147,487.00)	(250,000.00)	102,513.00	59.0%
4400 · Insurance Premium (Net)	106,819.03	508,151.00	(401,331.97)	21.02%
4602 · 'Deductible Recoveries	0.00			
4620 · Interest Income	1,297.27	120,270.00	(118,972.73)	1.08%
Total Income	985,476.53	4,364,821.00	(3,379,344.47)	22.58%
Expense				
5201 · Claims Expense	906,988.43	2,600,000.00	(1,693,011.57)	34.88%
5300 · Risk Control Online	8,349.49	12,512.00	(4,162.51)	66.73%
6330 · Program Directors' Fee Exp.	95,705.00	382,820.00	(287,115.00)	25.0%
6432 · Net Insurance Premium	107,444.03	508,151.00	(400,706.97)	21.14%
6464 · User/Fraud Fund Assessment	0.00	54,364.00	(54,364.00)	0.0%
6506 · Actuarial	0.00	34,000.00	(34,000.00)	0.0%
6510 · Claims Audit	8,200.00	8,200.00	0.00	100.0%
6512 · Claims Admin. Annual Fee	0.00	31,605.00	(31,605.00)	0.0%
6516 · Coverage Counsel	0.00			
6522 · Safety Other	648.36	6,000.00	(5,351.64)	10.81%
6523 · Outside Safety Consultant	30,650.57	130,785.00	(100,134.43)	23.44%
6650 · Program Legal	0.00	1,500.00	(1,500.00)	0.0%
6652 · Program Committee	0.00	1,000.00	(1,000.00)	0.0%
6658 · Program Contingency	0.00	2,000.00	(2,000.00)	0.0%
6660 · Program Consulting	0.00	2,500.00	(2,500.00)	0.0%
6667 · CSRMA Provided Seminars	6,635.06	21,000.00	(14,364.94)	31.6%
7804 · Accounting Consulting	0.00	980.00	(980.00)	0.0%
7808 · Financial Audit	2,100.00	6,335.00	(4,235.00)	33.15%
7822 · Board Counsel	66.41	5,250.00	(5,183.59)	1.27%
8944 · Printing/Promotion	101.69	6,000.00	(5,898.31)	1.7%
8945 · Computer Software/Programming	280.00	4,375.00	(4,095.00)	6.4%
8946 · Memberships/Other	157.50	750.00	(592.50)	21.0%
8948 · Banking Service Charges	0.00	2,834.00	(2,834.00)	0.0%
8954 · Executive/Officers Committee	415.49	8,500.00	(8,084.51)	4.89%
8956 · Board of Directors	465.91	1,750.00	(1,284.09)	26.62%
8960 · JPA Insurance	5,505.95	11,550.00	(6,044.05)	47.67%
8990 · General Contingency	2,250.00	15,000.00	(12,750.00)	15.0%
9120 · Dividends	0.00			
Total Expense	1,175,963.89	3,859,761.00	(2,683,797.11)	30.47%
Net Ordinary Income	(190,487.36)	505,060.00	(695,547.36)	(37.72%)
Net Income	(190,487.36)	505,060.00	(695,547.36)	(37.72%)

* Preliminary - investment & banking information not available

California Sanitation Risk Management Authority
Income Statement
July 1 - September 30, 2014 - Unaudited & Preliminary

	TOTAL				
	Jul - Sep 14	Budget	\$ Over Budget	% of Budget	
Ordinary Income/Expense					
Income					
4000 · Non-Member Revenue	54,900.00	48,105.00	6,795.00	114.13%	
4100 · JPA Charge	178,673.64	705,007.00	(526,333.36)	25.34%	One quarter's recognized activity.
4110 · Program Directors' Fee	319,275.04	1,277,515.00	(958,239.96)	24.99%	One quarter's recognized activity.
4220 · Pooled Deposit	1,348,124.98	5,418,652.00	(4,070,527.02)	24.88%	One quarter's recognized activity.
4391 · Retro Adjustment	(147,487.00)	(500,000.00)	352,513.00	29.5%	
4400 · Insurance Premium (Net)	940,493.76	3,859,092.00	(2,918,598.24)	24.37%	One quarter's recognized activity.
4602 · Deductible Recoveries	36,260.50	50,000.00	(13,739.50)	72.52%	
4620 · Interest Income	2,279.92	256,310.00	(254,030.08)	0.89%	Q1 information not available
Total Income	2,732,520.84	11,114,681.00	(8,382,160.16)	24.59%	
Expense					
5201 · Claims Expense	1,268,594.53	4,100,000.00	(2,831,405.47)	30.94%	
5300 · Risk Control Online	23,714.25	25,023.00	(1,308.75)	94.77%	
6330 · Program Directors' Fee Exp.	319,514.70	1,277,515.00	(958,000.30)	25.01%	
6432 · Net Insurance Premium	941,309.30	3,859,092.00	(2,917,782.70)	24.39%	One quarter's recognized activity.
6464 · User/Fraud Fund Assessment	0.00	54,364.00	(54,364.00)	0.0%	One quarter's recognized activity.
6506 · Actuarial	17,040.00	63,700.00	(46,660.00)	26.75%	
6510 · Claims Audit	8,200.00	17,700.00	(9,500.00)	46.33%	
6512 · Claims Admin. Annual Fee	2,550.00	46,905.00	(44,355.00)	5.44%	
6516 · Coverage Counsel	0.00	5,000.00	(5,000.00)	0.0%	
6522 · Safety Other	648.36	10,500.00	(9,851.64)	6.18%	
6523 · Outside Safety Consultant	109,670.93	234,100.00	(124,429.07)	46.85%	
6650 · Program Legal	7,590.00	36,500.00	(28,910.00)	20.8%	
6652 · Program Committee	0.00	2,500.00	(2,500.00)	0.0%	
6658 · Program Contingency	0.00	4,000.00	(4,000.00)	0.0%	
6660 · Program Consulting	446.50	13,500.00	(13,053.50)	3.31%	
6667 · CSRMA Provided Seminars	18,957.34	60,000.00	(41,042.66)	31.6%	
7804 · Accounting Consulting	0.00	2,840.00	(2,840.00)	0.0%	
7808 · Financial Audit	6,000.00	18,100.00	(12,100.00)	33.15%	
7822 · Board Counsel	189.76	15,000.00	(14,810.24)	1.27%	
8944 · Printing/Promotion	290.52	13,000.00	(12,709.48)	2.24%	
8945 · Computer Software/Programming	2,125.00	12,500.00	(10,375.00)	17.0%	
8946 · Memberships/Other	450.00	2,200.00	(1,750.00)	20.46%	
8948 · Banking Service Charges	0.00	8,098.00	(8,098.00)	0.0%	
8954 · Executive/Officers Committee	1,187.10	24,500.00	(23,312.90)	4.85%	Q1 information not available
8956 · Board of Directors	1,331.18	5,000.00	(3,668.82)	26.62%	
8960 · JPA Insurance	15,731.28	33,000.00	(17,268.72)	47.67%	
8990 · General Contingency	2,250.00	22,000.00	(19,750.00)	10.23%	
9120 · Dividends	0.00	1,000,000.00	(1,000,000.00)	0.0%	
Total Expense	2,747,790.75	10,966,637.00	(8,218,846.25)	25.06%	
Net Ordinary Income	(15,269.91)	148,044.00	(163,313.91)	(10.31%)	
Net Income	(15,269.91)	148,044.00	(163,313.91)	(10.31%)	

* Preliminary - investment & banking information not available

California Sanitation Risk Management Authority
Balance Sheet
As of September 30, 2014 - Unaudited & Preliminary

Sep 30, 14

ASSETS

Current Assets

Checking/Savings

1002 · LAIF	6,423,367.34
1005 · General Checking - UB	73,231.49
1006 · WC Trust - UB	150,000.00
1007 · Liability Trust - UB	100,000.00
1008 · PFM/CA Asset Mgmt Program	19,804,069.67
1009 · PFM-CAMP Cash Reserve	1,352,032.19

Total Checking/Savings 27,902,700.69

Accounts Receivable

1100 · Accounts Receivable	92,559.09
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Total Accounts Receivable 92,559.09

Other Current Assets

1200 · Interest Receivable	61,251.64
1540 · Prepaid Insurance Premium	1,951,924.73
1550 · Prepaid Program Directors' Fee	595,579.68
1570 · Prepaid License Fee	9,275.00

Total Other Current Assets 2,618,031.05

Total Current Assets 30,613,290.83

TOTAL ASSETS 30,613,290.83

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

2200 · Deferred JPA Charge	373,615.12
2210 · Deferred Program Directors' Fee	595,340.23
2220 · Deferred Pooled Deposits	2,973,370.42
2240 · Deferred Insurance Premium	1,951,734.05

Total Other Current Liabilities 5,894,059.82

Total Current Liabilities 5,894,059.82

Long Term Liabilities

2300 · Claims Reserves	6,847,036.00
2500 · Claims IBNR	5,751,821.00
2600 · Claims ULAE	1,169,950.00

Total Long Term Liabilities 13,768,807.00

Total Liabilities 19,662,866.82

Equity

3900 · Retained Earnings	10,965,693.92
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Net Income (15,269.91)

Total Equity 10,950,424.01

TOTAL LIABILITIES & EQUITY 30,613,290.83

* Preliminary - investment & banking entries are not yet available



Long-Range Action Plan

2014/15



Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
(415) 403-1400

As of:

December 1, 2014

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I. Member Satisfaction Survey

Description: The Executive Board directed the Program Administrators to conduct a survey to assess the current needs of CSRMA's members.

Objective: To identify any potential areas of concern from the membership.

Action(s):

1. Draft the member satisfaction survey
2. Present the draft survey to the Pooled Liability Committee for review and recommendation
3. Present the draft survey to the Workers' Compensation Committee for review and recommendation
4. Present the draft survey to Executive Board for review and recommendation
5. Conduct the survey
6. Review the survey responses to identify any member concerns
7. Take action, as necessary

Responsibility:

1. Alliant Insurance Services
2. Alliant Insurance Services and Pooled Liability Committee
3. Alliant Insurance Services and Workers' Compensation Committee
4. Alliant Insurance Services and Executive Board
5. Alliant Insurance Services
6. Alliant Insurance Services and Executive Board
7. Alliant Insurance Services and Executive Board

Deadlines:

1. August 2014
2. September 2014
3. October 2014
4. December 2014
5. January 2015
6. March 2015
7. March 2015

Fiscal Impact: None.

Background: Periodically, the Executive Board has commissioned member satisfaction surveys to determine members' attitudes towards the various services provided by the JPA.

The Program Administrators last conducted a short member satisfaction survey prior to the 2010 LRP Session in order to surface any potential areas of concern, and create a more informed LRP discussion.

Status: As of August 8, 2014, this project is on target. The Program Administrators are in the process of drafting a member satisfaction survey for review by the Pooled Liability Committee at their September meeting.

As of October 1, 2014, this project is on target. The Pooled Liability Committee reviewed the draft member satisfaction survey at their September 25, 2014 meeting. The Committee's comments will be incorporated into the survey for the Executive Board's review. The Workers' Compensation Committee will have an opportunity to review the member satisfaction survey at their October meeting.

As of December 1, 2014, this project is on target. The Workers' Compensation Committee reviewed the draft member satisfaction survey at their October 23, 2014 meeting. The Committee's comments have been incorporated into the survey for the Executive Board's review. This item has been agendaized for the Executive Board's December 8, 2014 meeting.

II. Privacy and Network Security

Description: The Executive Board directed the Program Administrators to develop educational trainings and resources to better educate the CSRMA members on the privacy and network security exposures at their agencies and to explore potential insurance solutions.

Objective: To educate and provide decision-making resources to the membership related to the increasing risks associated with privacy and network security.

Action(s):

1. Identify specific exposures to the membership
2. Develop member trainings and resources and research potential insurance solutions
3. Present to the Executive Board and gain approval as necessary
4. Present insurance solutions and educate the membership
5. Implement Insurance solutions as necessary

Responsibility:

1. Alliant Insurance Services and Risk Control Advisor
2. Alliant Insurance Services and Risk Control Advisor
3. Alliant Insurance Services and Executive Board
4. Alliant Insurance Services and Risk Control Advisor
5. Alliant Insurance Services

Deadlines:

1. July 2014
2. September 2014
3. December 2014
4. March/April 2015
5. July 2015

Fiscal Impact: Unknown at this time.

Background: With increasingly large amounts of personal and sensitive information being stored electronically, there is a heightened exposure to privacy and security breaches at member agencies.

Status: As of August 8, 2014, this project is on target. The Program Administrators have been in discussions with several CSRMA members to better understand the privacy and network security exposures they face. While there is an exposure related to the collection of personally identifiable information amongst the membership, the potentially much larger exposure is associated with property damage caused by the breach of SCADA systems.

As of October 1, 2014, this project is on target. The Pooled Liability Program Memorandum of Coverage (MOC) does not contain a cyber liability (data breach) exclusion. The Program Administrators discussed this with the Pooled Liability Committee and the consensus was that CSRMA should provide coverage specifically for

bodily injury and property damage resulting from a breach. The Committee directed the Program Administrators to explore crafting language to clarify this in the MOC with the idea that this exposure would be reinsured. The Program Administrators have identified a speaker (Progent) for the January CASA conference to talk about privacy/security levels and measures.

As of December 1, 2014, this project is on target.

III. Climate Change and Weather Related Risks

Description: The Executive Board has directed the Program Administrators to conduct an educational campaign on climate change and weather related risks that could potentially impact the CSRMA membership.

Objective: To educate CSRMA members on climate change related issues that CSRMA members may be susceptible to, and to explore risk management and insurance solutions.

Action(s):

1. Conduct educational seminar(s) on climate change and weather related risks
2. Present possible insurance and risk management solutions to the Executive Board
3. Implement insurance and risk management solutions as directed

Responsibility:

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

Deadlines:

1. January 2015
2. March/April 2015
3. July 2015

Fiscal Impact: Unknown at this time.

Background: Severe weather related events, most notably flood, are increasing in both frequency and severity across the globe. Events like Superstorm Sandy have had devastating effects on municipal services. With wet weather already playing a large contributory role towards CSRMA member losses, there is a need to address the global trend for even more frequent and severe events, while at the same time dealing with increasing costs for flood coverage in the insurance market.

Status: As of August 8, 2014, this project is on target. The Program Administrators have identified a guest speaker on climate change at the January CSRMA training session, to be held at the CASA Conference in Palm Springs.

As of October 1, 2014, this project is on target.

As of December 1, 2014, this project is on target.

IV. Ancillary Coverages

Description: The Executive Board directed the Program Administrators to develop a plan to better inform the CSRMA membership of the ancillary insurance coverages available through either a CSRMA Program or through an Alliant offering.

Objective: To educate and better inform the members of the ancillary insurance coverage available.

Action(s):

1. Gather ideas on how to best inform the membership of the ancillary coverages available
2. Present for review and recommendation by the Executive Board
3. Implement as directed
4. Follow up and take additional action as necessary

Responsibility:

1. Alliant Insurance Services
2. Alliant Insurance Services and Executive Board
3. Alliant Insurance Services
4. Alliant Insurance Services

Deadlines:

1. July 2014
2. August 2014
3. September 2014
4. October 2014

Fiscal Impact: None.

Background: CSRMA offers four core coverage programs: Pooled Liability, Workers' Compensation, Property and Primary Insurance. Additionally, CSRMA offers its members ancillary coverages, such as Commercial Crime, Cyber Liability, Pollution Liability, Fiduciary Liability, Auto Physical Damage, etc., through either a CSRMA Program or through an Alliant offering. Participation in a CSRMA Program or an Ancillary Coverage offering is voluntary. Member participation varies greatly for a variety of reasons. Some members purchase certain coverages through local insurance brokers/agents, some participate in other pools and some forgo certain coverages.

CSRMA has at one time or another offered and/or marketed the various coverage programs and ancillary coverages to the membership. The Executive Board and Program Administrators believe member agencies should be reminded of the various coverage programs and ancillary coverages.

Status: As of August 8, 2014, this project is on target. The Program Administrators have developed several ideas on how to best inform the membership of the ancillary coverages available. This item is agendaized for discussion at the August Executive Board meeting. Ideas include face to face meetings with individual member agencies, and incorporating information on the Ancillary Coverages into the area trainings and/or CASA training workshops.

As of October 1, 2014, this project is on target. Based on discussion at the last Executive Board meeting, the Program Administrators have developed a brochure highlighting CSRMA's coverage programs and ancillary coverages available. The brochure will be available for the Executive Board's review and comments at their October meeting.

As of December 1, 2014, this project is on target. The Executive Board reviewed the first draft of the brochure at their October 2014 meeting, and provided feedback to the Program Administrators on how to more effectively educate the membership on CSRMA's coverage programs and ancillary coverages available. The second draft of the brochure is being prepared for the Executive Board's review at their December 8, 2014 meeting.

V. Clean Water Act Citizens Suits Defense Coverage

Description: The Executive Board directed the Program Administrators to work with the Pooled Liability Committee to explore the idea of creating an endorsement to the Pooled Liability Program Memorandum of Coverage that provides defense coverage for Clean Water Act (CWA) suits.

Objective: To formulate an endorsement providing defense coverage for CWA related suits.

Action(s):

1. Create draft endorsement
2. Present draft endorsement to Pooled Liability Committee for review and recommendation to Executive Board
3. Present draft endorsement to Executive Board for review and recommendation to Board of Directors
4. Present endorsement to Board of Directors for adoption

Responsibility:

1. Alliant Insurance Services and Legal Counsel
2. Alliant Insurance Services and Pooled Liability Committee
3. Alliant Insurance Services and Executive Board
4. Alliant Insurance Services and Board of Directors

Deadlines:

1. August 2014
2. September 2014
3. October 2014
4. January 2015

Fiscal Impact: Unknown at this time.

Background: Several Sanitation districts throughout the state of California, including some CSRMA members, have faced Clean Water Act Citizens Suits. In a seemingly systematic way, there is reason to believe that more CSRMA members will experience these suits in the future. Currently, the Memorandum of Coverage for the Pooled Liability Program excludes any coverage, including defense coverage, related to such suits.

Status: As of August 8, 2014, this project is on target. CSRMA Legal Counsel has created a draft endorsement for review by the Pooled Liability Committee at their September meeting.

As of October 1, 2104, this project is in process. The Program Administrators presented this item to the Pooled Liability Committee, and after much deliberation, the consensus was that CSRMA should consider strongly supporting CASA in its efforts to fund political backing to change the law rather than spend money (via a coverage grant) to

fight this battle in a courtroom. The Committee directed the Program Administrators to agendaize this for further discussion at their November meeting to define “strongly support” CASA.

As of December 1, 2014, this project is in process. The Pooled Liability Committee discussed this issue at their November 2014 meeting. Two members of the Committee also serve on the CASA Executive Committee and will ask CASA for feedback on how CSRMA can further support CASA. CSRMA made a contribution to the UC Berkeley Wheeler Institute to fund their research into Clean Water Act Citizens Suits with the hope that with greater research and analysis concerns of the public can be better addressed by the sanitation industry.

VI. Pooled Liability Program Memorandum of Coverage Review

Description: The Executive Board directed the Program Administrators to work with the Pooled Liability Committee and Legal Counsel to review certain provisions in the MOC for possible changes to the current language.

Objective: To review the current language in the MOC, and modify as necessary, in order to meet the current needs of the JPA.

Action(s):

1. Review and analyze the current language in the MOC
2. Draft revisions to the MOC as necessary
3. Present drafts to the Pooled Liability Committee to review and comment
4. Present drafts to the Executive Board to review and provide recommendations to the Board of Directors as necessary
5. Present to the Board of Directors for adoption
6. Implement and take action, as necessary

Responsibility:

1. Alliant Insurance Services, Legal Counsel and Pooled Liability Committee
2. Alliant Insurance Services and Legal Counsel
3. Alliant Insurance Services and Pooled Liability Committee
4. Alliant Insurance Services and Executive Board
5. Alliant Insurance Services and Board of Directors
6. Alliant Insurance Services

Deadlines:

1. September 2014
2. October 2014
3. November 2014
4. December 2014
5. January 2015
6. January 2015

Fiscal Impact: Unknown at this time.

Background: Possible changes to the MOC for consideration identified at the Long Rangel Planning Session include the addition of a Reinsurance Failure Provision, Coverage for Flood Control Activities, Coverage for Odor Claims, and Changes to the Failure to Supply Exclusion.

Status: As of August 8, 2014, this project is on target.

As of October 1, 2014, this project is on target.

As of December 1, 2014, this project is delayed. There are potentially other coverage changes to the MOC to be considered including language to clarify CSRMA's intent with regard to Cyber liability that need to be further vetted. It was determined that all potential changes to the MOC be reviewed together.

VII. Risk Control Best Practices Audit Compliance

Description: The Executive Board directed the Program Administrators and Risk Control Advisor to review the Risk Control Best Practices Audit results with the Pooled Liability/Workers' Compensation Committees, and Executive Board, on an annual basis.

Objective: To increase the level of compliance to the Risk Control Best Practices Audits.

Action(s):

1. Present audit results to the Workers' Compensation Committee annually, for direction
2. Present audit results to the Pooled Liability Committee annually, for direction
3. Present summary of findings to the Executive Board for direction

Responsibility:

1. Alliant Insurance Services, Risk Control Advisor and Workers' Compensation Committee
2. Alliant Insurance Services, Risk Control Advisor and Pooled Liability Committee
3. Alliant Insurance Services, Risk Control Advisor and Executive Board

Deadlines:

1. October 2014 & recurring every year
2. November 2014 & recurring every year
3. December 2014 & recurring every year

Fiscal Impact: Unknown at this time.

Background: The CSRMA Risk Control Audits have been the cornerstone of CSRMA's risk control efforts for over 20 years. Historically, CSRMA has left the decision on how to respond to the recommendations resulting from the audit up to each member. In cases where a member has demonstrated a reluctance to address an audit recommendation that posed a significant exposure to the pool, the appropriate Committee has intervened and the Chair of the Committee has penned a letter to the member expressing CSRMA's concern and expected corrective action. These instances have been extremely rare.

Most members over the years have taken the audit process seriously and have addressed the issues addressed in the audit report. Two recent changes to the CSRMA audit process increased this level of compliance:

1. Requiring members to present the audit report's executive summary to their governing board.
2. CSRMA developing and adopting an official list of CSRMA Best Recommended Risk Control Practices.

Status: As of August 8, 2014, this project is on target.

As of October 1, 2014, this project is delayed. The revised Risk Control Survey was sent to 25 members on September 23, 2014 with a due date of January 10, 2015. Once the Risk Control Audit reports are generated, the summary results will be presented to the Pooled Liability Committee, Workers' Compensation Committee and Executive Board.

As of December 1, 2014, this project is delayed. See above.

VIII. Evaluating Criteria for the Workers' Compensation Excellence Award

Description: The Executive Board directed the Program Administrators and Risk Control Advisor to evaluate the criteria used to determine the Workers' Compensation Excellence Award winners.

Objective: To maintain a successful award program that motivates members through fair and pertinent grading criteria.

Action(s):

1. Review and analyze current criteria used to determine award winners
2. Draft modifications to the current criteria as necessary
3. Review draft modifications with the Workers' Compensation Committee, and provide recommendation to Executive Board
4. Review draft modifications with the Executive Board to provide recommendation to the Board of Directors.
5. Present to the Board of Directors for approval to amend the Policy & Procedure

Responsibility:

1. Alliant Insurance Services and Risk Control Advisor
2. Risk Control Advisor
3. Alliant Insurance Services, Risk Control Advisor and Workers' Compensation Committee
4. Alliant Insurance Services, Risk Control Advisor and Executive Board
5. Alliant Insurance Services, Risk Control Advisor and Board of Directors

Deadlines:

1. July 2014
2. September 2014
3. October 2014
4. December 2014
5. January 2015

Fiscal Impact: Unknown at this time.

Background: The Workers' Compensation Excellence Award Program recognizes those members who achieve the best loss record for the policy year (July 1st through June 30th) in the following three measurement categories:

1. Incidence Rate (*a measure of frequency per 100 full-time employees*)
2. Average Medical Cost per Claim (*a measure of the severity of the injuries that occur*)
3. Average Indemnity per Claim (*a measure of how aggressive a member is in returning injured employees to work*)

The awards are given to the top 10% of the membership reflecting the best performance in the three categories listed above in three different agency size categories:

1. Small: 1-30 employees
2. Medium: 31-60 employees
3. Large: More than 60 employees

Status: As of August 8, 2014, this project is on target. The Program Administrators and Risk Control Advisor have reviewed and analyzed the current criteria used to determine award winners and will be presenting an alternative award program to the Workers' Compensation Committee at their October meeting for consideration.

As of October 1, 2014, this project is on target.

As of December 1, 2014, this project is on target. The Program Administrators presented a recommendation for revamping the Workers' Compensation Excellence Award and combining it with the SHELL Award to address CSRMA's most frequent and severe causes of workers' compensation claims to the Workers' Compensation Committee at their October meeting. The recommendation with the Committee's input is agendaized for Executive Board's December 8, 2014 meeting.

2013-2014 Fiscal Year Audit
Comprehensive Annual Financial Report (CAFR)

ISSUE: Annually, CSRMA engages an independent auditor to audit the accounting records of CSRMA. The Audit of fiscal year 2013/14 is complete.

David Becker of James Marta & Company presented the draft Audit findings at the Finance Committee meeting and is scheduled to present the Audit to the Board of Directors at their January 2015 meeting.

A copy of Mr. Becker's presentation to the Finance Committee is attached to this item for the Executive Board's review. The Audit is included in the agenda packet.

RECOMMENDATION: Review the report. The Finance Committee recommends that the Executive Board submit the Audit to the Board of Directors at their January meeting for review and acceptance.

FISCAL IMPACT: The total cost of the Audit is expected to be \$18,100.

BACKGROUND: David Becker of James Marta & Company performed the financial audit for the year ended June 30, 2013.

ATTACHMENTS:

1. Audit Presentation
2. 2013/14 Comprehensive Financial Audit Report (Separate)



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

California Sanitation Risk Management Authority June 30, 2014



Presented by
David Becker, CPA
Partner

Audit Highlights

- Audit opinion is unqualified (Pages 1-3)
- Management's Discussion & Analysis (Pages 4-11)
- Internal control letter (Pages 32-33)

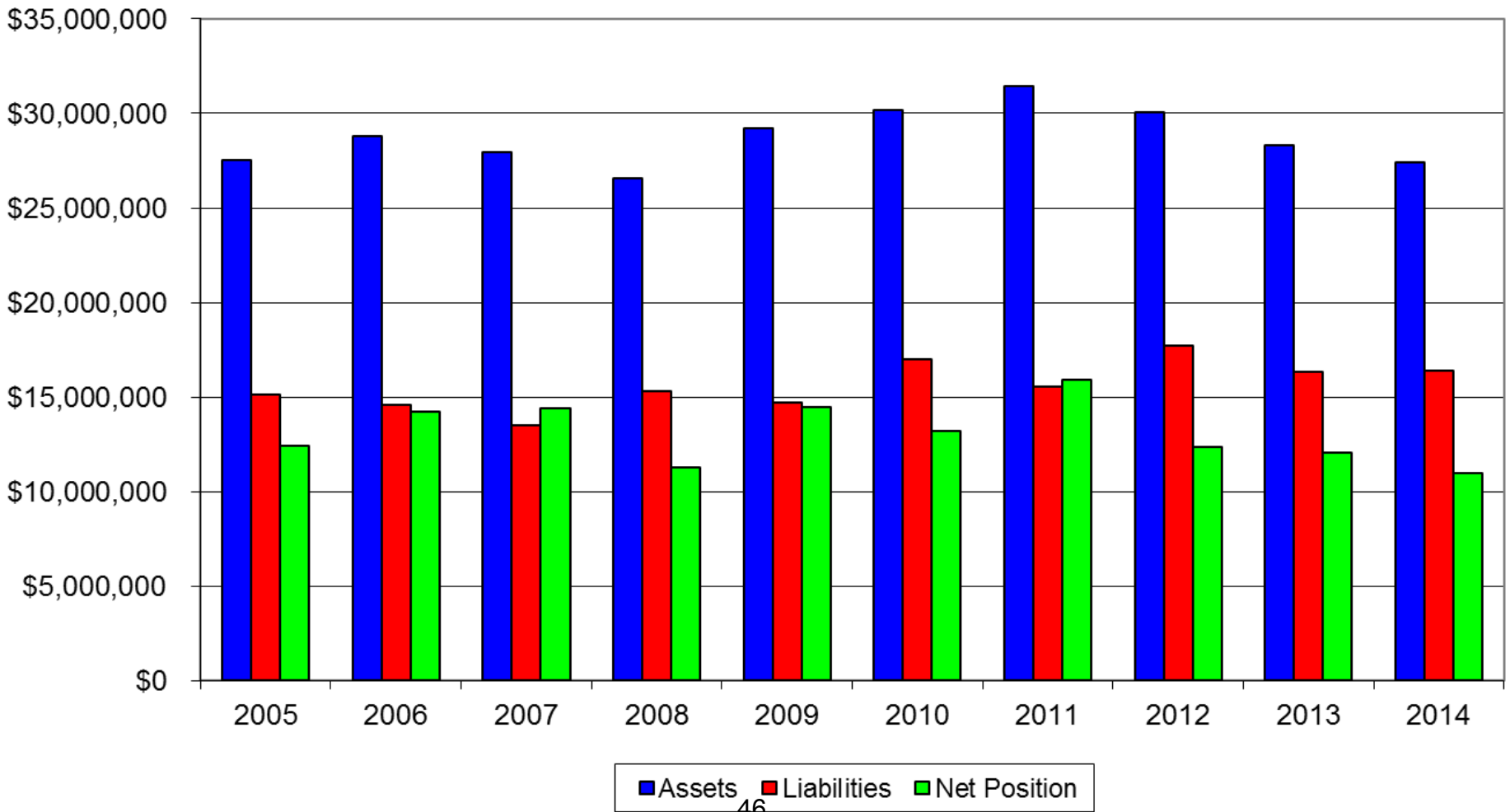


Financial Results

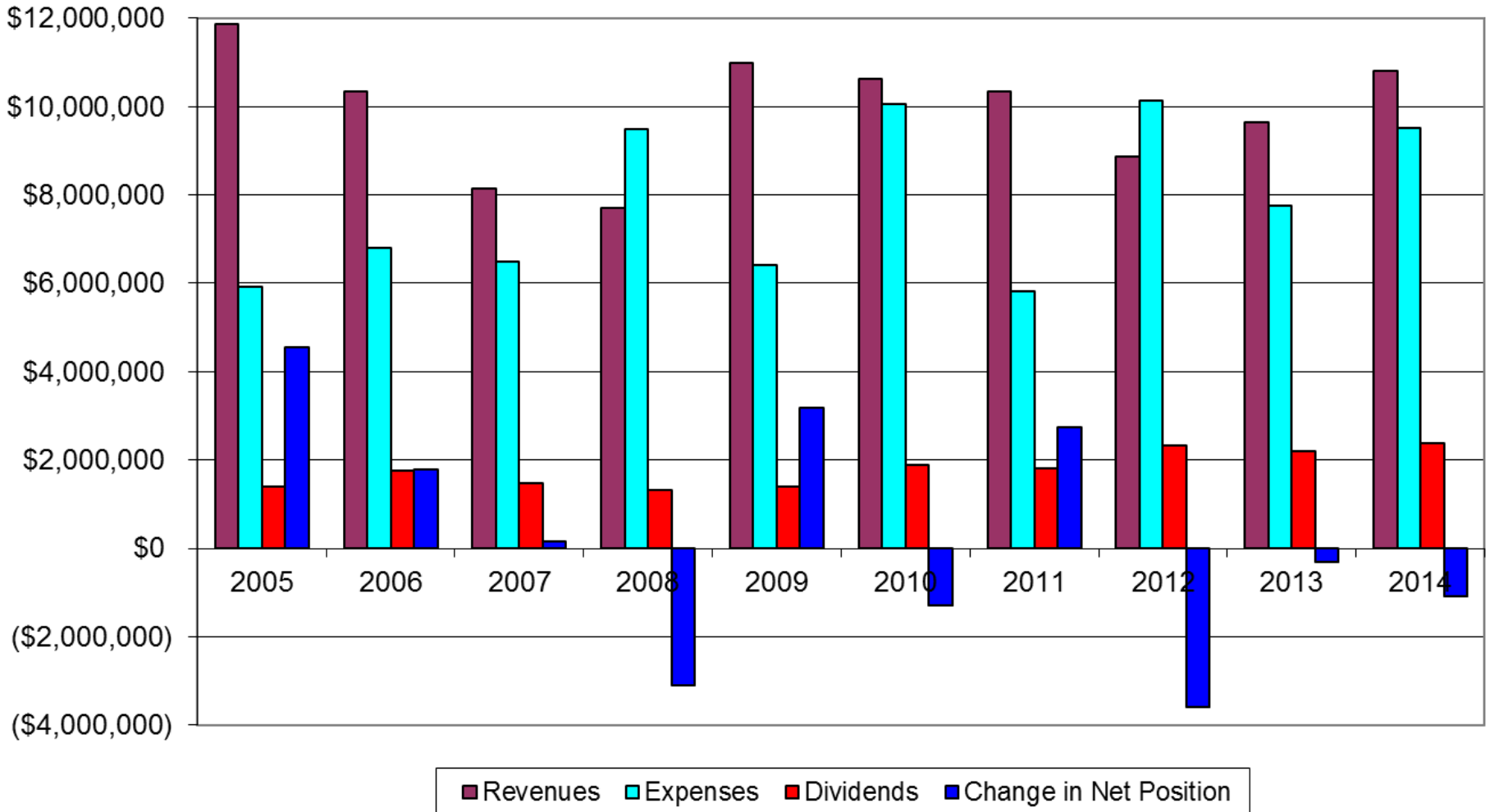
- Overall revenues up \$1.2M (13%)
- Retrospective contributions given \$420K
- Total expenses increased \$1.9M, prior year decreased \$2.5M
 - Claims increased \$1.4M, prior year decrease of \$2.7M
 - Change in prior year estimates of \$1.4M
 - Member dividends of \$2.4M (PY \$2.2M)
- Net Position decreased \$1.1M
- Total assets decreased \$1.0M
- Total liabilities increased \$113K, prior year decreased \$1.4M



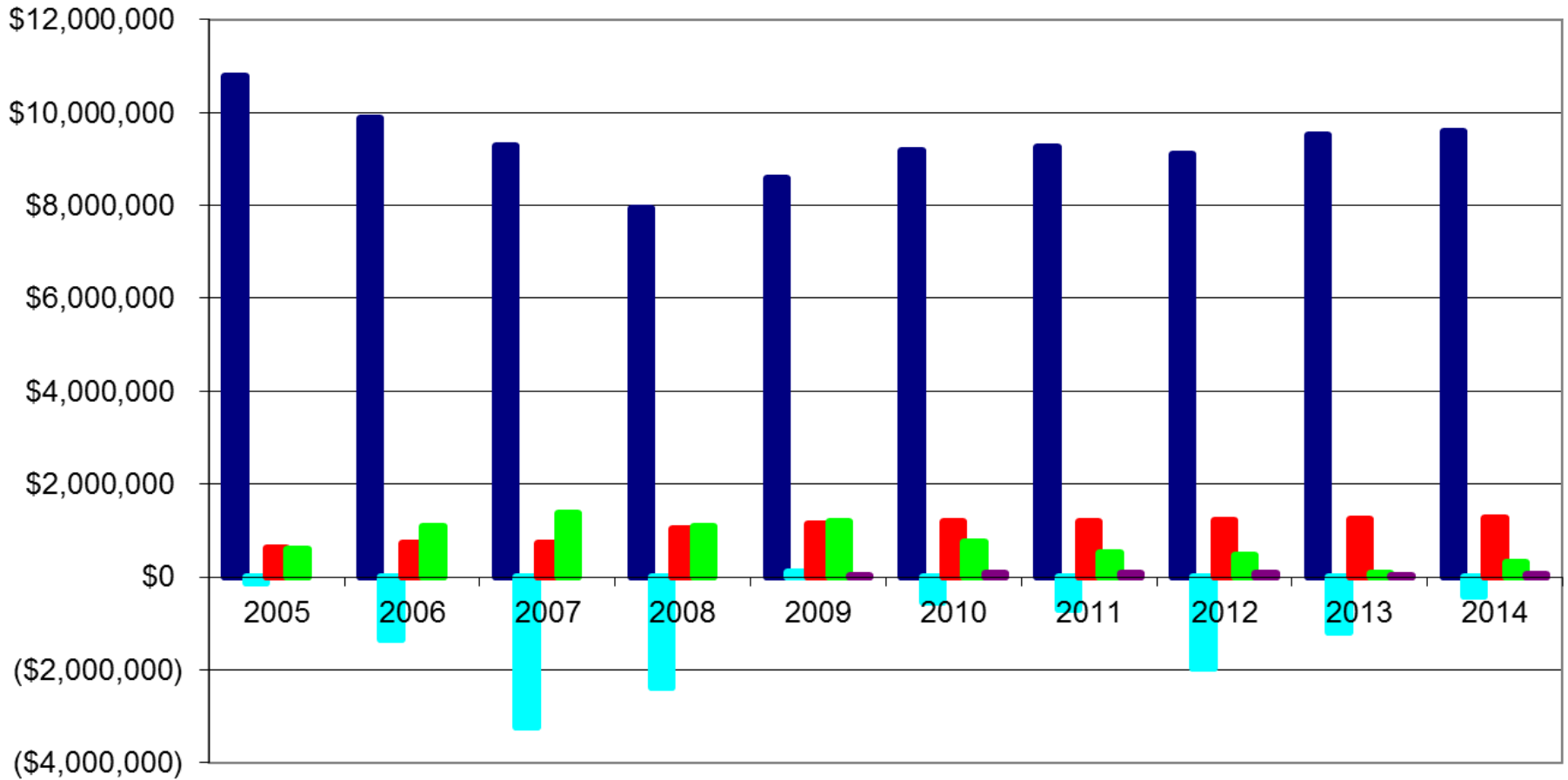
Statement of Net Position



Statement of Changes in Net Position

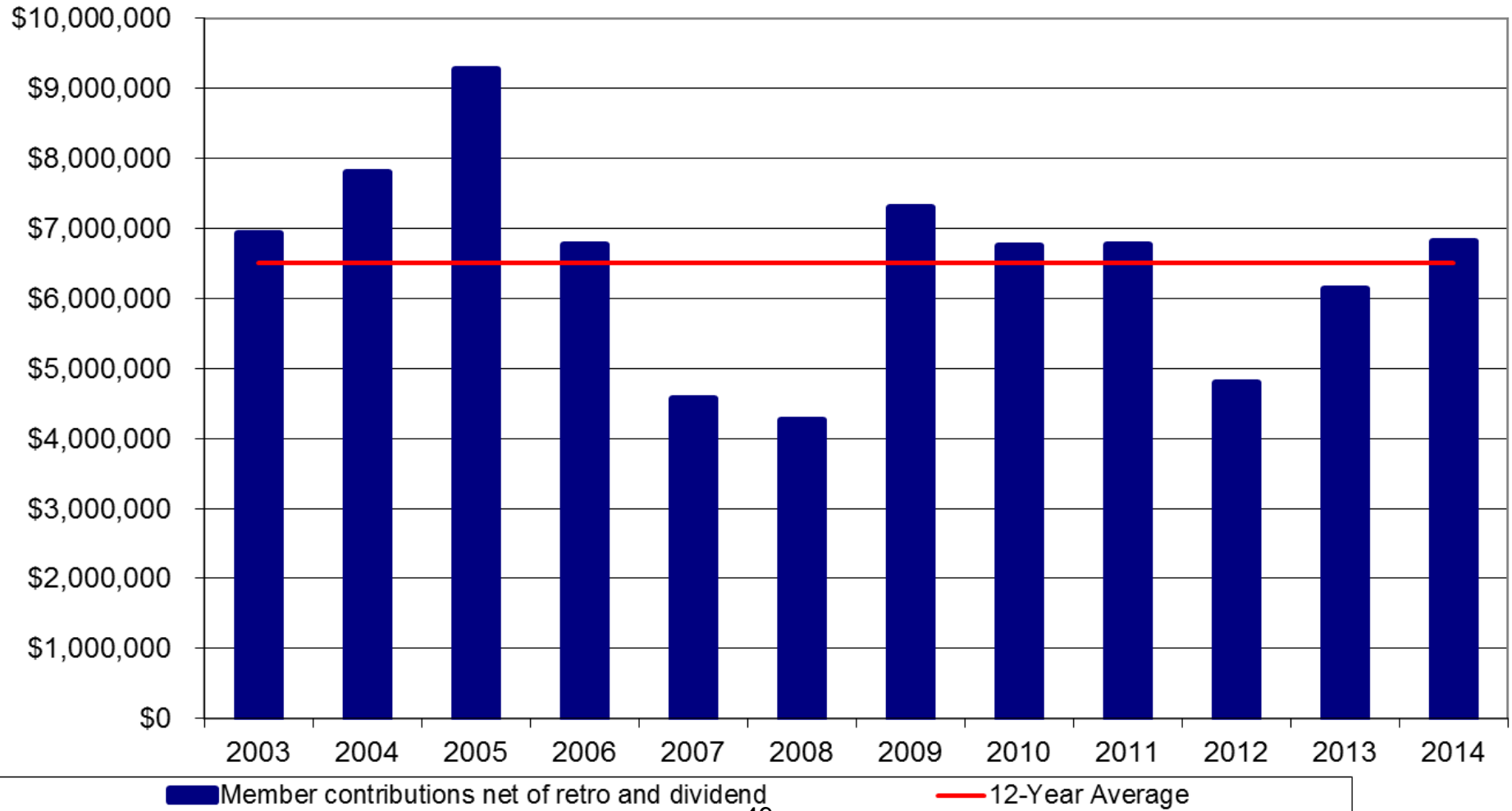


Revenue Sources

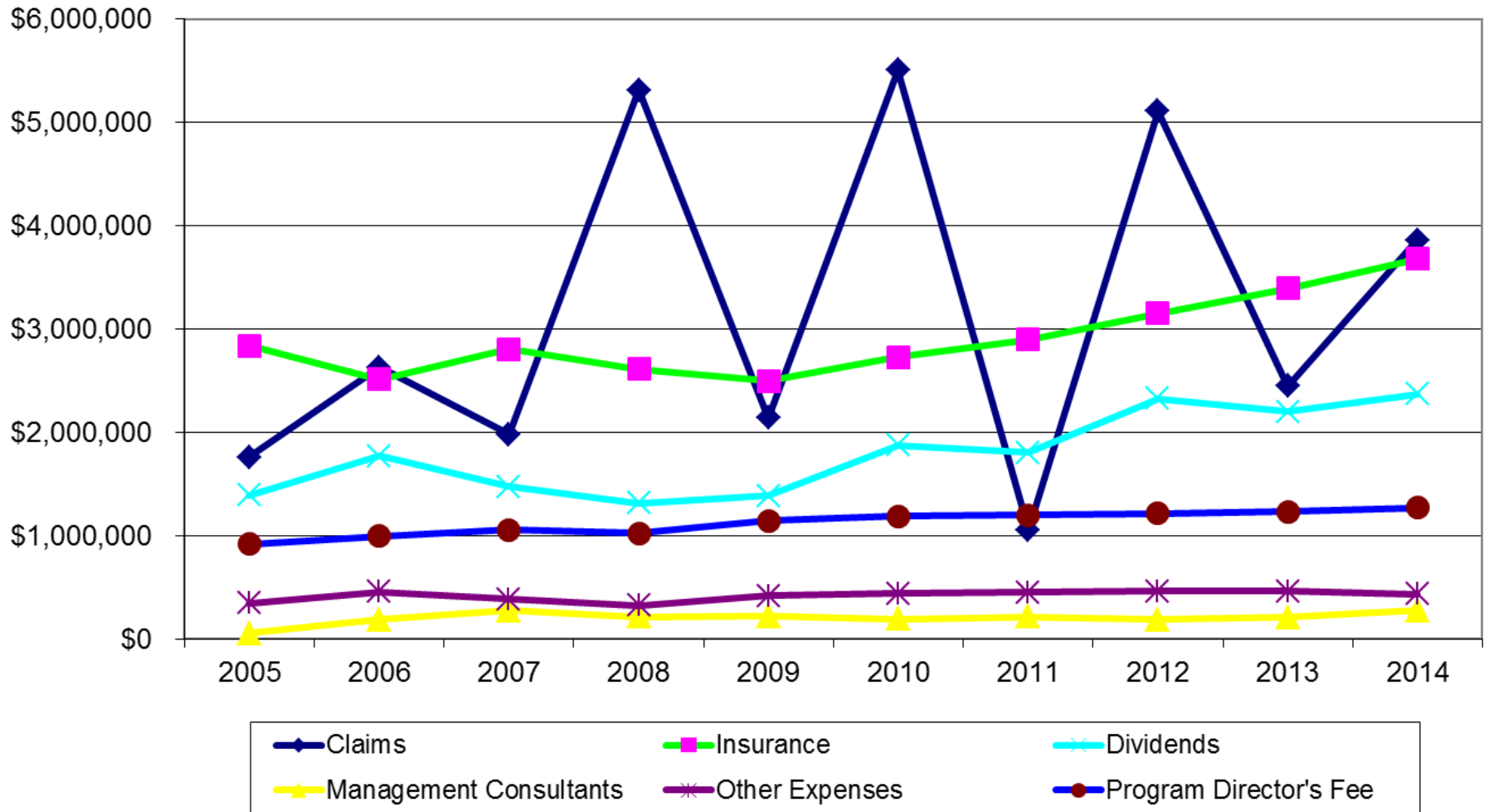


■ Member Contributions
 ■ Retrospective Contributions
 ■ Member Fees
 ■ Investment Income
 ■ Other income

Net Member Contributions



Expenses





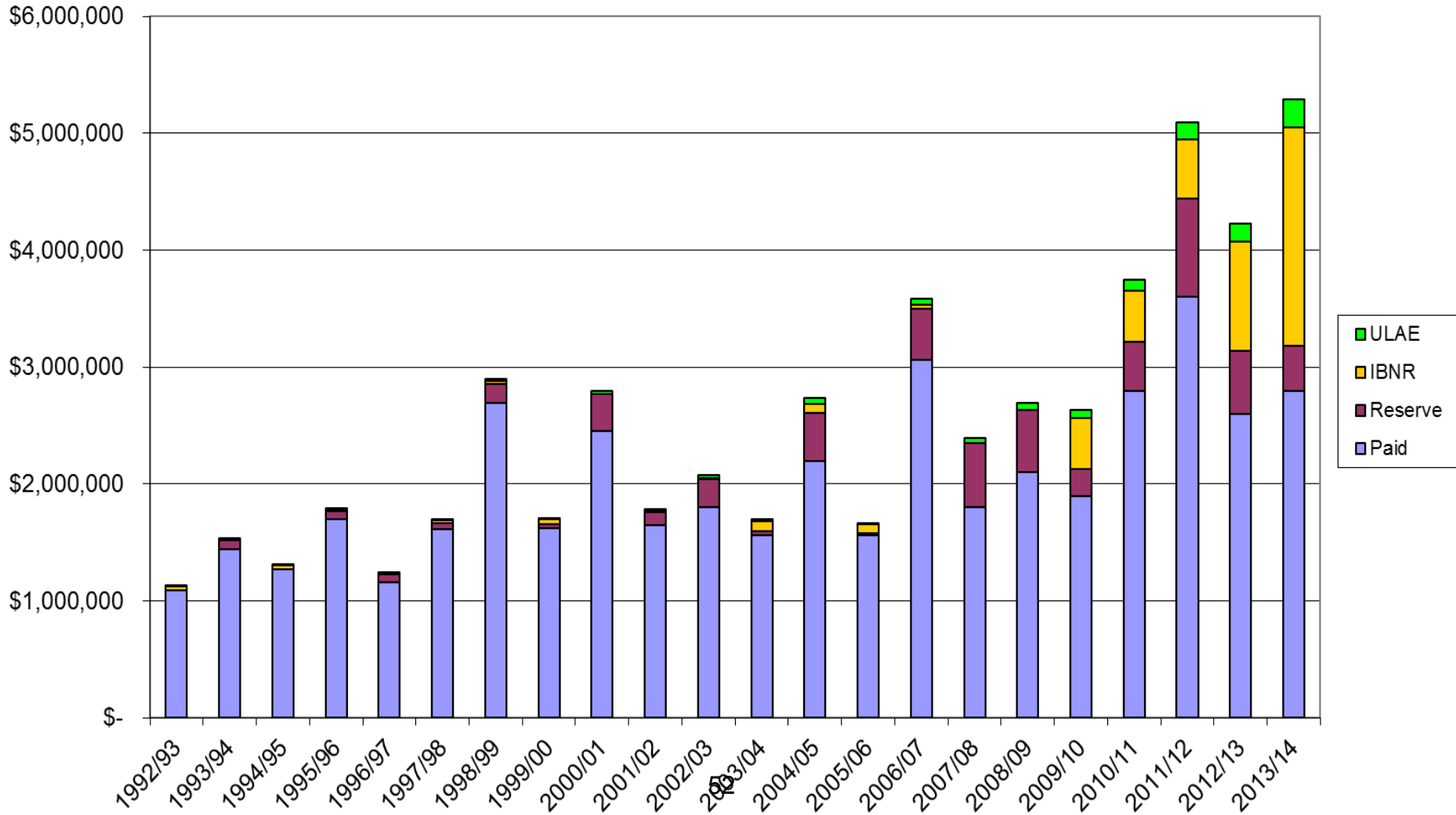
Claims Reconciliation

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 13,661,035	\$ 14,891,860	\$ 12,900,180
Incurred claims and claim adjustment expenses:			
Provision for insured events of the current year	3,602,725	3,558,954	4,279,256
Increase/(decrease) in provision of insured events of prior years	258,965	(1,108,698)	831,320
Total incurred claims and claim adjustment expenses	<u>3,861,690</u>	<u>2,450,256</u>	<u>5,110,576</u>
Payments:			
Claim and claim adjustment expenses attributable to insured events of the current year	336,538	427,426	614,005
Claim and claim adjustment expenses attributable to insured events of the prior years	3,417,380	3,253,655	2,504,891
Total Payments	<u>3,753,918</u>	<u>3,681,081</u>	<u>3,118,896</u>
Total unpaid claims and claims adjustment expenses	51		
	<u>\$ 13,768,807</u>	<u>\$ 13,661,035</u>	<u>\$ 14,891,860</u>

Claims Incurred

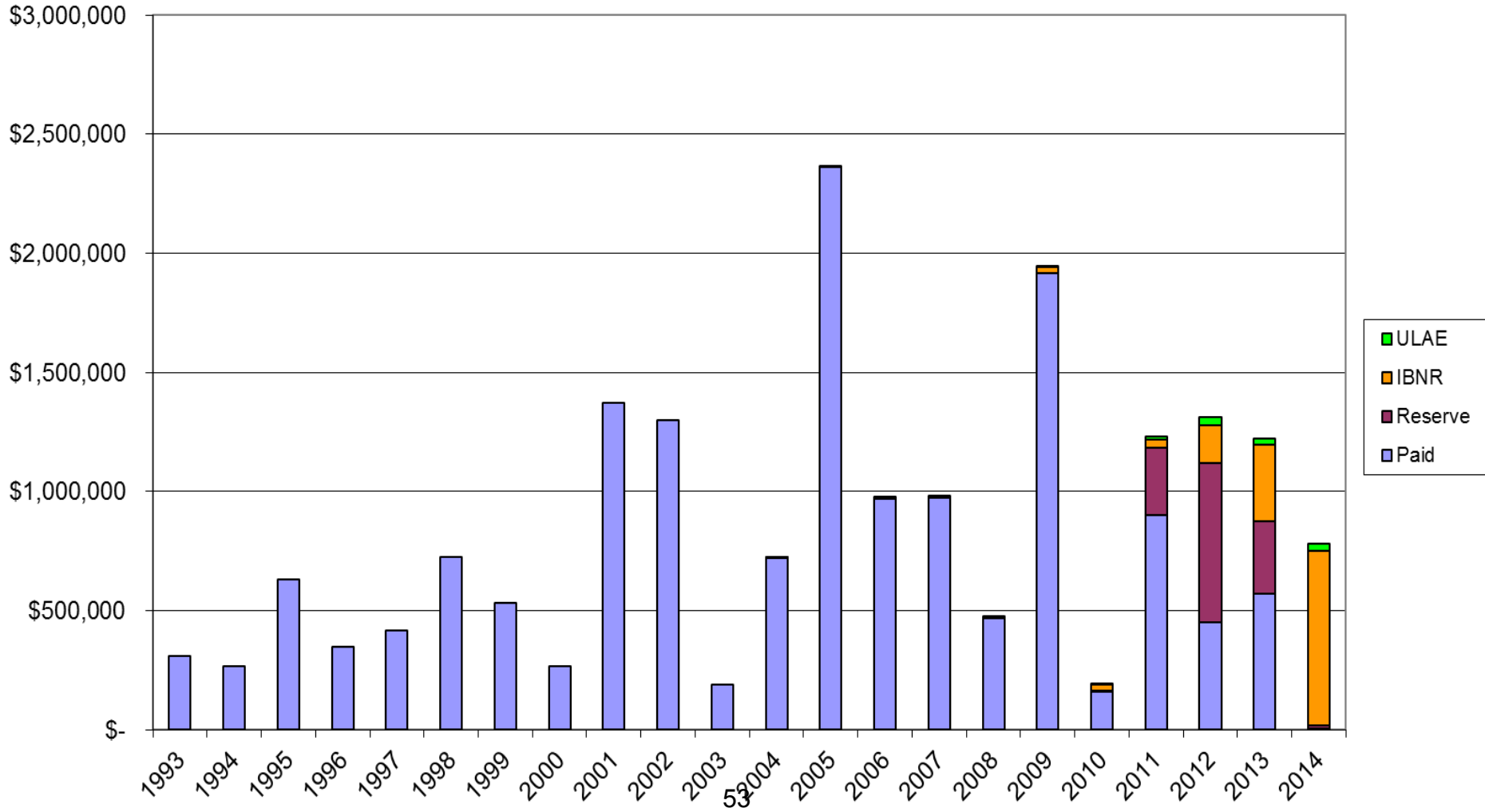


Workers' Compensation Claims



Claims Incurred

Pooled Liability Claims



Letter

- **Communication to those Charged with Governance**
 - Significant accounting estimates: claim liabilities and discount rate
 - No disagreements with management
 - Audit conducted as planned
 - No material weaknesses identified
 - Upcoming GASB pronouncements



Key Points

- CSRMA has paid dividends of \$17.9M to members over the last 10 years.
- Retrospective contribution returns of \$11.8 million.
- Increase in net position of \$3.1 million over that time.
- CSRMA's financial position is excellent with \$11 million of equity.



Summary

- Good financial reporting structure.
- Knowledgeable management team.
- Strong financial position



CSRMA Investment Performance Review

ISSUE: Mr. Carlos Oblites of PFM presented a review of CSRMA's current investments and provided a market outlook to the Finance Committee at their November meeting. PFM's presentation is included in the agenda packet for the Executive Board's review.

CSRMA's current investments are summarized on page 8 of the presentation. The portfolio's performance is highlighted on page 7.

RECOMMENDATION: None at this time.

FISCAL IMPACT: As depicted in the Third Quarter 2014 Review of Portfolio.

BACKGROUND: None.

ATTACHMENTS: Third Quarter 2014 Review of Portfolio (Separate)

Trustees E&O Renewal

ISSUE: CSRMA’s Trustees Errors & Omissions coverage is due to renew on December 31, 2014. The current limit of liability is \$5,000,000 per claim and in the aggregate. The incumbent carrier is Lloyd’s of London. The expiring annual premium is \$23,370 plus an additional \$234 for terrorism coverage. Taxes and fees are in addition to the premium.

RECOMMENDATION: The Program Administrators recommend that the Executive Board elect to renew the Trustees E&O coverage at the expiring limit and deductible option, as shown under “Option 2B” in the table below.

FISCAL IMPACT: \$25,000 is budgeted in FY 14/15 for Trustees E&O insurance. The table below depicts the quoted renewal options.

	Limit	Deductible	Premium	Optional TRIA Premium
Option 1A	\$3,000,000 per claim \$3,000,000 aggregate	\$5,000 per claim \$20,000 aggregate	\$20,129 plus taxes and fees	\$201
Option 1B	\$3,000,000 per claim \$3,000,000 aggregate	\$15,000 per claim \$60,000 aggregate	\$18,765 plus taxes and fees	\$188
Option 2A	\$5,000,000 per claim \$5,000,000 aggregate	\$5,000 per claim \$20,000 aggregate	\$24,735 plus taxes and fees	\$247
Option 2B <i>Expiring Option</i>	\$5,000,000 per claim \$5,000,000 aggregate	\$15,000 per claim \$60,000 aggregate	\$23,370 plus taxes and fees	\$234
Option 3A	\$7,000,000 per claim \$7,000,000 aggregate	\$5,000 per claim \$20,000 aggregate	\$27,976 plus taxes and fees	\$280
Option 3B	\$7,000,000 per claim \$7,000,000 aggregate	\$15,000 per claim \$60,000 aggregate	\$26,612 plus taxes and fees	\$266

BACKGROUND: Trustees E&O insurance provides professional liability coverage for the trustees of self-insurance funds for claims made against the trustees following any actual or alleged act, error or omission committed in the scope of managing the funds.

The rating basis for this policy is total member contributions. Estimated total member contributions (pool deposit, insurance premium, JPA charge, etc.) are about the same as were estimated for the expiring policy term.

ATTACHMENTS: 1) New Endorsement Mockups

INSURED:

Specimen

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFINITION OF LOSS PRE AND POST JUDGMENT INTEREST - MOST FAVORABLE JURISDICTION

In consideration of the premium charged, it is understood and agreed that this Endorsement modifies insurance provided under the Trustees Errors and Omissions Insurance for Self Insurance Funds as follows:

Section, II DEFINITIONS, subsection E. Loss, is deleted and replaced by the following:

E. LOSS - shall mean the amount an INSURED is legally obligated to pay as compensatory monetary damages in satisfaction of a CLAIM covered under and not excluded by this Policy. LOSS shall include compensatory monetary damages or settlements of CLAIMS, pre- and post-judgment interest as well as punitive or exemplary damages to the extent that such damages are insurable under the law of any jurisdiction which has a substantial relationship to the INSURED, the Company, this Policy, or the CLAIM, and which is most favorable to the insurability of such damages; provided, however, that LOSS shall not include the multiple portion of any multiple damages award, criminal or civil fines or penalties imposed by law, taxes or other matters deemed uninsurable under the law pursuant to which this Policy shall be construed.

Issue Date:

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

INSURED:

Specimen

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PAYMENT PRIORITY UNDER INSURING AGREEMENTS ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that this Endorsement modifies insurance provided under the Trustees Errors and Omissions Insurance for Self Insurance Funds as follows:

Section I. INSURING AGREEMENTS, is amended by the addition of the following at the end of the Section:

Subject to all the terms and conditions of this Policy, the Company shall pay LOSS and/or CLAIMS EXPENSE first to any INDIVIDUAL INSURED, or their respective estates, heirs legally recognized spouse or legal representative as defined in Section II. DEFINITIONS, B. INSURED if applicable and then to the TRUST, the Board of Directors of the TRUST, or the Board of Trustees of the TRUST, as defined in SECTION II. DEFINITIONS, A. TRUST and B.INSURED.

Paragraph added to the end of the Insuring agreement in policy form:

Issue Date:

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

INSURED:

Specimen

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDED DEFINITION OF CLAIM - ADMINISTRATIVE HEARINGS,
REGULATORY PROCEEDINGS AND ARBITRATION PROCEEDINGS**

In consideration of the premium charged, it is understood and agreed that this Endorsement modifies insurance provided under the Trustees Errors and Omissions Insurance for Self Insurance Funds as follows:

Section, II. DEFINITIONS, subsection J. is deleted and replaced by the following:

J. CLAIM - shall mean a written demand upon one or more INSURED(S) for LOSS and alleging a WRONGFUL ACT. Notwithstanding this definition, CLAIM shall include administrative hearings, regulatory proceedings **and arbitration proceedings.** Added
Two or more CLAIMS arising out of the same actual or alleged WRONGFUL ACT or INTERRELATED WRONGFUL ACT(S) of one or more INSURED(S) shall be considered one CLAIM, regardless of how many INSUREDS are named in the CLAIMS, which shall be deemed to have been first made on the date when the first of such CLAIMS was made.

Issue Date:

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Member Satisfaction Survey

ISSUE: At its' 2014 Long Range Planning Session, the CSRMA Executive Board directed the Program Administrators to conduct a survey in order to assess the current needs of CSRMA's members and to identify any potential areas of concern from the membership.

A survey questionnaire has been drafted by the Program Administrators and is attached to this item for the Executive Board's review and feedback. The Pooled Liability and Workers Compensation Committees reviewed the draft survey questionnaire at their last meetings and their feedback and suggestions have been worked into the attached draft.

RECOMMENDATION: Review and discuss the draft survey questionnaire.

FISCAL IMPACT: None.

BACKGROUND: From time to time the Executive Board has commissioned member surveys to determine member attitudes towards various services provided by the JPA. The last Member Satisfaction Survey was conducted in 2010.

ATTACHMENTS: Draft Survey Questionnaire

CSRMA Member Satisfaction Survey 2015

Member Agency:							
Contact:							
What is your role in the organization?	Board	Management	Maintenance & Operations	Administration			
Do you wish your responses to remain anonymous?	YES			NO			
<i>As you complete the survey, you may opt out of an entire section if your agency doesn't utilize that component. Additionally, please indicate Not Applicable (NA) for any item that you have no opinion or your agency does not use that feature.</i>							
Insurance Coverage		Strongly Disagree - Strongly Agree					
<input type="checkbox"/> OPT OUT							
Please rate the value that your agency receives for the premium paid to CSRMA?	1	2	3	4	5	NA	Call Me
Do you feel that CSRMA's Retrospective Rating Program is equitable?	1	2	3	4	5	NA	Call Me
Is CSRMA effectively addressing your insurance needs?	1	2	3	4	5	NA	Call Me
Please note any additional comments regarding CSRMA Insurance Coverage in this space.							
Risk Control		Strongly Disagree - Strongly Agree					
<input type="checkbox"/> OPT OUT							
How important are CSRMA's risk control services to your agency?	1	2	3	4	5	NA	Call Me
How responsive is the CSRMA Risk Control Advisor to your agency's needs?	1	2	3	4	5	NA	Call Me
Does your agency need additional risk control services?	YES		NO			NA	Call Me
Does your agency need additional CalOSHA compliance support?	YES		NO			NA	Call Me
Does your agency need additional support in creating your Sanitary Sewer Management Plan?	YES		NO			NA	Call Me
Do representatives of your Agency attend CSRMA sponsored training / seminars / webinars?	YES		NO			NA	Call Me
If YES:							
Do you find the CSRMA sponsored trainings/webinars useful?	1	2	3	4	5	NA	Call Me
Would you like CSRMA to provide more (or fewer) seminars?	MORE		FEWER			NA	Call Me

Would you like CSRMA to provide more (or fewer) webinar trainings?	MORE		FEWER		NA	Call Me	
If NO:							
If your agency is not utilizing the sponsored training / seminars/ webinars, please provide feedback in the comment area below.					NA	Call Me	
Would you like CSRMA to help your agency manage your safety policies and trainings?	YES		NO		NA	Call Me	
Would you like CSRMA to provide your agency assistance with safety policy development?	YES		NO		NA	Call Me	
Please provide any suggestions that you may have to improve the CSRMA's Risk Control Services					NA	Call Me	
Please note any additional comments regarding CSRMA Risk Control Programs in this space.							
Pooled Liability Program				Strongly Disagree - Strongly Agree			
<input type="checkbox"/> OPT OUT							
CSRMA's maximum coverage limit is \$25MM. Do you feel this is adequate?	1	2	3	4	5	NA	Call Me
Are there coverages that you would like offered that you feel are missing from the programs? (Please provide feedback in the comment area below)	1	2	3	4	5	NA	Call Me
Please rate the quality of claims handling in terms of:							
Timeliness of response	1	2	3	4	5	NA	Call Me
Quality of the results achieved	1	2	3	4	5	NA	Call Me
Would your agency like CSRMA to provide assistance with Sewer Overflow and Backup Response Plan development?	YES		NO		NA	Call Me	
Would you like CSRMA to provide assistance with contract safety specification development?	YES		NO		NA	Call Me	
Please note any additional comments regarding CSRMA's Pooled Liability Program in this space.							

Workers Compensation Program		Strongly Disagree - Strongly Agree					
<input type="checkbox"/> OPT OUT							
Please rate the quality of claims handling in terms of:							
Timeliness of response	1	2	3	4	5	NA	Call Me
Quality of the results achieved	1	2	3	4	5	NA	Call Me
Does your agency utilize CSRMA's Workers' Compensation Claims Management and Return to Work program?	YES		NO		NA	Call Me	
Would your agency like to be contacted after a claim is filed by Heather Truro, CSRMA's Workers' Compensation and Return to Work Advisor, to help ensure your agency understands the claims process and return to work and ADA/FEHA issues?	YES		NO		NA	Call Me	
Are you aware of the surveys provided by Heather Truro?	YES		NO		NA	Call Me	
Does your agency utilize the MPN?	YES		NO		NA	Call Me	
Please describe any difficulties accessing or utilizing the MPN that you may have had in the space below.						NA	Call Me
Please note any additional comments regarding CSRMA's Workers' Compensation Program in this space.							
Website		Strongly Disagree - Strongly Agree					
<input type="checkbox"/> OPT OUT							
How important is CSRMA's website to you?	1	2	3	4	5	NA	Call Me
Does your agency utilize CSRMA's Risk Control Online website?	YES		NO		NA	Call Me	
How valuable do you find the various features available on Risk Control Online?	1	2	3	4	5	NA	Call Me
Please provide any suggestions that you may have to improve CSRMA's website or Risk Control Online in the space below.						NA	Call Me
Please note any additional comments regarding CSRMA's website in this space.							

General		Strongly Disagree - Strongly Agree					
<input type="checkbox"/> OPT OUT							
Do you believe that the services provided by CSRMA could be easily replaced by another organization?	YES		NO			NA	Call Me
If so, would it be more cost effective?	YES		NO			NA	Call Me
Please rate the level of expertise and knowledge of the Administration Staff.	1	2	3	4	5	NA	Call Me
Please rate the responsiveness of staff to written and telephone service requests.	1	2	3	4	5	NA	Call Me
In the space below, please describe the biggest issue your agency/district is currently facing.							
Comments							
Please note any other comments regarding your CSRMA experience in this space.							
Thank you for taking the time to complete the survey process. We will review the responses and use them to bring you improved services in the future!							

Ancillary Coverages

ISSUE: The Executive Board reviewed the first draft of the brochure at their October 2014 meeting, and provided feedback to the Program Administrators on how to more effectively educate the membership on CSRMA's coverage programs and ancillary coverages available. The second draft of the brochure is attached to this item for the Executive Board's review.

RECOMMENDATION: Review and discuss, and provide direction to the Program Administrators.

FISCAL IMPACT: Unknown at this time.

BACKGROUND: At the 2014 Long Range Planning Session, the Executive Board directed the Program Administrators to develop a plan to better inform the CSRMA membership of the ancillary insurance coverages available through either a CSRMA Program or through an Alliant offering.

CSRMA offers four core coverage programs: Pooled Liability, Workers' Compensation, Property and Primary Insurance. Additionally, CSRMA offers its members ancillary coverages, such as Commercial Crime, Cyber Liability, Pollution Liability, Fiduciary Liability, Auto Physical Damage, etc., through either a CSRMA Program or through an Alliant offering. Participation in a CSRMA Program or an Ancillary Coverage offering is voluntary. Member participation varies greatly for a variety of reasons. Some members purchase certain coverages through local insurance brokers/agents, some participate in other pools and some forgo certain coverages.

CSRMA has at one time or another offered and/or marketed the various coverage programs and ancillary coverages to the membership. The Executive Board and Program Administrators believe member agencies should be reminded of the various coverage programs and ancillary coverages.

ATTACHMENTS: 1) Ancillary Coverage Programs Tri-fold Brochure – Second Draft

Ancillary Coverages

Fiduciary Liability

Fiduciary Liability insurance provides coverage for alleged errors or omissions or breach of fiduciary duties to an employee benefit plan under the Employee Retirement Income Security Act of 1974 (ERISA).

Identity Fraud Reimbursement

This coverage is provided to all CSRMA members. Reimburses employees, and their spouses, of member agencies with coverage for identity theft related expenses. Includes attorney's fees, lost wages, notary and certified mail charges, and fees to re-apply for loans that were denied as a result of the identity theft.

Special Events Liability

Provides Premises Liability insurance coverage for a broad range of special events. Coverage protects the policyholder against lawsuits, claims made related to bodily injury of others, and property damage to a rented premise.

Vendors/ Contractors General Liability

General Liability and Professional Liability coverage can be provided for individuals or small businesses that have work contracts with your agency. This will enable your agency to work with qualified bidders who could not previously participate because they do not have insurance or their level of insurance could not meet your minimum insurance requirements.

Storage Tank Program

Storage Tank Liability insurance provides coverage for third-party bodily injury and property damage from pollution conditions emanating from scheduled underground and aboveground storage tanks.



CSRMA

For more information please contact:

Seth Cole

415-403-1419

scole@alliant.com

COVERAGE PROGRAMS

"The California Sanitation and Risk Management Authority provides broad coverage and risk control services to its members."

The logo for Alliant, featuring a stylized 'A' icon followed by the word "Alliant" in a bold, sans-serif font. A small number "68" is positioned below the 'A' icon.

Core Coverage Programs

Ancillary Coverages

CSRMA offers four “Core” coverage programs. Two of these are Shared Risk Programs and two are Group Purchase Programs. CSRMA members must participate in at least one of these programs.

Shared Risk

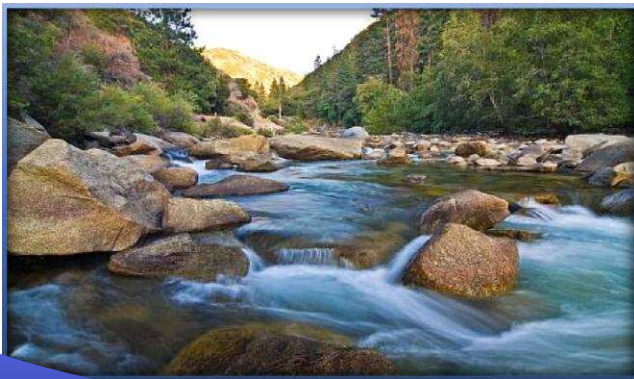
Shared risk, or “pooled” programs are an alternative to traditional commercial insurance, in that they are member owned and operated – crafted to meet the specific needs of our members.

Pooled Liability Program

Provides members with third party liability coverage specifically designed to meet the exposures faced by the wastewater industry. Members are provided with coverage for General Liability, Automobile Liability, Employment Practices Liability and Public Entity Errors & Omissions Liability

Pooled Workers’ Compensation Program

Provides State mandated benefits to employees of member agencies for workplace injury, illness and disease. The Program enables its members to retain control of the cost and delivery of services to participating members.



Group Purchase

Group Purchase Programs provide members with the benefit of buying power, without the risk sharing element, while still assuring that special needs will be addressed.



Primary Insurance Program (PIP)

The PIP continues to afford coverage for General Liability, Automobile Liability, Employment Practices Liability, Public Entity Errors & Omissions and Auto Physical Damage to members that do not wish to pool their risk with other members.

Property Insurance Program

The Property Program offers its members "All-Risk" Property and Boiler & Machinery insurance. This includes Terrorism, Pollution Legal Liability specific to a member’s SOV, and Cyber Liability.

Aside from the four “Core” coverage programs, CSRMA members have access to an array of group purchase and other insurance coverages. Just a few of these are:

Cyber Liability

Cyber Liability provides third-party coverage for information security & privacy liability, privacy notification costs, regulatory defense and website media content liability. First-party coverage can be provided for cyber extortion and data protection & business interruption loss.

Commercial Crime & Bonds

The Commercial Crime Program affords its members with public employee dishonesty coverage. Additional coverages available include forgery or alteration, theft, disappearance and destruction of money and securities and computer fraud. The Public Official Bond Program provides its members with coverage for dishonest acts of public officials.

Difference in Conditions (DIC) / Earthquake & Flood

A policy designed to broaden coverage by providing additional limits of coverage for specific perils that are excluded on standard property coverage forms, such as earthquake and flood.

Pollution Liability

Pollution Liability insurance covers environmental cleanup costs, third party bodily injury and property damage, and associated legal defense expense arising out of a pollution condition.

Vehicle & Mobile Equipment Physical Damage

Provides insurance for damage to your own vehicles and mobile equipment.

Long Range Planning Session Arrangements

ISSUE: Every year the Program Administrators arrange an off-site Long-Range Planning Session as directed by the Executive Board. These sessions allow the Executive Board to review last year's accomplishments as well as project future goals and concepts for the JPA and its members.

RECOMMENDATION: The Program Administrators recommend that the Executive Board discuss the hotel options presented and decide on a venue for the 2015 Long Range Planning Session.

FISCAL IMPACT: The CSRMA Executive/OC expense budget for the 2014/2015 LRP Session is \$10,000. Last year, the cost of the hotel accommodations was \$9,916. The proposed cost estimates for the 2015 LRP Session will be handed out at the meeting.

BACKGROUND: Last year, the Long - Range Planning Session was held in Santa Cruz at the Chaminade Resort & Spa. This year, a venue has not yet been selected. The Program Directors canvassed the Central Coast California area, and requested proposals from the following hotels:

- Hotel Milo (formerly Hotel Oceana)
- Montecito Inn
- Hotel Santa Barbara
- Belmond El Encanto
- Hyatt Santa Barbara
- Pierpont Inn
- Crowne Plaza Ventura

All of the hotels are available at this time. The proposed cost estimates for the above three hotels will provided at the meeting after clarification on catering costs.

In the past, the Executive Board has utilized the services of a facilitator during the Long-Range Planning Sessions. Michelle Murphy has provided these services for the past eleven years. At the Executive Board's direction, we have contacted Michelle Murphy, who is available.

ATTACHMENTS: 1) Hotel Proposed Cost Estimates (Handout)
2) Hotel brochures (Handout)

2015 Long Range Planning Session Discussion Topics

ISSUE: Every year the Program Administrators gather possible topics of discussion for the Long Range Planning (LRP) Session, present them to the Executive Board, and then develop a LRP agenda based on the discussion surrounding those topics. The topics listed on the attached document were chosen through review of past agendas and discussions between team members and the Officers' Committee.

These topics are being suggested as a starting point for discussion, and are being presented in this agenda item so that the Executive Board members have a chance to consider them and others prior to the meeting date.

RECOMMENDATION: The Program Administrators recommend that the Executive Board review the list of potential discussion topics and provide direction.

FISCAL IMPACT: None.

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

ATTACHMENTS: 1) Possible Long Range Planning Session Discussion Topics

Possible 2015 Long-Range Planning Session Topics

General

- CSRMA Records Retention Policy
- Review of Dividend Plan
- Business Continuity Services
- WeTip

Pooled Liability

- Underwriting Policy
- Employment Practices Liability Deductible

Workers' Compensation

- Foreign Travel

Risk Control

- 2015-16 Risk Control Work Plan

Proposed 2015 Meeting Calendar

ISSUE: Every year the Executive Board adopts a meeting calendar. The Executive Board Meetings are included in that calendar. The Executive Board should review the proposed meeting dates and approve their calendar dates for the upcoming year.

RECOMMENDATION: The Program Administrators recommend that the Executive Board approve their dates on the 2015 meeting calendar.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS: Proposed 2015 Meeting Calendar

CSRMA MEETING CALENDAR 2015

JANUARY	FEBRUARY	MARCH	APRIL
CSRMA EB - WED - 21	CSRMA LIAB (TC) - THUR - 5	CSRMA LRP - SUN - TUE - 8, 9 & 10	CSRMA OC - THUR - 2
CSRMA BD - THUR - 22	CSRMA WC - THUR - 12		CSRMA EB (TC) - THUR - 23
			CSRMA FIN - MON - 27
CASA January 21-23 Palm Springs			
MAY	JUNE	JULY	AUGUST
CSRMA LIAB - THUR - 14	CSRMA EB - MON - 1	CSRMA OC - TUES - 14	CSRMA EB - WED - 19
CSRMA OC - TUES - 19			CSRMA BD - THUR - 20
CSRMA WC - THUR - 28			
			CASA August 19-21 San Diego
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
CSRMA OC - FRI - 18	CSRMA EB - FRI - 9	CSRMA FIN - MON - 2	CSRMA EB - MON - 7
CSRMA LIAB - THUR - 24	CSRMA WC - THUR - 22	CSRMA LIAB - THUR - 12	CSRMA OC - THUR - 17
		CSRMA OC - FRI - 13	
CAJPA September 16-19 South Lake Tahoe			

Pooled Liability Program
Actuarial Study

ISSUE: An Actuarial Study for the Pooled Liability Program was performed to re-evaluate past projections using current loss data and to project future payment patterns to determine rates for the 12/31/14 Program renewal. The actuaries, Ron Kozlowski and Patrick Yu of Towers Watson presented the results of the Actuarial Study to the Pooled Liability Committee at their November meeting.

A copy of the presentation is attached to this item for the Executive Board's review. In summary, claims are trending favorably resulting in a reduction in outstanding liabilities and a projected decrease in funding requirements for the Program renewal.

RECOMMENDATION: None at this time. Information only.

FISCAL IMPACT: The cost of the Actuarial Study was \$28,400.

BACKGROUND: Historically the actuarial study for the Pooled Liability Program has been performed biennially. It was determined by the Committee that reviewing the General Liability (GL) on an annual basis allows for a "right sizing" of the funding on a more appropriately responsive basis than the biennial analysis allows for. The loss experience for GL, predominantly sewer backups, is large enough that an annual review is warranted to identify emerging frequency and severity trends as well as review actual loss emergence to expected loss emergence. The Committee also determined that a biennial review of the Auto Liability and Employment Practices Liability would continue to be appropriate. The funding and unpaid loss amounts for these coverages are smaller, and the yearly fluctuations are not necessarily indicative of a trend, but rather the result of an annual variation.

Towers Watson performed a mid-year checkup in 2013 to evaluate the General Liability loss experience using more current loss data. The biennial review of the Auto Liability and Employment Practices Liability was included in the 2014 actuarial study.

ATTACHMENTS: Towers Watson Presentation (Separate)

Pooled Liability Program
Retrospective Rating Calculation at 12/31/14

ISSUE: Each year the Program Administrators perform the Retrospective Rating Calculation for prior program years based on the formula adopted by the Board of Directors. The calculation grants either returns or assessments to members based on their individual experience and the experience of the group as a whole. Retro adjustments will appear as a debit or credit on member's December 31, 2014 renewal invoices.

RECOMMENDATION: The Pooled Liability Committee recommends to the Executive Board that a total of \$373,573 be returned to the membership based on the attached schedule.

FISCAL IMPACT: If the recommendation is accepted, the Pool's retained funds will be decreased by \$373,573. As of June 30, 2014, the retained funds in the program were \$7,249,431.

BACKGROUND: The Retro plan was adopted to spread losses amongst members. Each program year is evaluated beginning 18 months after the inception and annually thereafter. Since the Pooled Liability program year begins on December 31, the retro calculation is performed based on financial data as of June 30.

Major components of the retrospective rating plan include:

- Losses
- Administrative Costs
- Investment Income
- Incurred but not reported (IBNR) loss levels
- Claims Reserves

ATTACHMENTS: 1) December 31, 2014 Retrospective Rating Adjustment Schedule

California Sanitation Risk Management Authority
 Pooled Liability Program Restrospective Rating Adjustment Schedule - DRAFT
 Calculated effective December 31, 2014

Member Name	1986-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	TOTAL
Aliso Water Management Agency	0	(4)	0	0	0	0	0	0	0	0	0	0	0	0	(4)
Bolinas Comm. P.U.D.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capistrano Beach S.D.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Carmel S.D.	0	(3)	0	0	0	644	0	0	0	0	0	0	0	(8,183)	(7,542)
Carpinteria S.D.	0	(2)	0	0	0	453	0	0	0	0	0	0	(20,112)	(5,970)	(25,631)
Central Marin S.A.	0	(4)	0	0	0	792	0	0	0	0	0	0	0	(9,595)	(8,807)
Dana Point S.D.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delta Diablo S.D.	0	(4)	0	0	0	1,006	0	0	0	0	0	0	0	(13,100)	(12,098)
Dublin San Ramon Services Dist	0	(8)	0	0	0	1,273	(1,256)	0	0	0	0	0	0	(26,273)	(26,264)
East Bay Discharges Authority	0	(3)	0	0	0	439	0	0	0	0	0	0	0	(4,680)	(4,244)
East Palo Alto S.D.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Encina Admin. Agency	0	(7)	0	0	0	1,823	0	0	0	0	0	0	0	(24,019)	(22,203)
Fairfield/Suisun S.D.	0	(3)	0	0	0	709	0	0	0	0	0	0	0	(18,524)	(17,818)
Fallbrook S.D.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goleta S.D.	0	(5)	0	0	0	1,026	0	0	0	0	0	0	0	(13,300)	(12,279)
Ironhouse S.D.	0	(3)	0	0	0	914	0	0	0	0	0	0	0	(14,395)	(13,484)
Lake Arrowhead C.S.D.	0	0	(42)	0	0	0	0	(932)	0	0	0	0	63,079	(16,210)	45,895
Las Gallinas Valley S.D.	0	0	0	0	0	766	0	0	0	0	0	0	0	(9,536)	(8,770)
Leucadia County W.D.	0	(3)	0	0	0	664	0	0	0	0	0	0	0	(11,906)	(11,245)
Montecito S.D.	0	(2)	0	0	0	475	0	0	0	0	0	0	0	(6,255)	(5,782)
Monterey Regional W.P.C.A.	0	(6)	0	0	0	1,553	0	0	0	0	0	0	0	(24,535)	(22,988)
Mt. View Sanitary District	0	0	0	0	0	0	0	0	0	0	0	0	0	(7,009)	(7,009)
North of River S.D.	0	(3)	0	0	0	813	0	0	0	0	0	0	0	(14,944)	(14,134)
Novato S.D.	0	(3)	0	0	0	737	0	0	0	0	0	0	(26,678)	(15,053)	(40,997)
Ojai Valley S.D.	0	(3)	0	0	0	0	0	0	0	0	0	0	0	(9,337)	(9,340)
Oro Loma S.D.	0	(4)	0	0	0	871	0	0	0	0	0	0	0	(11,601)	(10,734)
S.A.S.M.	0	(4)	0	0	0	0	0	0	0	0	0	0	0	(7,018)	(7,022)
S.E.R.R.A.	0	(4)	0	0	0	0	0	0	0	0	0	0	0	0	(4)
San Elijo JPA	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,929)	(4,929)
Sanitary Dist. No. 1 of Marin	0	0	0	0	0	0	0	0	(7,843)	0	0	(8,141)	41,752	29,530	55,298
Sanitary Dist. No. 5 of Marin	0	(2)	0	0	0	359	0	0	0	0	0	0	(3,106)	8,413	5,664
Santa Margarita WD	0	0	0	0	0	4,310	(4,270)	0	0	0	0	0	0	(55,585)	(55,545)
Sausalito Marin City S.D.	0	(3)	0	0	0	364	0	0	0	0	0	0	0	(4,313)	(3,952)
Selma-Kingsburg-Fowler S.D.	0	(4)	0	0	0	884	0	0	0	0	0	0	0	(9,531)	(8,651)
Sewer Authority of Mid-Coastside	0	(3)	0	0	0	0	0	0	0	0	0	0	0	(10,489)	(10,492)
South Bayside S.A.	0	(7)	0	0	0	1,448	0	0	0	0	0	0	0	(18,262)	(16,821)
South Orange County Wastewater Authority	0	0	0	0	0	1,557	0	0	0	0	0	0	0	(23,702)	(22,145)
South Tahoe Public Utility District	0	(12)	0	0	0	2,874	0	0	0	0	0	0	0	69,759	72,621
Stege S.D.	(2)	(4)	0	0	0	765	0	0	0	(748)	0	0	(3,367)	(9,646)	(13,006)
Tahoe-Truckee S.A.	0	(2)	0	0	0	613	0	0	0	0	0	0	0	(8,753)	(8,142)
Truinfo County S.D.	0	(2)	0	0	0	419	0	0	0	0	0	0	0	(10,810)	(10,193)
Union Sanitary District	0	(5)	0	0	0	897	0	0	0	0	0	0	0	(8,116)	(7,224)
Vallejo Sanitation & Flood	0	(3)	0	0	0	559	0	0	0	0	0	0	0	(5,728)	(5,172)
Ventura Regional S.D.	0	(7)	0	0	0	1,304	0	0	0	0	0	0	0	(8,355)	(7,058)
Victor Valley W.R.A.	(2)	(4)	0	0	0	1,100	0	0	0	0	(34,625)	0	12,559	(20,534)	(41,508)
West Bay S.D.	0	(5)	0	0	0	798	0	(455)	(6,402)	0	0	0	0	(11,538)	(17,602)
West Contra Costa S.D.	0	0	0	0	0	899	0	0	0	0	0	0	0	(14,061)	(13,162)
West Valley S.D.	0	(7)	0	0	0	1,239	0	0	0	0	0	0	0	(20,286)	(19,054)
Windsor W.D.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	(4)	(148)	(42)	0	0	35,347	(5,526)	(1,387)	(14,245)	(748)	(34,625)	(8,141)	64,127	(408,181)	(373,577)

**Pooled Liability Program
Program Year 29 (2014-15) Renewal**

ISSUE: The Pooled Liability Program will be renewing December 31, 2014. Issues to consider include:

- An appropriate total cost structure to members given the Program's expected expense items.
- Comparison of total costs at both \$500,000 and \$750,000 SIR levels.
- Consideration of Stop Loss Aggregate coverage.

RECOMMENDATION: The Pooled Liability Committee recommends to the Executive Board that rates be set at a \$500,000 SIR level such that the total expected renewal cost will not exceed \$4,250,255 before consideration of retrospective rating adjustments.

FISCAL IMPACT: The following chart depicts the Program Administrators' expectation of the Program's renewal costs based on actuarial projections using a 70% confidence level, estimated reinsurance / excess costs, and budgeted expense items.

Expense Item	PY 28	PY 29	Change	
	2013/14 \$25.5 million limit	2014/15 \$25.5 million limit		
Pool Deposits	2,142,000	2,020,000	-122,000	-5.70%
Est. Reinsurance/Excess Costs (Net)	1,330,967	1,344,543	13,575	1.02%
Est. Fixed Expense (JPA Charge)	287,896	281,519	-6,377	-2.22%
Pool Deposit Fees	604,193	604,193	0	0.00%
Total Expected Costs	4,365,056	4,250,255	-114,802	-2.63%
Retro Adjustment	<u>-885,047</u>	<u>-373,573</u>	<u>511,474</u>	<u>57.79%</u>
Net Renewal Invoices	3,480,009	3,876,682	396,672	11.40%

BACKGROUND: A description of each line item in the above chart follows, as well as a discussion of other issues:

1. Pool Deposits: This is the actuary's suggested "Ultimate Net Loss" at a 70% confidence level, discounted at 2.5%.

2. Reinsurance / Excess Cost: This is an estimate of the reinsurance / excess cost net of commission.
3. Fixed Expenses: Estimated expenses to operate the program which include an allocation of overall JPA expenses.
4. Pool Deposit Fees: Fees paid to the program administrator per its contract and CSRMA's budget. Alliant is also paid a commission on the reinsurance/excess insurance placement, which offsets the pool deposit fee.
5. Retro Adjustment: The Retro plan was adopted to spread losses amongst members. The calculation grants either returns or assessments to members based on their individual experience and the experience of the group as a whole.
6. Net Renewal Invoice: Total amount to be invoiced to Members.

There are three components of this year's renewal that merit further discussion. They are Pool Deposits, Reinsurance / Excess Insurance Costs, and Fixed Expense (JPA Charge).

Pool Deposits for the 2014/15 PY renewal are based on the "ultimate net loss" projection from the Towers Watson Actuarial Study. Towers Watson has projected a 5.7% decrease in the overall funding requirements primarily due to better than expected loss experience.

The reinsurance /excess expense increased 1.02% due to an increase in exposure (i.e. payroll and number of autos). The rate remained flat. The reinsurance carrier currently providing coverage in excess of the pooled layer is the Munich Re-Insurance America (AM Best Rating A XV). The reinsurance limits are \$15,000,000 excess of the \$500,000 (i.e. pooled layer). Ironshore Specialty Insurance Co. (Non-admitted, AM Best Rating A – XI) provides an additional \$10,000,000 in limits bringing the total limits excess of the pooled layer to \$25,000,000. Munich Re and Ironshore offered renewal terms.

The Fixed Expense (JPA Charge) the JPA Charge is expected to decrease by about 2%, due to a decrease in budgeted expenses, most notably outside safety consultant.

Other Factors to Consider

Alternative SIR Levels

The Program Administrators recommend remaining at the \$500,000 SIR, as there is no cost savings associated with the assumption of a larger degree of risk, given the reinsurance carrier's

pricing and actuarial projections. To move to a higher SIR (\$750,000) the Program would need to charge \$566,000 more in deposits. The reinsurer will not drop their premiums by this amount to have a higher attachment point on the Program.

The downside to this approach is the inability to return "excess" funds paid to the insurer, plus investment income to members at a later date and assuming no losses occur. Moving to a higher SIR would allow CSRMA to invest the increased deposits rather than transfer these funds to the reinsurance carrier, which in turn protects the lower SIR.

Stop Loss Aggregate

Each year, Stop Loss Aggregate coverage is considered. This coverage is designed to protect pool assets against a series of catastrophic events in the pooled layer in a single Program Year.

Munich Re has provided a quote for an aggregate stop loss attaching at \$3,815,000 (i.e. capping the pooled layer losses at \$3,815,000 in PY 29). The limit offered is \$1,000,000 excess of \$3,815,000 for a premium of \$175,000. The Program Administrators do not recommend a stop loss aggregate based on historical loss experience in the pooled layer.

ATTACHMENTS: None.

Pooled Liability Program
Dividend Calculation as of 12/31/14

ISSUE: The Pooled Liability Program Policy & Procedure No. 5-L allows for dividends to be declared from completed program years if the following requirements are met:

- The program, on an aggregate basis, is funded to a 70% confidence level with retained funds in excess of the pooled layer per occurrence limit currently in force.
- Dividends cannot be declared sooner than five years after expiration of a program year.
- No more than 25% of any years' retained earnings will be declared as dividends.

Program Years 1986/87, 1988/89, 1989/90, 1990/91, 1991/92, 1992/93, 1993/94, 1994/95, 1995/96, 1996/97, 1997/98, 1998/99, 1999/00, 2002/03, 2003/04, 2005/06, 2006/07, 2007/08 and 2008/09 are eligible for dividend declaration.

RECOMMENDATION: The Pooled Liability Committee recommends that the Executive Board recommend to the Board of Directors a declaration of a dividend in the amount of \$1,037,643.

FISCAL IMPACT: Declaration of the recommended dividend would reduce the program's retained funds by \$1,037,643. As of June 30, 2014, the retained funds in the program were \$7,249,431.

BACKGROUND: The Authority has two mechanisms with which to return retained earnings to members. The retrospective rating plan does not generally return all retained funds to members. Therefore, the authority adopted Policy & Procedure No. 5-L in order to distribute the balance of retained funds to members. Unlike the retro plan, all members are eligible to receive dividends even if a member has had a poor loss experience in the program year for which a dividend is being declared. The 1987/88, 2000/01, 2001/02 and 2004/05 years are not eligible for a dividend declaration due to negative retained earnings for these years.

The dividend is calculated using the liability program matrix as of June 30, 2014, and the retrospective rating plan calculation as of December 31, 2014. If a dividend were declared, dividend checks would be distributed to each of the members. The attached documents show the members allocations at a total distribution of \$1,037,643.

ATTACHMENTS: Summary of Dividends for All Program Years.

California Sanitation Risk Management Authority
Pooled Liability Program Summary of Dividends for All Program Years
Calculated Effective December 31, 2014

Member Agency	Program Year 1-11	Program Year 12	Program Year 13	Program Year 14	Program Year 15	Program Year 16	Program Year 17	Program Year 18	Program Year 19	Program Year 20	Program Year 21	Program Year 22	Program Year 23	Total Amount of Dividends
Aliso Water Management Agency	-1,558	-329	-497	-749	0	0	NA	NA	NA	NA	NA	NA	NA	-3,133
Bolinas C.P.U.D.	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0
Capistrano Beach S.D.	-315	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-315
Carmel Area Wastewater Dist.	-1,129	-167	-260	-444	0	0	-1,061	-906	0	-1,410	-3,135	-5,396	-1,466	-15,374
Carpinteria S. D.	-718	-150	-259	-383	0	0	-730	-689	0	-1,087	-2,487	-3,879	-1,054	-11,436
Central Marin S.A.	-1,540	-308	-476	-682	0	0	-1,356	-1,136	0	-1,954	-4,011	-5,888	-1,600	-18,951
Dana Point S.D.	-566	-156	-227	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-949
Delta Diablo	-1,425	-320	-374	-571	0	0	-1,569	-1,613	0	-2,266	-5,542	-8,493	-2,308	-24,481
Dublin San Ramon Services District	-3,019	-587	-749	-1,231	0	0	-3,394	-3,082	0	-3,527	-8,703	-13,891	-3,775	-41,958
East Bay Dischargers Authority	-403	-178	-280	-379	0	0	-896	-691	0	-1,005	-1,971	-2,754	-748	-9,305
East Palo Alto S.D.	-683	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-683
Encina Wastewater Authority	-2,940	-790	-961	-1,384	0	0	-3,303	-2,767	0	-4,888	-10,724	-15,290	-4,155	-47,202
Fairfield/Suisun Sewer Dist.	-1,194	-339	-427	-546	0	0	-1,303	-1,134	0	-1,751	-3,896	-5,638	-1,532	-17,760
Fallbrook S.D.	-919	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-919
Goleta S.D.	-1,800	-510	-607	-848	0	0	-1,861	-1,611	0	-2,597	-6,013	-8,983	-2,441	-27,271
Ironhouse S.D.	-843	-282	-359	-482	0	0	-1,498	-1,369	0	-2,290	-5,252	-8,102	-2,202	-22,679
Lake Arrowhead C.S.D.	-1,068	-1,170	-1,452	-2,074	0	0	-4,550	-2,481	0	-4,135	-8,994	-13,462	-3,658	-43,044
Las Gallinas Valley S.D.	-1,022	-333	-405	-625	0	0	-1,389	-1,221	0	-1,768	-4,112	-6,233	-1,694	-18,802
Leucadia C.S.D.	-1,603	-259	-288	-421	0	0	-1,121	-935	0	-1,589	-3,236	-6,345	-1,724	-17,521
Montecito S.D.	-713	-234	-274	-371	0	0	-788	-752	0	-1,229	-2,446	-3,767	-1,024	-11,598
Monterey Regional W.P.C.A.	-2,632	-682	-762	-1,067	0	0	-3,296	-2,748	0	-4,566	-9,091	-14,668	-3,986	-43,498
Mt. View S.D.	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-907
North of River S.D.	-1,194	-301	-373	-534	0	0	-1,475	-1,294	0	-2,086	-5,217	-7,836	-2,129	-22,439
Novato Sanitary District	-1,354	-348	-398	-573	0	0	-1,239	-1,067	0	-1,705	-3,909	-6,129	-1,665	-18,387
Ojai Valley S.D.	-1,310	-360	-406	-552	0	0	-1,202	-1,055	0	-1,570	-3,882	-5,836	-1,586	-17,759
Oro Loma S.D.	-1,724	-456	-521	-815	0	0	-1,822	-1,386	0	-2,178	-4,728	-7,119	-1,934	-22,683
Sanitary District #1	-1,416	-526	-628	-828	0	0	-1,944	-1,427	0	-2,271	-5,179	-8,960	-2,161	-25,340
Sanitary District #5	-465	-145	-219	-296	0	0	-713	-552	0	-785	-1,602	-2,357	-641	-7,775
Santa Margarita WD	0	NA	NA	NA	NA	NA	NA	-9,259	0	-11,988	-26,445	-32,808	-8,915	-89,415
Sausalito Marin City S.D.	-563	-159	-225	-304	0	0	-738	-569	0	-801	-1,700	-2,343	-637	-8,039
Selma-Kingsburg-Fowler C.S.D.	-1,416	-421	-440	-640	0	0	-1,424	-1,294	0	-2,235	-5,503	-8,336	-2,265	-23,974
Sewer Authority of Mid-Coastside	-1,037	-304	-440	-590	0	0	-1,047	-1,223	0	-1,832	-5,042	-6,938	-1,885	-20,338
Sewerage Agency of Southern Marin	-1,366	-400	-516	-736	0	0	-1,222	-1,028	0	-1,903	-3,477	-5,222	-1,419	-17,289
Silicon Valley Clean Water	-2,253	-552	-875	-1,233	0	0	-2,947	-2,497	0	-4,040	-8,569	-11,798	-3,206	-37,970
South East Regional R.A.	-1,715	-357	-437	-615	0	0	NA	NA	NA	NA	NA	NA	NA	-3,124
South Orange County Wastewater Authority	0	NA	NA	NA	NA	NA	-3,037	-2,684	0	-4,428	-8,919	-13,379	-3,636	-36,083
South Tahoe PUD.	-4,025	-1,521	-1,683	-2,402	0	0	-5,421	-5,015	0	-8,222	-17,410	-25,451	-6,916	-78,066
Stege S.D.	-1,280	-370	-521	-703	0	0	-1,369	-1,198	0	-1,955	-4,078	-6,248	-1,724	-19,446
Tahoe-Truckee S.A.	-1,063	-269	-295	-383	0	0	-898	-874	0	-1,655	-3,765	-5,260	-1,429	-15,891
Triunfo S.D.	-743	-177	-261	-356	0	0	-870	-680	0	-951	-1,942	-2,766	-752	-9,498
Union S.D.	-2,993	-644	-722	-926	0	0	-1,777	-1,438	0	-2,229	-4,533	-6,434	-1,748	-23,444
Vallejo Sanitation & Flood Control	-1,316	-309	-340	-427	0	0	-1,023	-799	0	-1,140	-2,312	-3,491	-949	-12,106
Ventura Regional S.D.	-4,323	-1,143	-1,240	-1,253	0	0	-2,884	-2,172	0	-3,419	-7,665	-11,599	-3,152	-38,850
Victor Valley W.R.A.	-1,495	-456	-573	-809	0	0	-1,907	-1,765	0	-3,183	-7,430	-11,149	-3,030	-31,797
West Bay S.D.	-1,581	-393	-529	-799	0	0	-1,433	-1,227	0	-1,975	-4,367	-7,326	-1,768	-21,398
West County W.D.	-2,924	-734	-818	-793	0	0	-1,620	-1,385	0	-2,257	-5,299	-7,398	-2,010	-25,238
West Valley	-514	-445	-535	-743	0	0	-2,297	-2,042	0	-3,240	-8,067	-12,057	-3,276	-33,216
Windsor W.D.	-292	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-292
Total	-64,452	-17,584	-21,652	-29,567	0	0	-68,424	-67,065	0	-104,110	-230,653	-341,029	-93,107	-1,037,643

Pooled Liability Program
Deductible Selection Policy and Procedure

ISSUE: Each year prior to the renewal of the Pooled Liability Program, the Program Administrators perform a review of member agency loss history for the two most recent program years to determine appropriate deductible levels. Based on loss data valued as of June 30, 2014 for the two most recent program years, four members qualify as having adverse loss experience as defined by the Deductible Selection Policy and Procedure.

The Pooled Liability Committee reviewed the Deductible Selection Worksheet as of June 30, 2014 and directed the Program Administrators to perform a historical review of total deposits vs. claims paid for Sanitary District No. 1 of Marin County (SD No. 1). Given SD No. 1's loss history and their deficit position in the Program, the Committee is recommending that the Executive Board increase the deductible for SD No. 1 from \$25,000 to \$50,000 effective December 14, 2014. A letter was sent to SD No. 1's General Manager under the Committee Chair's signature dated November 19, 2014 notifying the District of the recommended increase in deductible. A copy of the letter is attached to this item. The Committee is not recommending an increase in deductible for the other three members.

RECOMMENDATION: The Pooled Liability Committee is recommending that the Executive Board increase the deductible for SD No. 1 from \$25,000 to \$50,000 effective December 14, 2014.

FISCAL IMPACT: Unknown.

BACKGROUND: The Board of Directors approved the attached Deductible Selection Policy and Procedure. The Policy and Procedure incorporates a member agency's loss experience into the deductible selection process. Deductible levels range from \$2,500 to \$500,000 with a minimum deductible for sewer overflows set at \$10,000.

Each year prior to the renewal of the Pooled Liability Program, the Program Administrators perform a review of member agency loss history for the two most recent program years to determine appropriate deductible levels. If a member agency's loss history constitutes "Adverse Loss Experience" as defined in the Deductible Selection Policy and Procedure, a risk management audit is triggered and the member agency's deductible will be established as provided for in Procedure Section 3 of the Policy and Procedure.

SD No. 1 joined the Pooled Liability Program in 1992 and had a deficit position in the Program by 2003, meaning the Program has paid out more in claims than it has collected in deposits from SD No. 1.

To address the negative trend, in 2003, SD No. 1's deductible for Sewer Back-Ups and All Other claims was increased by the JPA from \$10,000 to \$25,000. Sadly, the deficit position has continued to grow in spite of this effort.

- ATTACHMENTS:**
1. Deductible Selection Worksheet as of June 30, 2014 (Handout)
 2. Member Total Retained Earnings (Handout)
 3. Deductible Selection Policy and Procedure #8-L
 4. Letter to Sanitary District No. 1 of Marin County

CSRMA - Pooled Liability Program Manual

CSRMA POLICY & PROCEDURE MEMORANDUM # 8-L

**EFFECTIVE: May 2, 2003
Revised August 6, 2004**

SUBJECT: Deductible Selection

PURPOSE

This Policy & Procedure Memorandum (P&P) governs the manner in which a member's annual deductible will be selected for purposes of the coverage provided by CSRMA's Pooled Liability Program (PLP).

APPLICATION; EXCEPTIONS

This P&P applies to the selection of annual deductibles for all CSRMA members participating in the PLP. However, if the PLP Memorandum of Coverage (MOC) specifies a minimum deductible for any coverage, the amount of which is greater than the deductible selected pursuant to this P&P, then in that case the minimum deductible established by the MOC controls. Nothing in this P&P is intended to, nor does it, preclude CSRMA from exercising other available remedies for a members' unsatisfactory claims history, such as removal of a member from participation in a program or removal from membership in CSRMA.

POLICIES

The following are policies of CSRMA:

1. Subject to the provisions of this P&P, each member participating in the PLP may select the annual deductible amount that will be applicable to the member during each annual coverage period.
2. A member may not select an annual deductible that is less than the Recommended Minimum Deductible set forth in the Table below, unless the smaller deductible amount is approved by CSRMA.

Participant' s Pool Deposit Amount*		Recommended Minimum Deductible
From	To	
\$20,000 or Less		\$2,500
\$20,001	\$30,000	\$5,000
\$30,001	\$50,000	\$10,000
\$50,001	\$70,000	\$25,000
\$70,001	90,000	\$50,000
\$90,001	\$110,000	\$100,000
\$110,001	\$135,000	\$250,000
\$135,000 or More		\$500,000

3. A member may select a deductible that is greater than the Recommended Minimum Deductible amount, except that the maximum deductible amount may not exceed \$500,000.

4. Unless precluded by Adverse Loss Experience, a member may select a deductible that is less than the recommended minimum deductible shown in the Table if the member' s selection is approved as provided in this P&P.

5. If a member' s loss history constitutes Adverse Loss Experience, the member' s deductible will be established as provided in Procedure Section 3 of this P&P.

*For the purposes of this Table, a member' s Pool Deposit Amount is the premium deposit payable by the member exclusive of the deposit required for Public Officials Errors and Omissions Coverage and before allowance is made for any deductible credits.

6. Adverse Loss Experience is defined as follows:

- (a) Three or more losses incurred by the member in any one of the two most recent program years where each loss exceeds the member's deductible for that year; or
- (b) Total incurred losses by the member in any one of the two most recent program years equal to \$100,000 or more in excess of the member's deductible for that year.

For these purposes, the phrase two most recent program years means the PLP program year then in effect and the program year preceding it.

PROCEDURES

1. Unless (a) the member selects another deductible amount, or (b) other provisions of this P&P allow or require a different selection, a member is deemed to have selected the Recommended Minimum Deductible indicated in the Table above.

2. If a member wishes to select a deductible other than the Recommended Minimum Deductible, the member must notify CSRMA's Program Administrators of the member's selection not later than 90 days before the commencement of the program year.

- (a) Subject to the provisions of this P&P concerning Adverse Loss Experience, selection of a deductible greater than the Recommended Minimum Deductible will be approved without further action.
- (b) In the case of any PLP Participant that, as of the effective date of this P&P, has an annual deductible which is less than the Recommended Minimum Deductible, the participant is entitled to select and retain that lesser deductible amount so long as the PLP participant's loss history does not reflect Adverse Loss Experience, as defined in Policy Section 6 above.
- (c) In cases not covered by Subsection (b) above, if the member wishes to select a deductible that is lower than the Recommended Minimum Deductible, the selection shall be referred to the PLP Committee for determination. The PLP Committee shall review the member's selection in relation to relevant underwriting considerations including,

especially, the member's loss experience. The requested deductible selection may be approved by the Committee if the Committee believes:

- i. It is more probable than not that the member will not experience more than one loss during the next coverage period that would exceed the member's selected deductible amount, and
- ii. Other pertinent underwriting considerations do not favor selection of a larger amount.

3. During any interval that a PLP participant's loss history reflects Adverse Loss Experience, as defined in Policy Section 6 above, the member's minimum deductible shall be established by CSRMA as follows:

(a) A Risk Management Audit will be triggered. The Risk Management Audit will be performed by CSRMA's Risk Control Adviser.

(b) CSRMA's Program Administrators will make a recommendation to the PLP Committee on an appropriate deductible level for the member, based on the results of the risk management audit and an analysis of the member's loss history.

4. At such time as a PLP participant's loss history no longer reflects Adverse Loss Experience, as defined in Policy Section 6 above, the provisions of Procedure Section 3, above, shall no longer apply.

5. Any decision or determination by the PLP Committee may be appealed by the affected member or any other member of the PLP to CSRMA's Executive Board, who shall hear and determine the appeal as promptly as possible. The decision of the Executive Board is final.

#615896



c/o ALLIANT INSURANCE SERVICES, INC.
100 Pine Street, 11th Floor, San Francisco, CA 94111-5101

Tel: 415.403.1400

Insurance License No.: 0C36861
Fax: 415.874.4813

OFFICERS:

Russ Baggerly, *President*
805.646.5548
Paul Bushee, *Vice President*
760.753.0155

PAST PRESIDENTS:

Robert Reid
2006-2010
Kevin Hardy
2003-2006

November 19, 2014

Mr. Greg Norby, General Manager
Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
2960 Kerner Blvd.
San Rafael, CA 94901

Notice of Proposed Deductible Increase
CSRMA Pooled Liability Program
Deductible Selection Policy and Procedure

Dear Mr. Norby:

Annually, the CSRMA Pooled Liability Committee performs a review of member agency loss history to determine appropriate deductible levels in keeping with the Board adopted Deductible Selection Policy and Procedure that requires the increase of member deductibles when the members' loss experience meets the Policy's definition of "adverse loss experience". A copy of the Policy and Procedure is attached to this letter for your review.

Sanitary District No. 1 of Marin County ("SD No. 1") joined the Pooled Liability Program in 1992 and developed a deficit position within it in 2002, meaning the Program has paid out more in claims on behalf of SD No. 1 than it has collected in pool deposits (premium). That deficit position has steadily grown since then and now stands at \$1.776 million as on June 30, 2014. While in and of itself, a deficit position isn't necessarily a concern, long term deficit positions particularly when coupled with a persistent negative trend is of material significance to the pool and to its members.

Given these facts, SD No. 1's loss history has been and continues to be in the range defined by the Deductible Selection Policy and Procedure as "adverse loss experience". Based on this, and the magnitude of the deficit and the long term negative trend on November 13, 2014 the Pooled Liability Committee voted to recommend that the Executive Board increase the deductible for SD No. 1 from \$25,000 to \$50,000 effective December 31, 2014. The Executive Board will be reviewing this matter at their December 8, 2014 meeting which you are welcome to attend.

Mr. Greg Norby
November 19, 2014
Page 2

The Pooled Liability Committee was reluctant to make its decision recognizing that CSRMA and SD No. 1 have tried to work together to address loss control for a number of years. The Pooled Liability Committee recognizes that current SD No. 1 management and leadership have inherited this situation and we commend you for your recent management efforts in avoiding and mitigating claim activity. However, the Pooled Liability Committee has a fiduciary responsibility to all Program members to be sure that the Program remains as financially equitable as possible.

Please do not hesitate to contact me or the Program Administrators if you would like to discuss, or if you need back up information on this matter.

Very truly,



Bert Michalczyk
Chair, Pooled Liability Committee
(925) 875-2200

Encl.

cc: Russ Baggerly, President of the Board
Dennis Mulqueeney, Program Administrator
Seth Cole, Program Administrator

CSRMA - Pooled Liability Program Manual

CSRMA POLICY & PROCEDURE MEMORANDUM # 8-L

**EFFECTIVE: May 2, 2003
Revised August 6, 2004**

SUBJECT: Deductible Selection

PURPOSE

This Policy & Procedure Memorandum (P&P) governs the manner in which a member's annual deductible will be selected for purposes of the coverage provided by CSRMA's Pooled Liability Program (PLP).

APPLICATION; EXCEPTIONS

This P&P applies to the selection of annual deductibles for all CSRMA members participating in the PLP. However, if the PLP Memorandum of Coverage (MOC) specifies a minimum deductible for any coverage, the amount of which is greater than the deductible selected pursuant to this P&P, then in that case the minimum deductible established by the MOC controls. Nothing in this P&P is intended to, nor does it, preclude CSRMA from exercising other available remedies for a members' unsatisfactory claims history, such as removal of a member from participation in a program or removal from membership in CSRMA.

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\$110,001	\$135,000	\$250,000
\$135,000 or More		\$500,000

3. A member may select a deductible that is greater than the Recommended Minimum Deductible amount, except that the maximum deductible amount may not exceed \$500,000.

4. Unless precluded by Adverse Loss Experience, a member may select a deductible that is less than the recommended minimum deductible shown in the Table if the member' s selection is approved as provided in this P&P.

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6. Adverse Loss Experience is defined as follows:

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- (b) Total incurred losses by the member in any one of the two most recent program years equal to \$100,000 or more in excess of the member's deductible for that year.

For these purposes, the phrase two most recent program years means the PLP program year then in effect and the program year preceding it.

PROCEDURES

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- (c) In cases not covered by Subsection (b) above, if the member wishes to select a deductible that is lower than the Recommended Minimum Deductible, the selection shall be referred to the PLP Committee for determination. The PLP Committee shall review the member's selection in relation to relevant underwriting considerations including,

especially, the member's loss experience. The requested deductible selection may be approved by the Committee if the Committee believes:

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5. Any decision or determination by the PLP Committee may be appealed by the affected member or any other member of the PLP to CSRMA's Executive Board, who shall hear and determine the appeal as promptly as possible. The decision of the Executive Board is final.

#615896

Pooled Liability Program
Memorandum of Coverage Review - Duty of Defense

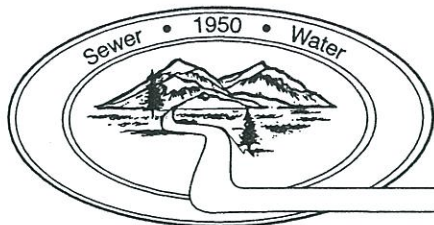
ISSUE: As a result of the STPUD GRCLT claim matter, STPUD is asking CSRMA to review its Memorandum of Cover (MOC) as respects its language concerning the duty of defense.

RECOMMENDATION: The Program Administrators recommend that this topic be added to the forthcoming MOC review that has been scheduled for work by the Pooled Liability Committee for 2015. Further, the Administrators recommend that an appropriate response to this letter be written.

FISCAL IMPACT: None known.

BACKGROUND: See attached letter

ATTACHMENTS: Letter from Eric Schafer to Russ Baggerly.



South Tahoe Public Utility District

Directors
Chris Cefalu
James R. Jones
Randy Vogelgesang
Kelly Sheehan
Eric Schafer

November 21, 2014

1275 Meadow Crest Drive • South Lake Tahoe • CA 96150-7401
Phone 530 544-6474 • Fax 530 541-0614 • www.stpub.us

Mr. Russ Baggerly
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, CA 93022

Dear Russ:

Thank you for the time and effort you have personally invested in discussing the District's situation with me on several occasions. We appreciate your interest in our predicament.

It is very clear to us that CSRMA and its staff have taken the position that there is no cost of defense because there is no coverage for the underlying indemnity coverage. The District is disappointed that CSRMA's position is even more restrictive than what we would have expected to receive from a private insurance carrier. In other words, in the private insurance setting, if there is a potential for indemnity coverage, then the insurer owes a duty of defense. In the typical setting, providing a cost of defense does not mean there is indemnity coverage. Under CSRMA's interpretation, if coverage is disputed by CSRMA, a defense obligation would never arise until a court made such a determination – an untenable position, at least in the eyes of the District.

As a member of a pooled liability program, the District expected to receive at least the cost of defense for a clear error and omission by District staff. The District now finds itself in a position of having to pay the cost of defending itself against an overreach by the plaintiff, based upon what the District and its attorneys understand about the applicable statutes of limitation. District staff certainly expected to be provided a cost of defense against this overreach. We request that CSRMA reconsider its position as to the District's reasonable expectations. As discussed before, we believe that CSRMA's other member agencies would be surprised to learn of this serious limitation in coverage.

We strongly suggest that CSRMA give some serious thought to the purpose of the pooled liability program and what its members believe they are receiving under that program. We respectfully request that CSRMA consider revising its program regarding the cost of defense so this type of situation does not occur again to any of CSRMA's member agencies.

Sincerely,

Eric Schafer
Board President

Workers' Compensation Program
Workers' Compensation Program Claims Audit

ISSUE: In order to ensure that CSRMA members continue to benefit from above average workers' compensation claims handling services, the third party administrator undergoes a claims handling audit every other year.

Farley Consulting Services conducted an audit of York Insurance Services. Tim Farley, from Farley Consulting Services, presented the audit report at the October Workers' Compensation Committee meeting. A copy of the report, as well as York Insurance Services responses to the audit, is included for the Executive Board's review.

RECOMMENDATION: None.

FISCAL IMPACT: The cost of the audit was \$8,200.

BACKGROUND: Every other year, an audit is conducted of the claim handling practices of CSRMA's workers' compensation third party claims administrator, York Insurance Services. The last audit was conducted in 2012 by Farley Consulting Services.

Audit areas include: adequacy of reserves, promptness of reporting, employee contact, payments, investigations, litigation, denials, rehabilitation, excess claims and subrogation.

ATTACHMENTS: 1. Workers' Compensation Claims Audit (separate).
2. York Insurance Services' Audit Response.



York Insurance Services Group, Inc.
P.O. Box 619058
Roseville, CA 95661-9058

November 6, 2014

Seth Cole, First Vice President
 Public Entity
 Alliant Insurance Services
 100 Pine Street, 11th Floor
 San Francisco CA 94111

Re: Response to Audit Results for CSRMA – Farley Consulting Services

Dear Mr. Cole,

This letter is written in response to Farley Consulting Services audit report dated August 21, 2014 for California Sanitation Risk Management Authority (CSRMA) received on October 23, 2014. The overall audit was scored as a PASS with the findings documenting great results for York and the CSRMA program which continues to be indicative of an excellent partnership with successful results.

There were 80 files reviewed during this audit. Farley Consulting Services recommended improvement in a few areas and we have responded to those recommendations below. It should be noted that there were ten critical audit areas and York’s team had inquiries in only four areas.

Reserves

Standards	Audit Findings	Response to Recommendations for Improvement
<ul style="list-style-type: none"> Address permanent disability reserves as indicated with medical evidence and review all other reserves with every file review for adequacy. 	<ul style="list-style-type: none"> Auditor found one file of eighty with a reserve recommendation for permanent disability. 	<ul style="list-style-type: none"> Staff has a good understanding of reserve requirements. This particular file did not meet the requirements to establish permanent disability reserves (non-surgical) until receipt of final report wherein they were posted on 8/25/14.

Investigation

Standards	Audit Findings	Response to Recommendations for Improvement
<ul style="list-style-type: none"> Immediate and sustained investigation into all the facts surrounding the injury and or incident. 	<ul style="list-style-type: none"> One claim was identified as not having thorough documentation or investigation of subrogation. 	<ul style="list-style-type: none"> This claim was not properly documented but subrogation efforts are continuing with the homeowner's insurance company. They forwarded \$10k without any negotiations but we have paid over \$50k, negotiations continue. Staff has been re-educated on the importance of documenting all efforts to receive credit for the work performed.

Status Report Documentation

Standards	Audit Findings	Response to Recommendations for Improvement
<ul style="list-style-type: none"> Provide clear, consistent, updated and timely status reports at 90 and 180 day intervals as indicated. 	<ul style="list-style-type: none"> The auditor made three recommendations on three specific files in this category; A) blank status report B) status report not timely C) reserve rationale not clarified in status report 	<ul style="list-style-type: none"> The team completes status reports that must be reviewed by the unit manager before distribution. A notification process is in place to ensure timeliness. A blank status report would be related to a conversion or operator error and is easily corrected. The late status report was actually due 8/29/14 and completed on 8/20/14. The final report contained reserve rationale using the life expectancy method multiplied by the usage and three year average, all of which was documented in the status report.

Excess Reporting

Standards	Audit Findings	Response to Recommendations for Improvement
<ul style="list-style-type: none"> Claims that meet reporting requirements; example (either catastrophic or 50% of SIR) reported immediately with 90-180 day follow-up 	<ul style="list-style-type: none"> One claim reviewed was reported late to excess carrier. <p style="text-align: center;">99</p>	<ul style="list-style-type: none"> A monthly report is reviewed to ensure all excess claims are on notification to be reported no less than 90/180 days dependent upon case status. The reviewed claim was reported 11/4/14.

During this audit process, the auditor, Tim Foley reviewed a total of 80 files for CSRMA. Of the ten critical areas reviewed only four categories required a response. We had no deficiencies in several categories including claims handling, medical expenses control and costs containment, litigation management, supervision, diary review, and case closure/claims resolution, just to name a few. It is our goal to exceed in all categories without discrepancy during the next audit. These audit findings have provided a benchmark for continuous development and growth in the areas mentioned above.

We continue to be excited to be your partner, administering the workers compensation benefits for your injured employee's.

Please let us know if you need additional information or further clarification.

Sincerely,

Kelli Vitale

Kelli Vitale
Assistant Vice President

cc: Angela Hatley
Sherrie Adams

Workers' Compensation Program
Payroll Audit
Program Year 24 (2013-2014)

ISSUE: The Workers' Compensation Program deposit is based on estimated payroll at inception of the coverage period. In order to determine final program costs, each member of the Program provides the Program Administrator with actual payroll for the same period.

RECOMMENDATION: Information only. Based on the audit results, members will either receive a return check or invoice for any additional deposit due.

FISCAL IMPACT: Based on the audit results, \$72,295 in additional deposit is due from the membership. Last year, \$13,624 was due from the membership.

BACKGROUND: The Program Administrators request from each member of the Program updated (or actual) payroll for the past program year. The actual payroll is compared to the estimated payroll originally submitted at the inception of the program year. The actual deposit for that program year is calculated using the updated payroll information. This results in either a return or additional premium due to the membership.

ATTACHMENTS: PY24 (2013-2014) Audit Worksheet

California Sanitation Risk Management Authority

Program Year 24 - Payroll Audit

July 1, 2013 - July 1, 2014

WCIRB Payroll Classification

Member Agency	No. of Elected Officials	Sanitation 7580	Clerical 8810	Sewer Construction 6307	Sewer Construction 6308	Sales 8742	Irrigation 0251	Water 7520	Landfill 9424	Engineers 8601	Final Payroll	Elected Official Premium	Final Manual Premium	Xmod	Final Audited Premium	Annual Deposit	Final Audit Premium Due / Payable
		0.042932002	0.003533224	0.080664166	0.057064898	0.004666522	0.042998667	0.031999008	0.069997830	0.003733218		50					
Carmel Area Wastewater District	5	1,494,338	176,288			121,100				106,623	1,898,349	250	65,176	78%	50,878	59,101	(8,223)
Carpinteria Sanitary District	5	868,630	192,613			190,721				73,980	1,325,944	250	38,249	194%	74,871	79,801	(4,930)
Castro Valley Sanitary District	5	738,206	423,018			436,025					1,597,249	250	33,187	73%	24,291	27,083	(2,792)
Central Contra Costa Sanitary District	5	16,074,515	6,236,441			337,750				5,360,737	28,009,443	250	732,159	56%	410,747	415,071	(4,324)
Central Marin Sanitation Agency	6	3,328,456	421,918			214,451				243,242	4,208,068	300	145,296	60%	87,026	88,569	(1,543)
Delta Diablo	3	4,513,597	2,132,580			113,400				1,151,199	7,910,776	150	205,610	64%	131,239	132,602	(1,363)
Dublin San Ramon S.D.	5	4,424,864	4,725,864			665,276		1,392,033		715,605	11,923,642	250	253,881	75%	191,275	190,160	1,115
Encina Wastewater Auth.	0	4,345,883	655,785			212,000				116,333	5,330,002	0	189,329	67%	126,754	139,694	(12,940)
Fairfield-Suisun Sewer District	8	3,130,569	722,560							1,178,010	5,031,139	400	141,352	60%	85,078	81,828	3,250
Goleta Sanitary District	5	1,929,248	222,344			183,886					2,335,478	250	83,612	71%	59,496	58,487	1,009
Goleta West Sanitary District	5	339,247	165,315			57,835					562,397	250	15,149	78%	15,000	15,000	0
Ironhouse Sanitary District	5	1,433,431	276,652			222,453	614,183			151,370	2,698,089	250	89,492	101%	90,540	88,316	2,224
Lake Arrowhead CSD	5	1,257,353	689,649			261,297		1,239,329		278,275	3,725,903	250	97,114	75%	73,333	59,019	14,314
Las Gallinas Valley S.D.	5	1,070,162				516,445				160,208	1,746,815	250	46,542	75%	35,227	35,213	14
Leucadia Wastewater District	5	810,343	520,473			157,540					1,488,356	250	36,629	107%	39,552	35,624	3,928
Montecito Sanitary District	5	646,427	190,750			437,564					1,274,741	250	28,426	157%	45,121	47,847	(2,726)
Monterey Regional W.P.C.A.	0	4,565,292	1,120,734			1,251,361				647,505	7,584,892	0	202,374	74%	148,884	165,235	(16,351)
Mt. View Sanitary District	5	785,952	207,741			213,200					1,206,893	250	34,476	88%	30,567	31,916	(1,349)
Napa Sanitary District	5	3,104,929	510,794			213,200				607,971	4,436,894	250	137,375	66%	90,919	93,025	(2,106)
Novato Sanitary District	5	783,205	558,058			428,429					1,769,692	250	35,596	129%	46,342	54,385	(8,043)
Ojai Valley Sanitary District	7	920,108	414,195			225,408					1,559,711	350	40,966	87%	35,818	36,462	(644)
Oro Loma Sanitary District	5	2,942,614	586,201			106,600				551,628	4,187,043	250	130,463	62%	81,212	79,165	2,047
San Elijo Joint Powers Authority	4	1,172,535	346,963			106,600				154,665	1,780,763	200	52,143	69%	36,119	36,709	(590)
Sanitary District No. 1 of Marin	5	1,994,176	718,935		581,897					287,378	3,582,386	250	89,227	98%	87,870	106,061	(18,191)
Sanitary District No. 5 of Marin	5	493,949	69,091			263,764					826,805	250	21,450	77%	16,782	18,288	(1,506)
Santa Margarita Water District	5	2,231,683	2,329,005			1,223,238	83,624	3,813,191		586,919	10,267,660	250	231,845	80%	186,356	183,525	2,831
Sausalito-Marín City S.D.	5	728,836	168,438			106,600				113,536	1,117,410	250	32,309	122%	39,825	35,226	4,599
Selma-Kingsburg-Fowler County S.D.	5	1,384,105	217,262			106,600				211,449	1,919,416	250	60,979	89%	54,393	59,109	(4,716)
Sewer Authority Mid-Coastside	6	751,990	346,703								1,098,693	300	33,509	87%	29,550	29,017	533
Silicon Valley Clean Water	4	7,606,108	743,064			298,730				396,503	9,044,405	200	330,651	52%	172,483	158,851	13,632
South Orange County Wastewater Aut.	7	4,612,154	821,681			106,600				417,537	5,957,972	350	202,471	59%	120,625	134,198	(13,573)
South Tahoe Public Utility District	5	3,741,239	2,462,044			130,600		1,273,449		1,187,693	8,795,025	250	214,501	76%	163,374	173,376	(10,002)
Steger Sanitary Distict	5	383,450	161,669			106,600				186,900	838,619	250	17,731	78%	15,000	15,000	0
Tahoe-Truckee Sanitation Agency	5	3,474,342	503,438			206,203				269,080	4,453,063	250	151,944	61%	92,343	88,913	3,430
Truckee Sanitary District	5	1,743,796	371,730			514,444				375,383	3,005,353	250	77,579	68%	52,540	53,421	(881)
Union Sanitary District	5	7,297,932	3,598,709			2,360,790				1,158,543	14,415,974	250	330,355	95%	312,962	315,844	(2,882)
Vallejo Sanitation & Flood C.D.	8	5,526,009	1,791,920							431,025	7,748,954	400	245,183	74%	181,854	181,878	(24)
Valley Sanitary District	5	1,458,848	311,468							110,061	1,880,377	250	64,143	66%	42,412	41,892	520
Ventura Regional S.D.	9	2,153,639	1,349,008			106,600			984,245	147,271	4,740,763	450	166,671	137%	229,720	239,717	(9,997)
Victor Valley W.R.A.	5	2,384,242	837,013			158,562				51,503	3,431,320	250	105,510	84%	89,303	82,004	7,299
West Bay Sanitary District	5	1,630,300	403,134			106,600				233,824	2,373,858	250	72,289	125%	90,509	91,700	(1,191)
West County Wastewater District	5	2,813,301	1,006,638			198,479				942,457	4,960,875	250	127,856	66%	84,566	84,543	23
West Valley Sanitation District	5	1,142,300	569,390			121,150				838,125	2,670,965	250	54,182	78%	42,599	44,775	(2,176)
Totals:	217	114,232,304	40,277,276	0	581,897	12,788,101	697,807	7,718,002	984,245	19,442,538	196,722,171	10,850	5,464,981	85%	4,115,355	4,187,650	(72,295)

Workers' Compensation Program
PY24 (2013/14) Workers' Compensation Excellence Awards

ISSUE: The 2013/14 CSRMA Workers' Compensation Excellence Award program recognizes those members with the lowest frequency and severity rates, with an emphasis on severity, for the Program year ending June 30, 2014. The winners will be recognized at the January 2015 Board of Directors meeting.

RECOMMENDATION: None – informational item only.

FISCAL IMPACT: The cost for the engraved plaques, certificates and lobby banners is estimated to be less than \$12,000.

BACKGROUND: CSRMA wishes to recognize those members of the Workers' Compensation Program who achieve the best loss record for the policy year (July 1 through June 30) in the following three measurement categories:

1. Incidence Rate (*a measure of frequency per 100 full-time employees*)
2. Average Medical Cost per Claim (*a measure of the severity of the injuries that occur*)
3. Average Indemnity per Claim (*a measure of how aggressive a member is in returning injured employees to work*)

The following awards will be presented to the top 10% of the membership reflecting the best performance in the three categories listed above in three different agency size categories:

1. Small: 1-30 employees
2. Medium: 31-60 employees
3. Large: More than 60 employees

The winning agencies will receive:

1. Engraved plaque announcing the Member as a CSRMA Safety Superstar for the policy year evaluated;
2. Announcement of the award winners to the CSRMA Board of Director's meeting;
3. CSRMA Bulletin announcing the award winners; and
4. Banner suitable for lobby display announcing the Member as a CSRMA Workers' Compensation Excellence award winner for the policy year evaluated.

ATTACHMENTS: None

HANDOUT: CSRMA Workers' Compensation Program Year 24 (2013/14 Policy Year) Workers' Compensation Excellence Award Summary

Worker's Compensation Program
Evaluating Criteria for the Workers' Compensation Excellence Award

ISSUE: The Executive Board, believing that the Workers' Compensation Excellence Award may have served its purpose and be in need of an overhaul to further inspire members to address risk, asked the Workers' Compensation Committee to review the Award and offer suggestions for an overhaul.

The Program Administrators presented a recommendation for revamping the Workers' Compensation Excellence Award and combining it with the SHELL Award to address CSRMA's most frequent and severe causes of workers' compensation claims to the Workers' Compensation Committee at their last meeting. The recommendation with the Committee's input is attached to this item for the Executive Board's review.

RECOMMENDATION: Review and discuss.

FISCAL IMPACT: Potentially, \$53,000 or the average cost of a surgical back claim for CSRMA.

BACKGROUND: As a result of discussion at the 2014 Long Range Planning Session, the Executive Board directed the Program Administrators and Risk Control Advisor to evaluate the criteria to determine the Workers' Compensation Excellence Award winners.

The SHELL Award addresses both workers' compensation and general liability risks. Because of this, the Program Directors recommend developing a similar award concept for the Pooled Liability Program if the Executive Board decides to move forward with this award concept for the Workers' Compensation Program.

ATTACHMENTS: Recommendation for revamping the Workers' Compensation Excellence Award and combining it with the SHELL Award to address CSRMA's most frequent and severe causes of workers' compensation claims.

Loss Source

Low back injuries are CSRMA's most frequent and severe workers compensation claim since the pool was formed in 1990. The single largest cause of these injuries is strain and overexertion. Contributing risk factors to these injuries include:

1. **Age:** the average age of an employee is approximately 47 years old, compared to 39 years old for the US population of working adults at large according to the US Bureau of Labor Statistics, 2011. The risk of back injury increases with age. In particular, the risk of lumbar disc injuries increases significantly in the forties for workers performing strenuous activities such as lifting, twisting and bending due to the contribution of age related degeneration of the disc.
2. **Job Demands:** Employees perform a wide array of tasks that require heavy lifting, pushing, and pulling, including twisting and vibrating the spine, such as using a jackhammer. These are well-documented risk factors for back injury.
3. **Fitness level:** A 2005 wellness survey of select CSRMA members asking respondents to name their top health goal resulted in weight loss being the clear top pick. Every extra pound carried around the middle places an additional ten pounds of force inside the lumbar discs when bending at the waist, increasing the risk of low back muscle strain and disc injury.

According to a US Department of Health study 1994-2004, 80 percent of all claims under workers' compensation are musculoskeletal sprain/strain injuries, with lower back injury consuming more than 33 percent of every workers' compensation dollar. Per claims costs for back injury claims (surgical and non surgical combined) average more than \$53,000, according the Workers' Compensation Insurance Rating Bureau. These studies accurately reflect CSRMA's loss experience.

Risk Control Solution / Award Criteria

To address back injury claims, CSRMA's risk control efforts have focused on providing education and training to non-office workers on the ergonomic and biomechanical principles relevant to the work activities and risk factors inherent in wastewater collection and treatment. Additionally, CSRMA has actively promoted employee health promotion programs, emphasizing weight loss, exercise and lifestyle risk management with an annual per member stipend of \$1,200. Since 2002, CSRMA has realized a year over year decrease in the incidence rate of back claims, from a rate of 1.75 in 2003 to a rate of 1.05 in 2013, or a 40% reduction.

To make further reductions, CSRMA is implementing an incentive based program for members designed to target back injury claims while moving members from a focus on lagging indicators (i.e. claims) to a focus on leading indicators.

A leading indicator is a measure preceding or indicating a future event used to drive and measure activities carried out to prevent and control injury. Leading indicators are focused on future safety performance and continuous improvement. These measures are proactive in nature and report what members are doing on a regular basis to prevent injuries.

The incentive program is available to all members participating in the pooled workers compensation program and is structured so that all members can potentially qualify for the award

incentive. Members meeting the award criteria will share equally in the distribution of \$53,000, the average cost of a back claim. Payment will be made directly to the employees of each qualifying member agency to a maximum of \$499 per employee.

In order to qualify a member must meet all of the following criteria:

1. Have zero back claims resulting from strain or overexertion for the program year being evaluated.
2. Adopt, by agency board motion, the CSRMA Return to Work program in order help injured employees heal more quickly and reduce the indemnity portion of the workers' compensation claim.
3. Perform ergonomic and biomechanical evaluations on at least 10 non-office related tasks that involve lifting, bending, twisting pushing or pulling.
4. Provide evidence of 10 ergonomic solutions that have been implemented targeting known risk factors for musculoskeletal injuries.
5. Provide annual training on the ergonomic and biomechanical principles relevant to the work activities and risk factors present at their agency, by department.
6. Adopt, by agency board motion, an employee health promotion program with specific activities designed to target employee health risk factors.
7. Provide evidence that all job descriptions have identified the specific item or task that the upper lifting requirement is based on.
8. Provide evidence that the NIOSH Lifting Equation has been applied to the item or task the lifting requirement in each job description is based on and that the identified lifting requirement does not exceed the Maximum Permissible Limit, as calculated using the NIOSH Lifting Equation.

This incentive program would be introduced at the January Board of Directors meeting, with education and member assistance occurring through 6/30/15, at which time members are eligible to submit an application for the award.

Anticipated Benefits of Risk Control Solution With Injury Cost Savings Estimate

The goal of this incentive program is to realize a 25% reduction in the incidence rate of back injury claims over the 2013 incidence rate of 1.05 as of August 1, 2015. This translates to preventing six back claims based on the current number of employees covered by CSRMA's pooled workers' compensation program. Using the Workers' Compensation Insurance Rating Bureau's average cost of a back claim of \$53,000, the potential savings from a 25% reduction in the back claims incidence rate is:

6 claims X \$53,000 = \$318,000 potential savings

Other anticipated benefits of this award program are:

1. Heightened employee awareness on the risk factors for back injury and other musculoskeletal disorders, leading to a reduction of strain and overexertion injuries to other body parts.
2. A decrease in the recovery time to return an employee to usual and customary duties following an injury. This will also result in a reduction of the average indemnity portion of workers' compensation claims for CSRMA.

3. A decrease in potential liability from an adverse hiring decision based on inaccurate and unsubstantiated upper lifting limits in the essential physical functions identified on member job descriptions.
4. Ensuring member agencies are not asking employees to place themselves at a heightened risk of back injury by lifting amounts more than the Maximum Permissible Limit, as calculated using the NIOSH Lifting Equation.
5. Decreasing employee health risk factors and increasing employee's fitness for duty, thereby reducing the likelihood of age-related injuries on and off the job.

Workers' Compensation Program
Annual Workers' Compensation Loss Analysis Reports

ISSUE: Each year the Risk Control Advisor provides the Workers' Compensation Committee and Executive Board with an analysis of the prior years' workers' compensation claims in order to determine trends and to better focus risk control efforts in areas where the members have the greatest need.

RECOMMENDATION: Review the results and discuss.

FISCAL IMPACT: None

BACKGROUND: By monitoring trends within CSRMA's workers' compensation claims, CSRMA has been able to respond with risk control programs that target areas of greatest loss. This type of analysis has resulted in the following CSRMA Risk Control Programs:

1. Workers' Compensation Claims Management and Return to Work Program
2. CSRMA's Return to Work Advocate
3. Well Workplace monthly newsletter
4. Ergonomics for the Wastewater Worker video training toolkit
5. In person and online ergonomics training
6. CSRMA Health Promotion Program

ATTACHMENTS: None

HANDOUT: CSRMA Workers' Compensation Claims Analysis for Program Year 24 - Handout

Workers' Compensation Program
York Staffing Update

ISSUE: Tamara Kneff, the examiner at York handling CSRMA's workers' compensation claims tendered her resignation. Her last day was October 2, 2014. As a result of her departure, York hired Melissa Ryan to replace Tamara and be CSRMA's new claims examiner. Melissa started at York on October 14, 2014. The Workers' Compensation Program members were notified on October 7, 2014. Melissa attended the Workers' Compensation Committee meeting in October.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS: Who's Who in Claims



York Risk Services Group, Inc.



CSRMA

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<http://www.yorkrsg.com>

**Primary Insurance Program
Program Renewal**

ISSUE: The Primary Insurance Program (PIP) will be renewing December 31, 2014 with Allied World Assurance Company (AM Best Rated A XV).

The policy terms and conditions will remain the same as expiring.

RECOMMENDATION: The Program Administrators recommend that the Executive Board approve renewal of the Primary Insurance Program at an annual cost not to exceed \$568,438, which represents an 4.73% overall increase for all members participating in the Program.

The percentage change in total cost for individual members varied based on changes in exposure and loss history.

FISCAL IMPACT: The table below shows expected renewal costs compared to last year including percentage impact.

	2013/14	2014/15	% Change
Est. Insurance Premium (Net) *	383,241	413,641	7.35%
Program Directors Fee	121,192	121,192	0.00%
JPA Charge	37,110	33,605	-10.43%
Total Cost	541,543	568,438	4.73%

*Premium includes Surplus Lines Taxes and Fees on the Cyber Liability

The increase in Estimated Insurance Premium is the result of a 3% rate increase for all members participating in the Program combined with changes in exposure and claims activity experienced by a handful of member agencies.

The Program Directors Fee and JPA Charge come from the Board approved budget.

BACKGROUND: The PIP provides general liability, auto liability, errors and omissions liability, auto physical damage, and excess liability insurance coverages.

ATTACHMENTS: None.

Fall/Winter/Spring 2014/15 Area Training Update

ISSUE: As part of CSRMA’s ongoing risk control efforts, training is provided on topics of interest to the CSRMA membership at multiple locations throughout the year. The topics and locations scheduled for Fall/Winter/Spring 2014/15 are listed below:

Topic	Dates	Locations
Mobile App for SSO/Backup Response and SSO Volume Estimation	September	Webinar
SSOs and Water Quality Monitoring Plans: CSRMA Template WQMP	September	Webinar
Pump Station Emergency Response Plans: A Commonly Overlooked SSMP Requirement	September	Webinar
Overflow Emergency Response Plans: Addressing Civil and Regulatory Liability	October	Webinar
Defensible SSO Volume Estimations	October	Webinar
Sewer Collections Workers and CalOSHA Requirements	October	Webinar
SSMP Audits: Pre-Emptive Auditing to Increase Risk Management	November	Webinar
Fall Protection: CalOSHA’s Requirements for Wastewater Treatment and Collections	November	Webinar
Sewer Summit <ul style="list-style-type: none"> • SWRCB SSMP Auditing Update, <i>Victor Lopez</i> • Sewer Ordinances and Risk Management <i>Doug Humphrey</i> • The Why’s and the How’s of SSMP Auditing <i>Paul Causey</i> • Force Main Condition Assessment and Integrity Testing <i>Chris Ewers</i> • Mobile SSO/Backup Response App <i>David Patzer</i> • Water Quality Monitoring Plans <i>Doug Humphrey</i> • SSO Volume Estimation <i>Paul Louis</i> • Pump Station Contingency Planning <i>John Balestrini</i> • Fall Protection for Sewer Workers <i>John Balestrini</i> • Biomechanics and Ergonomics for the Sewer Worker <i>David Patzer</i> • Underground Utility Locating Overview <i>Rudy Schroeder</i> • State of the Art Error and Accident Prevention: Sewer Worker Core Competencies <i>David Patzer</i> 	November 13, 2014 Fremont Marriott	One Day Conference
CASA/CSRMA Risk Management Seminar: <ul style="list-style-type: none"> • Workers’ Comp Update for Public Agencies • Network and SCADA Security • Employment Law Update for Public Agencies • What Climate Change Means for California’s Wastewater 	January	½ day conference

Agencies		
Sewer Ordinances and Risk Management <i>Doug Humphrey</i>	February	Webinar
My Safety Officer: CalOSHA Compliance Solutions for Small Public agencies	February	Webinar
New From CalOSHA: Mobile Crane Operator Certification Requirements	March	Webinar
SSO Volume Estimation: The SWRCB's Expectations	March	Webinar
Workers' Compensation and Return to Work: What Supervisors and Managers Must Know	April	Webinar
Bloodborne Pathogens Exposure Control	April	Webinar
New Employee Orientation Solutions for Effectiveness and Consistency	April	Webinar
Biomechanics for the Wastewater Worker	May	Webinar
CalOSHA's Expectations for Supervisors	March - CCCSD	1 day workshop

RECOMMENDATION: None – information only.

FISCAL IMPACT: Approximately \$10,000. These training programs are part of the 14/15 Risk Control training budget.

BACKGROUND: As part of CSRMA's ongoing risk control efforts, training is provided on topics of interest to the CSRMA membership at multiple locations throughout the year. Each training topic is selected based on timeliness and member need.

ATTACHMENTS: None

Holiday Concert

by Maryann Corbett

Forgive us. We have dragged them into the night
in taffeta dresses, in stiff collars and ties,
with the wind damp, the sleet raking their cheeks,

to school lunchrooms fitted with makeshift stages
where we will sit under bad fluorescent lighting
on folding chairs, and they will sing and play.

We will watch the first grader with little cymbals,
bending her knees, hunched in concentration
while neighbors snicker at her ardent face.

Forgive us. We will hear the seventh-grade boy
as his voice finally loses its innocence
forever, at the unbearable solo moment

and know that now, for years, he will wince at the thought
of singing, yet will ache to sing, in silence,
silence even to the generation to come

with its night, its sleet, its hideous lunchroom chairs.

"Holiday Concert" by Maryann Corbett, from *Credo for the Checkout Line in Winter*. ©
Able Muse Press, 2012. Reprinted with permission.

Today is Thanksgiving Day. Although the Thanksgiving festivities celebrated by the Pilgrims and a tribe of Wampanoag Indians happened in 1621, it wasn't until 1789 that the newly sworn-in President George Washington declared, in his first presidential proclamation, a day of national "thanksgiving and prayer" for that November.

The holiday fell out of custom, though, and by the mid 1800s only a handful of states officially celebrated Thanksgiving, on a date of their choice. It was the editor of a women's magazine, Sarah Josepha Hale, a widow and the author of the poem "Mary Had a Little Lamb," who campaigned for a return of the holiday. For 36 years, she wrote articles about the Plymouth colonists in her magazine, trying to revive interest in the subject, and editorials suggesting a national holiday. Hale wrote to four presidents about her idea — Taylor, Fillmore, Pierce, and Buchanan — before her fifth letter got notice. In 1863, exactly 74 years after Washington had made his proclamation, President Lincoln issued his own, asking that citizens "in every part of the United States, and also those who are at sea and those who are sojourning in foreign lands, to set apart and observe the last Thursday of November next, as a day of Thanksgiving and Praise." He requested prayers especially for those widowed and orphaned by the ongoing Civil War, as well as gratitude for "fruitful fields," enlarging borders of settlements, abundant mines, and a burgeoning population.



Attitude Matters - How To Hire For A Positive Attitude

[Jack McCalmon](#)

A recent study conducted by a Gen Y research and consulting firm and an online career network found the most important attribute employers look for in applicants is a "positive attitude."

Eighty-four percent of respondents valued a positive attitude, 83 percent look for communication skills, and 74 percent seek applicants who can work as team members.

Employers who responded named "cultural fit" as the most important factor in hiring. Thirty-three percent of employers said they have seen applicants who "have a bad attitude when interviewing."

The study surveyed almost 3,000 job seekers and HR professionals of all ages from across the United States. "National Survey Finds College Doesn't Prepare Students for Job Search," *millennialbranding.com* (May 20, 2014).

Commentary

Attitude matters. As the cited article suggests, it matters to many employers, but not every applicant has a positive attitude.

"Attitude" means different things to different people. Generally, employees with a good attitude are workers who are positive about others, themselves, their work, and the organization.

A "bad attitude" is easier to identify: griping about others, not wanting to try new things, unfriendly, or not caring about the job or coworkers.

As an employer, I consider attitude to be a combination of friendliness, enthusiasm, a willingness to work hard, as well as respect for others, management, and the organization. I also consider an example of good attitude as a person who values teamwork and is willing to break out of the box to take on new tasks and duties when asked.

So how do you hire for attitude? There are two important ground rules to consider when hiring for attitude:

- No race, gender, age, religion, or other protected class has a monopoly on attitude-good or bad. As long as you hire with that point in mind, you can hire with little discrimination risk.
- Good interviewees can fake a good attitude long enough to make it through an interview. However, if an applicant shows a bad attitude during your interview, he or she has made it easier for you to move on to someone else. And, do move on if attitude is important because no matter an applicant's experience or potential value, if he or she has a bad attitude in the interview, you can expect it to further deteriorate when work commences.

So, let's say you are down to three candidates and each has a good "interview attitude." Which one do you select if attitude is your primary objective? You have to look at how they answer some simple questions:

"Why did you leave or why are you leaving your current employer?"

A positive answer is one focused on self-improvement such as wanting more challenges or professional growth. Obviously, exceptions exist, but in general, a positive-attitude candidate will give you a positive answer. If the interviewee's answer is negative about the people they worked with, management, or the organization itself, they are showing a tendency to judge others and are not looking inward as to why they want a change.

"If you are given a duty or task you have never done before, what are your concerns?"

With this question, you want an answer like: "I love a challenge and I want to learn new things, and my concerns are..." If the answer to the question is really another question: "I have to know more about the job," that is not necessarily a bad answer, but it shows the applicant is cautious about how to answer and may need a follow-up example. If he or she states they do not like new responsibilities or prefer to stick to what is comfortable for them, that is an honest answer, but provides a lot of insight in to how an applicant will react when you ask for flexibility or self-initiative later. Employees who are inflexible may not have a bad attitude, but if flexibility is something you need for a job, then you want a positive answer to the question or you may see some "attitude" later.

"What are your pet peeves about your coworkers?"

This is the absolute best question for smoking out a bad attitude.

For a person with a bad attitude, this question is often too difficult to resist. Candidates may start slowly, but with some prodding will begin



listing what others do that upset them. To help them with the process and explain what I mean, I may say: "I hate it when coworkers leave their food in the office refrigerator for six weeks and it becomes a science project."

Once you provide an example, some applicants may respond that they do not want to share that information by saying they don't have any issues. If they are reluctant to talk, you can probably assume they have pet peeves, but are prudent. Being prudent may mean they simply keep their "real attitude" hidden or they don't know how to respond.

If they share a few common examples like "talking too loud" or "tardiness to meetings," those are pretty normal.

If the person says that he or she doesn't like "harassment" or "unfair treatment," you should make certain you affirm your organization does not tolerate wrongdoing or illegal behavior and that you do not like that type of behavior either.

But, if someone "goes off" and begins with a statement like "where do I start" and talks about the personal or work habits of others, you have someone who may not work well with others.

Finally, an answer like, "My pet peeve is being micro-managed" is great insight if this candidate is going to work for a micro-manager.

Now, before you think this is all a form of "interview entrapment," remember your goal is to find the best candidate between equally qualified candidates.

A logical conclusion is that a person who has a lot of complaints about coworkers and past or present employers (and is willing to express them freely with an acquaintance during an interview) is going to have problems with future coworkers or employers.

Obviously, not everyone who answers any of these questions in the negative has a bad attitude. Maybe they are just bad interviewees or trying to just tell you what they think you want to hear (which means they may not be honest with you, no matter what), but if all other things are equal between candidates, these answers can help you decide which candidate is most likely to show up with a good attitude and "play nice" with others.

This informational piece was published on November 5, 2014.

November 5, 2014

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The Power Of Shit

NOV 21 2014 @ 3:06PM



As of yesterday, residents of Bath in southwest England have the exciting opportunity to [ride a bus](#) powered entirely by their own garbage and excrement:

The 40-seat “Bio-Bus” runs on biomethane gas, generated through the treatment of sewage and food waste. It can travel up to 186 miles on one tank of gas, which takes the annual waste of around five people to produce. The bus is run by Bath Bus Company and will transport passengers between Bath and Bristol Airport. Engineers believe the bus could provide a sustainable way of fuelling public transport while improving urban air quality.

The gas is generated at Bristol sewage treatment works, run by GENeco, a subsidiary of Wessex Water. It produces fewer emissions than traditional diesel engines and is both renewable and sustainable. This week, the company also became the first in the UK to inject gas generated from human and food waste into the national gas grid network.

Fittingly, the Bio-Bus rolled out on the heels of [World Toilet Day](#). But this is not the only poo-based technology to come out recently. As [Becky Ferreira points out](#), we are in the midst of a veritable golden age of human-waste recycling:

True to its rich history, poop-based energy has now evolved into a multifaceted and diverse set of industries. In 2004, a waste management facility in Renton, Washington [received a \\$22,000,000 grant](#) to build a power plant that could turn sewage into electricity. The same year, a rancher figured out how to power [his dairy farm with cow patties](#) and [an engineering professor turned pig crap into crude oil](#).

These examples illustrate that by the 21st century, sophisticated poop-based power had been accepted as a real possibility by the public, business, and academic spheres. It was further launched to new heights in 2011, when the Gates Foundation launched [the ReInvent the Toilet Challenge](#) in 2011. ...And it's not just human poop, either. Manure-fueled biogas facilities are becoming more common, and [one massive new project in Missouri](#) points to the future. The \$80 million facility involves covering some 88 hog waste lagoons—poop lagoons, yeah—and capturing waste gas for processing in biogas digesters.



Is Training A Benefit Or A Detriment? Our Readers Chime In

A recent national survey showed employees in the U.S. consider training a career enhancing benefit.

We asked you, our loyal readers, if your employers provide additional job skill training. You replied:

- Yes, and it helped my career. (55%)
- Yes, but I don't think it helped. (5%)
- No, but I wish my employer would. (37%)
- No. Not interested. (3%)

Commentary and Checklist

Any benefit, like training, should be offered to employees without regard to race, color, national origin, religion, gender, disability, age, genetics, or other protected status. Within an organization, employers must be certain salary increases, and other monetary benefits associated with training are distributed in a non-discriminatory manner.

Employers should evaluate candidates for training programs using objective qualification standards, outlined in writing before the selection process starts.

The following are some guidelines on how training should be offered to your employees:

- ✓ Make sure managers responsible for assignments, leave, schedules, training opportunities, and promotions are trained on anti-discrimination policies.
- ✓ Avoid steering one gender, one ethnic group, or employees with disabilities to less prestigious or lower-paid positions.
- ✓ Make sure all eligible employees are told about training opportunities and job openings. Do not assume they are not interested because they are pregnant, disabled, a member of a minority race or ethnic group, or have any other protected class characteristic.
- ✓ Focus on work experience and accomplishments for hiring, promotion, and training opportunities.
- ✓ Monitor compensation and performance appraisal procedures for discrimination.

This informational piece was published on November 7, 2014.

November 7, 2014

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'Tis The Season For Weight Gain - What Can You Do To Keep The Pounds Off?

According to the Mayo Clinic, the typical holiday weight gain is around five pounds. If you don't get it off, over 10 years, that's 50 pounds. Unwanted pounds increase the risk of disease and injury.

But who wants to be a total food Grinch during the holidays? Here are some tips from a physician and wellness expert:

1. Eat enough, but do not deprive yourself of your favorite foods because doing so can lead to overeating at your next meal.
2. Cut back on your food intake a few days before a celebration meal. Learn the difference between needing to eat and wanting to eat.
3. Give your body time to recognize what you have eaten. Wait 20 minutes before getting seconds.

"Tips on How to Avoid Overeating During the Holidays" www.wakehealth.edu (Jul. 11, 2014).

Commentary

It's not just what to eat. It's also about burning the calories you do eat.

According to webmd.com, there are several strategies you can use to be more active. For example, your schedule may be altered by holiday commitments, so if you miss your regular exercise class, substitute a walk or a swim at some other time of day. That exercise reduces holiday stress, so even a 20-minute walk can help, and light exercise in just 10-minute intervals throughout the day can make a difference.

This informational piece was published on November 13, 2014.

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CSRMA MEETING CALENDAR 2014

JANUARY	FEBRUARY	MARCH	APRIL
CSRMA EB - WED - 15	CSRMA WC - THUR - 6	CSRMA LRP - SUN - TUE - 16, 17 & 18	CSRMA OC - THUR - 3
CSRMA BD - THUR - 16			CSRMA EB (TC) - THUR - 24
CSRMA LIAB (TC) - THUR - 30			CSRMA FIN - MON - 28
<i>CASA January 15-17 Indian Wells</i>			
MAY	JUNE	JULY	AUGUST
CSRMA LIAB - FRI - 16	CSRMA EB - MON - 2	CSRMA OC - TUES - 15	CSRMA EB - WED - 20
CSRMA OC - TUES - 20			CSRMA BD - THUR - 21
CSRMA WC - THUR - 29			
<i>CASA August 20-23 Monterey</i>			
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
CSRMA OC - FRI - 19	CSRMA EB - FRI - 10	CSRMA FIN - MON - 3	CSRMA EB - MON - 8
CSRMA LIAB - THUR - 25	CSRMA WC - THUR - 23	CSRMA LIAB - THUR - 13	CSRMA OC - THUR - 18
		CSRMA OC - FRI - 14	
<i>CAJPA September 16-19 South Lake Tahoe</i>			

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