



**MEETING AGENDA**  
**for**  
**ADMINISTRATIVE & FINANCE COMMITTEE**  
February 26, 2019 @ 3pm  
At Company Office 139 N. Euclid Avenue, Upland, CA

- Call to Order

1. Recognitions and Presentations:

2. Additions-Deletions to the Agenda:

3. Public Comments

This is the time for any shareholder or member of the public to address the committee members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the Committee is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Approval of Committee Meeting Minutes

Regular Committee Minutes of October 23, 2018.

5. Administrative and Financial Issues:

A. Stock Auction – May 2019

Recommend timeline approval for proposed stock auction

B. General Liability Insurance and Cyber Liability Renewal

Present renewal information for recommendation

C. Salary Range Adjustment

Recommend Bureau of Labor Statistics for salary range adjustment

6. Closed Session: None.

7. Committee Comments and Future Agenda Items:

- This is the time for committee's comments and consideration on future agenda items relative to the interests and business of the company and its shareholders.

8. Adjournment:

*The next regular Administration and Finance Committee meeting is scheduled for April 23, 2019, at 3:00 p.m.*

**NOTE:** All agenda report items and back-up materials are available for review and/or acquisition at the Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Friday [7:30 – 11:30 and 12:30 – 4:30]. The agenda is also available for review and copying at the Upland Public Library located at 450 N. Euclid Avenue.

**POSTING STATEMENT:** On February 22, 2019, a true and correct copy of this agenda was posted at the entry of the Water Company's office (139 N. Euclid Avenue), on the public bulletin boards at 450 N. Euclid Avenue (Upland Public Library) and 460 N. Euclid Avenue (Upland City Hall), and on the Water Company's website.



SAN ANTONIO WATER COMPANY  
ADMINISTRATION and FINANCE COMMITTEE (AFC)  
MINUTES

October 23, 2018

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was called to order at 3:04 p.m. on the above date at the Company office located at 139 N. Euclid Ave., Upland, California. Committee Members present were Sue Sundell, Jose Sanchez, and Tom Thomas. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Assistant Kelly Mitchell. Ms. Sundell presided.

1. Recognitions and Presentations: Mr. Thomas introduced the Mayor of Mildura, Australia Mr. Mark Eckel and Mildura Upland Sister City Association (MUSCA) president Denis Jewell. Mayor Eckel and Mr. Jewell are in town promoting the Mildura Upland 50-year Golden Jubilee event taking place May 26<sup>th</sup> to June 1<sup>st</sup> of 2019 in Mildura, Australia.
2. Additions-Deletions to the Agenda: Mr. Lee advised that although Committee member Mr. Bob Cable was unable to attend today's meeting, he emailed comments to the agenda items and asked they be read and noted in the meeting minutes. As such, Mr. Cable's comments will be read after the discussion of the agenda item, prior to recommendation.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Mr. Sanchez moved and Mr. Thomas seconded to approve the meeting minutes of August 28, 2018. Motion carried.
5. Administrative and Financial Issues:
  - A. **Document Imaging** – Ms. Mitchell led a PowerPoint presentation informing the Committee of SAWCo's current document imaging software and the difficulties staff is having with the system crashing and the need for barcoded coversheets to scan in documents among other issues. Three options for replacement were researched and reviewed for the Committee with staff recommendation to utilize DocStar ECM.

The Committee had no issue replacing the old document imaging software with DocStar ECM.

Mr. Cable's emailed comments advised he also had no issue with the agenda item and would agree with whatever software staff is comfortable with.

Mr. Sanchez moved and Mr. Thomas seconded to recommend the Board approve the purchase, install and use of DocStar document imaging software. Motion carried.

- B. **CY2019 Calendar** – Mr. Sanchez noted the November 2019 Planning, Resources, and Operations Committee (PROC) meeting is scheduled the same week as Thanksgiving. Meetings scheduled the week of Thanksgiving have had problems in the past obtaining a quorum with many members leaving town for the Holiday. When the calendar is brought to the next Board meeting this concern will be addressed to allow for discussion and possible date change.

Emailed comments from Mr. Cable advised he has no issues with the proposed schedule for meetings but noted his schedule is unpredictable.

Mr. Sanchez moved and Mr. Thomas seconded to bring the proposed CY2019 Calendar to the Board for approval with noted November PROC meeting date inquiry. Motion carried.

- C. Board Gift – End of the Year Luncheon** – Mr. Thomas gave a brief history of how the Board Gift came about and the reason for the change in the amount gifted.

Mr. Cable's emailed comments expressed no issue with recommending continuing the current amount for the Board Gift to employees.

Mr. Thomas moved and Mr. Sanchez seconded to recommend the Board approve an end of year Board Gift in the amount of \$1,250. Motion carried.

- D. Consideration for 9/80 Work Schedule** – Mr. Sanchez advised that several years ago he was on a committee that investigated alternative work schedules for Metropolitan Water District (MWD). Various options were looked at and originally a 9/80 work schedule, with half of staff working on one Friday and the other half working the other Friday, was implemented. This made it impossible to schedule meetings on Fridays and staff was often unaware who worked what Friday. These difficulties eventually led to all staff working every other Friday.

Mr. Thomas inquired whether all staff has been informed of the idea of switching to a 9/80 work schedule and are they receptive to the idea.

Mr. Lee advised staff brought the idea to him and after presenting it to all employees he has had no significant pushback. He advised that if the Board approves the change, staff will need to vote whether or not to move to a 9/80 work schedule and two-thirds must agree in order for it to be approved.

Mr. Thomas felt it important that staff get approval from the Board to allow staff to vote on whether or not to change to a 9/80 work schedule. He also suggested a six-month trial period and if there is no significant issues a 9/80 work schedule can be finalized.

Mr. Lee explained there would be a slight impact on the budget involving the non-worked Friday. On Call staff will still need to carry out daily rounds on the non-working Friday which will result in roughly four hours of overtime every-other Friday. The estimated increase would be roughly \$4,680 per year or less than 0.75% of annual labor costs.

The Committee found the increase in annual labor costs to be insignificant.

Mr. Cable's emailed comments expressed opposition to the 9/80 work schedule. He felt it would be less customer friendly and that productivity may decrease. He also pointed out the increase in costs for On Call services. For these reasons he recommended keeping working hours as they currently are until the proposed schedule is considered the norm and not the exception.

Mr. Sanchez provided some clarity on issues involving Holiday pay and the 9/80 work schedule. Though initially MWD continued to pay holidays as if they were 8 hour days and required employees to use 1 hour of vacation pay, they eventually paid the Holiday as by day rather than by hour. The Committee felt Holiday pay should be for the day not by the hour.

October 23, 2018

Mr. Thomas moved and Mr. Sanchez seconded to recommend the Board approve, with a six-month review, SAWCo moving to a 9/80 work schedule. Motion carried.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: None.
8. Adjournment: The committee determined there was no further business and adjourned the meeting at 3:45 p.m.

The next regular Administration and Finance Committee meeting is scheduled for February 26, 2019 at 3:00 p.m.

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Assistant Secretary  
Brian Lee



**Agenda Item No. 5A**

Item Title: Stock Auction May - 2019

Purpose:

Recommend approving timeline for a proposed 2019 stock auction in May.

Issue:

Disposition of personal property (shareholder's stock) in order to collect on bad debt is governed by the Commercial Code to be "commercially reasonable."

Managers Recommendation:

That the AFC recommend the Board approve the proposed stock auction and timeline as presented.

Background:

Since we have billed the dormant shareholders with the "water availability charge" for the first time in September 2017, there have been more unpaid bills. As a result, we held two stock auctions last year in May and October.

There are currently 12 shareholder's stock certificates to be auctioned off for a total of 3.50 shares. We anticipate that this will bring most accounts current with future stock auctions on year to year basis as needed.

Below is a timeline of the process leading up to the stock auction:

<b>Stock Auction 2019 (May) – Anticipated Timeline</b>					
<b><u>Description</u></b>	<b><u>Dec</u></b>	<b><u>Feb</u></b>	<b><u>Mar</u></b>	<b><u>Apr</u></b>	<b><u>May</u></b>
Address verification	12/31/18				
Final Letter owe w/due date		2/22/19			
AFC Committee Review		2/26/19			
Bid Process		2/27/19			
Bid Form		2/27/19			
Board Review			3/19/19		
Final due date			3/22/19		
Notification of Disposition of Collateral			3/25/19		
Website w/bid form			3/25/19		
Separate letter to shareholders			3/27/19		
Co. Newsletter ad			3/31/19		
Newspaper ad				4/2/19	
Stock Auction Date					5/7/19

Previous Actions:

November 9, 2009 – First Stock Auction held

Agenda Date: February 26, 2019

April 20, 2010 – Board approved Stock Auction procedure for collecting unpaid water bills

Impact on Budget:

Collection of outstanding charges owed and reimbursement of all related costs.



Item Title: General Liability Insurance Renewal and Cyber Liability

Purpose:

To report the Company's annual insurance renewal as presented by the Company's insurance broker EPIC designed to protect the company from liability and property damages and to recommend approval of renewal as updated under JPRIMA.

Issue:

In 2017, the Board accepted the General Liability package offered through California Mutual Water Association from JPRIMA (3 year program). This is the last quote under the 3 year program.

Manager's Recommendation:

That the Committee recommend approval regarding the premium update and Cyber Insurance with JPRIMA for the General Liability renewal as presented by EPIC at the annual premium of \$28,891.

Background:

In CY2016, California Mutual Water Associations (CalMutuals) was able to pass AB656 that allowed mutual water companies to work with public agencies to form a Joint Powers Risk Insurance Management Authority (JPRIMA).

The Board approved the Water Company changing over to JPRIMA for Liability and Cyber Insurance. The proposal accepted from JPRIMA in CY2016 provided a 3- year program with specific applications for water systems. The program has an "off ramp" for those to opt out if premiums increase 15%.

The commercial package with JPRIMA runs from 4/1/19 to 4/1/20.

For the period 4/1/17 to 4/1/18 the premium for General Liability was \$24,746 and the Cyber Liability is \$3,508 for a total of \$28,254.

Last year for the period of 4/1/18 to 4/1/19 the total cost was \$27,547 and provided a savings of \$707.

This year's proposal for the period 4/1/19 to 4/1/20 is \$28,891 for an increase of \$1,344 from last year's quote. This is considered a modest increase in total cost which included a \$440,000 increase in our property limits.

Impact on the Budget:

Under budget [Budgeted \$32,000 and Actual considered is \$28,891].

Previous Actions:

None.





# Property and Casualty Insurance Proposal

## San Antonio Water Company

Effective  
April 1, 2019 to April 1, 2020

Presented by:  
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**SAN ANTONIO WATER COMPANY  
PREMIUM COMPARISON**

<b>COVERAGE</b>	<b>4/1/2018 TO 4/1/2019- Allied Public Risk Cal Mutuals JPRIMA (3 Year Program) LIMITS / PREMIUM</b>	<b>4/1/2019 TO 4/1/2020 - Allied Public Risk Cal Mutuals JPRIMA (3 Year Program) LIMITS / PREMIUM</b>
<p><b>Property</b></p> <ul style="list-style-type: none"> <li>Blanket Property (Replacement Cost)</li> <li>- Real Property &amp; Business Personal Property</li> <li>Blanket Coverage Extension; applies to the following -</li> <li>- Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic, Data, Preservation of Property</li> <li>Equipment Breakdown / Boiler &amp; Machinery</li> <li>Mobile Equipment (Actual Cash Value)</li> <li>- Scheduled</li> <li>- Unscheduled, maximum \$10,000 any one item</li> <li>- Borrowed, rented &amp; leased</li> <li>Terrorism</li> <li>Crime Limits</li> <li>Deductibles</li> <li>- Property</li> <li>- Mobile Equipment</li> <li>- Equipment Breakdown</li> <li>- Crime</li> </ul>	<p>\$9,060,140</p> <p>\$2,000,000</p> <p>Included</p> <p>\$90,762</p> <p>\$61,602</p> <p>n/a</p> <p>Included</p> <p>\$250,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000/\$2,500</p> <p>\$1,000</p>	<p>\$9,500,540</p> <p>\$2,000,000</p> <p>Included</p> <p>\$90,762</p> <p>\$61,451</p> <p>n/a</p> <p>Included</p> <p>\$250,000</p> <p>\$1,000</p> <p>\$1,000</p> <p>\$1,000/\$2,500</p> <p>\$1,000</p>
<p><b>General Liability</b></p> <ul style="list-style-type: none"> <li>Per Occurrence</li> <li>General Aggregate</li> <li>Products &amp; Completed Operations Aggregate</li> <li>Personal &amp; Advertising Injury</li> <li>Damage to Premises Rented To You</li> <li>Medical Payments</li> <li>Water &amp; Wastewater Testing Errors &amp; Omissions</li> <li>Terrorism</li> <li>Rating Basis-Payroll Non-Auditable</li> </ul>	<p>\$1,000,000</p> <p>\$10,000,000</p> <p>\$10,000,000</p> <p>\$1,000,000</p> <p>\$1,000,000</p> <p>\$10,000</p> <p>Included</p> <p>Included</p> <p>\$369,071</p>	<p>\$1,000,000</p> <p>\$10,000,000</p> <p>\$10,000,000</p> <p>\$1,000,000</p> <p>\$1,000,000</p> <p>\$10,000</p> <p>Included</p> <p>Included</p> <p>\$369,071</p>



**SAN ANTONIO WATER COMPANY  
PREMIUM COMPARISON**

<b>COVERAGE</b>	<b>4/1/2018 TO 4/1/2019- Allied Public Risk Cal Mutuals JPRIMA (3 Year Program) LIMITS / PREMIUM</b>	<b>4/1/2019 TO 4/1/2020 - Allied Public Risk Cal Mutuals JPRIMA (3 Year Program) LIMITS / PREMIUM</b>
<p align="center"><b>Public Officials &amp; Management Liability</b></p> <p>Wrongful Act-per act Employment Practices (including third party discrimination)-per offense Employee Benefits Plans-per act Injunctive Relief-per act Aggregate Limit Deductible Policy Form Privacy &amp; Network Security(Cyber Liability)-Wrongful Acts - per act Breach Consultation Services-per offense Breach Response Services-per offense Public Relations &amp; Data Forensics-per act Privacy-Retroactive Date Privacy-Deductible Policy Form</p>	<p>\$1,000,000 \$1,000,000 \$1,000,000 \$5,000 \$10,000,000 \$1,000 Occurrence \$1,000,000 \$1,000,000 \$100,000 \$100,000 6/1/2012 None Claims Made</p>	<p>\$1,000,000 \$1,000,000 \$1,000,000 \$5,000 \$10,000,000 \$1,000 Occurrence \$1,000,000 \$1,000,000 \$100,000 \$100,000 6/1/2012 None Claims Made</p>
<p align="center"><b>Automobile</b></p> <p>Combined Single Limit Uninsured/Underinsured Motorist Medical Expense Hired/Non-Owned Liability Hired Physical Damage Owned Physical Damage - Comprehensive Deductible - Collision Deductible Number of Vehicles</p>	<p>\$1,000,000 \$1,000,000 \$5,000 \$1,000,000 \$100,000 ACV \$500 \$500 6</p>	<p>\$1,000,000 \$1,000,000 \$5,000 \$1,000,000 \$100,000 ACV \$500 \$500 6</p>
<p align="center"><b>Excess</b></p> <p>Each Occurrence General Aggregate Retention</p>	<p>\$10,000,000 \$10,000,000 None</p>	<p>\$10,000,000 \$10,000,000 None</p>
<p><b>Member Contribution</b> <b>JPRIMA Administration Fees</b> <b>Total Amount Due</b></p>	<p><b>\$24,953</b> <b>\$2,594</b> <b>\$27,547</b></p>	<p><b>\$26,173</b> <b>\$2,718</b> <b>\$28,891</b></p>





**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES  
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

**COVERAGE PROPOSAL  
San Antonio Water Company**

**COVERAGE PERIOD  
4/1/2019 - 4/1/2020**

**PRESENTED BY:  
Edgewood Partners Insurance Center**



**Insurance Administrator  
[www.alliedpublicrisk.com](http://www.alliedpublicrisk.com)  
Allied Community Insurance Services, LLC  
CA License Number: 0L01269  
National Producer Number: 17536322**



**PREMIUM SUMMARY**

**NOTE:** This proposal is prepared from information supplied to us on the application submitted by you or insurance broker. It may or may not contain all terms requested on the application. Coverage is provided by the JPRIMA Memorandum of Coverage (MOC) and subject to its terms, exclusions, conditions and limitations. A specimen MOC is available for your review, as is the JPRIMA Member Agreement. Enrollment in the JPRIMA requires execution of the JPRIMA Member Agreement as well as membership in the California Association of Mutual Water Companies (Cal Mutuals).

<b>PAGE</b>	<b>COVERAGE SECTION</b>		<b>PREMIUM</b>
3-7	<b>SECTION 1. PROPERTY</b> (Property, Equipment Breakdown & Mobile Equipment)	\$	<b>5,259.00</b>
8	<b>SECTION 2. COMMERCIAL CRIME</b>	\$	<b>675.00</b>
9-10	<b>SECTION 3. COMMERCIAL GENERAL LIABILITY</b>	\$	<b>3,174.00</b>
11	<b>SECTION 4. PUBLIC OFFICIALS &amp; MANAGEMENT LIABILITY</b> (Wrongful Acts, Employment Practices & Employee Benefits, Privacy and Network Risk)	\$	<b>3,819.00</b>
12	<b>SECTION 5. BUSINESS AUTO</b>	\$	<b>6,324.00</b>
13	<b>SECTION 6. COMMERCIAL EXCESS LIABILITY</b>	\$	<b>6,922.00</b>
		<b>MEMBER CONTRIBUTION</b>	<b>\$ 26,173.00</b>
		<b>JPRIMA ADMINISTRATION FEES</b>	<b>\$ 2,718.00</b>
		<b>TOTAL AMOUNT DUE*</b>	<b>\$ 28,891.00</b>
*Payment is due within thirty (30) days of binding.			

**NOTES:**

The JPRIMA MOC has a common anniversary date of April 1, 2019.

**Terrorism coverage is automatically included for Property and General Liability.**

**COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company**

**EFFECTIVE DATE: 4/1/2019 - 4/1/2020**

**DISCLAIMER:** Actual coverage is subject to the language of the MOC as issued.



**SECTION 1. PROPERTY\***

**\*PROPERTY IS INCLUDED IN THE PROPOSAL: Yes**

**ISSUER:**

- California Association of Mutual Water Companies  
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

**REINSURER:**

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Proprietary & Integrated

**LIMITS:**

<b>Blanket Property:</b> (Real Property & Business Personal Property)	<b>\$9,500,540</b>
<b>Blanket Coverage Extension:</b> A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	<b>\$2,000,000</b>
<b>Equipment Breakdown / Boiler &amp; Machinery:</b>	<b>Included</b>
<b>Mobile Equipment</b> (scheduled):	<b>\$90,762</b>
<b>Mobile Equipment</b> (unscheduled, maximum \$10,000 any one item):	<b>\$61,451</b>
<b>Mobile Equipment</b> (borrowed, rented & leased):	<b>N/A</b>
<b>Flood Zone X:</b> (shaded/unshaded)	<b>N/A</b>

**DEDUCTIBLES:**

- \$1,000** Property
- \$1,000** Mobile Equipment
- \$1,000** Equipment Breakdown (aboveground & less than 50 feet belowground)
- \$2,500** Equipment Breakdown (greater than 50 feet belowground)
- N/A** Flood Zone X (per occurrence)

**COVERAGE HIGHLIGHTS:**

- Blanket Property Limits & Blanket Coverage Extension Limits
- No Coinsurance Penalty
- Equipment Breakdown
- Foundations as Covered Property

**VALUATION:**

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

**KEY EXCLUSIONS:**

- Earthquake & Earth Movement
- Flood (unless coverage is designated above, such coverage would be limited to locations in Zone X only)

**COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company**

**EFFECTIVE DATE: 4/1/2019 - 4/1/2020**

**DISCLAIMER:** Actual coverage is subject to the language of the MOC as issued.



**SPECIAL COVERAGES:**

- **New Locations or Newly Constructed Property:**  
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**  
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense.
- **Pollution Remediation Expenses:**  
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the coverage period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**  
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**  
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**  
Pays up to \$250,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**  
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**  
Pays up to \$250,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.

## KEY DEFINITIONS

### ■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire-extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Foundations;
- Glass which is part of a building or structure;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 1000 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 100 feet of premises described in the Declarations;
- Underground vaults and machinery.

### ■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

### ■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**KEY DEFINITIONS** (continued)

■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions."

■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises;
- Dumpsters, concrete trash containers, or permanent recycling bins; or
- Hydrants.

■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
  - a. Insulating or refractory material;
  - b. Buried vessel or piping;
  - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
    - (1) Feed water piping between any boiler and its feed pump or injector;
    - (2) Boiler condensate return piping; or
    - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
  - d. Structure, foundation, cabinet or compartment containing the object;
  - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
  - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
  - g. Felt, wire, screen, die, extrusion, late, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



**PROPERTY SUBLIMITS:**

Coverage				Limit		
Accounts Receivable	X	\$500,000	<input type="checkbox"/>	\$1,000,000	<input type="checkbox"/>	\$2,000,000
Valuable Papers and Records	X	\$500,000	<input type="checkbox"/>	\$1,000,000	<input type="checkbox"/>	\$2,000,000
Contamination	X	\$250,000				
Tools and Equipment Owned by Your Employees	X	\$5,000	<input type="checkbox"/>	\$10,000	<input type="checkbox"/>	\$25,000
Personal Effects and Property of Others	X	\$5,000	<input type="checkbox"/>	\$10,000	<input type="checkbox"/>	\$25,000
New Locations or Newly Constructed Property		\$1,000,000				
Business Personal Property at New Locations		\$1,000,000				
Backup/Overflow of Water from Sewer, Drain, Sump		\$250,000				
Utility Services - Direct Damage		\$250,000				
Utility Services –		\$250,000				
Business Income and Extra Expense						
Dependent Business Premises		\$250,000				
Property at Other Locations		\$250,000				
Pollution Remediation Expense (specified cause of loss)		\$250,000				
Outdoor Property (unscheduled)		\$100,000				
Contract Penalties		\$100,000				
Pollution Remediation Expense (covered cause of loss)		\$100,000				
Property in Transit		\$100,000				
SCADA Upgrades		\$100,000				
Indoor and Outdoor Signs (unscheduled)		\$50,000				
Limited Coverage for “Fungus”, Wet Rot or Dry Rot		\$50,000				
Fine Arts		\$25,000				
Fire Department Service Charge		\$25,000				
Fire Protection Devices		\$25,000				
Key and Lock Replacement Expenses		\$25,000				
Trees, Shrubs & Plants (maximum \$1,000 any one item)		\$25,000				
Arson Reward		\$10,000				
Rental Reimbursement – Mobile Equipment		\$10,000				
Cost of Inventory or Adjustment		\$5,000				
Non-Owned Detached Trailers		\$5,000				
Water Contamination Notification Expenses		\$5,000				
Patterns, Dies, Molds, Forms		\$2,500				
Debris Removal		<b>25% of scheduled limit plus \$250,000</b>				
Ordinance or Law Provision		<b>100% of scheduled limit plus 25%</b>				

**NOTES:**

Contribution is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

**Flood and Earthquake coverages are excluded.**

**COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company**

**EFFECTIVE DATE: 4/1/2019 - 4/1/2020**

**DISCLAIMER:** Actual coverage is subject to the language of the MOC as issued.



**SECTION 2. COMMERCIAL CRIME\***

**\*COMMERCIAL CRIME IS INCLUDED IN THE PROPOSAL: Yes**

**ISSUER:**

- California Association of Mutual Water Companies  
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

**REINSURER:**

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Proprietary & Integrated

**RATING BASIS:**

- On file with underwriter
- Non auditable

**LIMITS:**

COVERAGE GROUP SELECTED	EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
X	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$2,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

**DEDUCTIBLE:**

\$1,000 each claim

**DESIGNATED EMPLOYEE BENEFIT PLAN(S):**

**COVERAGE HIGHLIGHTS:**

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

**NOTES:**

**COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company**

**EFFECTIVE DATE: 4/1/2019 - 4/1/2020**

**DISCLAIMER:** Actual coverage is subject to the language of the MOC as issued.



**SECTION 3. GENERAL LIABILITY\***

**\*GENERAL LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

**ISSUER:**

- California Association of Mutual Water Companies  
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

**REINSURER:**

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Occurrence
- Defense Costs Outside the Limit
- Proprietary & Integrated

**RATING BASIS:**

- On file with underwriter
- Non auditable

**LIMITS:**

Per Occurrence	<b>\$ 1,000,000</b>
General Aggregate	<b>\$10,000,000</b>
Products & Completed Operations Aggregate	<b>\$10,000,000</b>
Personal & Advertising Injury Limit	<b>\$ 1,000,000</b>
Damage to Premises Rented to You	<b>\$ 1,000,000</b>
Medical Payments	<b>\$ 10,000</b>

**DEDUCTIBLE:**

N/A

**COVERAGE HIGHLIGHTS:**

- Duty to Defend
- Broad Definition of Enrolled Named Member
- Blanket Additional Enrolled Named Member
- Water & Wastewater Testing Errors & Omissions
- Expanded Pollution Liability
- Failure to Supply (no ISO limitation)
- Lead (potable water)
- Waterborne Asbestos (potable water)
- Product Recall
- Impaired Property
- Fungi & Bacteria

**OPTIONAL COVERAGES:**

- Hired & Non Owned Automobile Liability
- Employee Benefits Liability
- Dam, Levee & Dike Structural Failure

**COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company**

**EFFECTIVE DATE: 4/1/2019 - 4/1/2020**

**DISCLAIMER:** Actual coverage is subject to the language of the MOC as issued.

## SPECIAL COVERAGES:

- **Water & Wastewater Testing Errors & Omissions:**  
Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.
- **Failure To Supply:**  
Coverage is provided for bodily injury or property damage arising out of the failure of any Enrolled Named Member to adequately supply water.
- **Waterborne Asbestos:**  
Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.
- **Contractual Liability - Railroads:**  
Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- **Pollution:**  
Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:
  - Potable water which you supply to others;
  - Chemicals you use in your water or wastewater treatment process;
  - Natural gas or propane gas you use in your water or wastewater treatment process;
  - Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
  - Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
  - Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
  - Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
  - Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
  - Sudden and accidental events that are neither expected nor intended by an Enrolled Named Member. However, no coverage is provided under this exception for petroleum underground storage tanks.
- **Damage to Impaired Property or Property Not Physically Injured**  
Coverage is provided for bodily injury or property damage arising from your potable water, nonpotable water, or wastewater as well as any loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.
- **Fungi or Bacteria**  
Coverage is provided for bodily injury or property damage arising from any “fungi” or bacteria that are, are on, or are contained in a good or product intended for consumption; or to any injury or damage arising out of or caused by your water, irrigation, or wastewater intake, outtake, reclamation, treatment and distribution processes.
- **Recall of Products, Work or Impaired Property**  
Coverage applies to any injury or damage arising out of or caused by your potable water, nonpotable water, or wastewater for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of: “Your product”; “Your work”; or “Impaired property”; if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

## NOTES:

**Additional Designated Enrolled Named Member endorsement to be added with PNC wording for San Bernardino County Flood Control District and County of San Bernardino and Holliday Rock Co., Inc. .**



**SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY\***

**\*PUBLIC OFFICIALS & MANAGEMENT LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

**ISSUER:**

- California Association of Mutual Water Companies  
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

**REINSURER:**

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

**RATING BASIS:**

- On file with underwriter
- Non auditable

**LIMITS:**

Wrongful Acts	<b>\$1,000,000</b> per act
Employment Practices (including third party discrimination)	<b>\$1,000,000</b> per offense
Employee Benefit Plans	<b>\$1,000,000</b> per act
Injunctive Relief	<b>\$5,000</b> per act
	<b>\$10,000,000</b> aggregate limit

**PRIVACY LIABILITY AND NETWORK RISK<sup>1</sup>:**

Privacy & Network Security Wrongful Acts	<b>1,000,000</b> per act
Breach Consultation Services	<b>1,000,000</b> per offense
Breach Response Services	<b>100,000</b> per offense
Public Relations & Data Forensics	<b>100,000</b> per act

<sup>1</sup>Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date:6/1/2012. Privacy Deductible: None.  
 \*\$1,000,000 maximum annual aggregate applies per Enrolled Named Member, with a \$2,000,000 coverage form aggregate applicable to all participating Enrolled Named Members.

**SPECIAL COVERAGE:**

- Inverse Condemnation

**RETROACTIVE DATE:**

N/A

**DEDUCTIBLE:**

**\$1,000 each claim including expenses**

**COVERAGE HIGHLIGHTS:**

- Duty To Defend
- Broad Definition of Enrolled Named Member including Past and Future Employees
- Outside Directorship

**NOTES:**

**COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company**

**EFFECTIVE DATE: 4/1/2019 - 4/1/2020**

**DISCLAIMER:** Actual coverage is subject to the language of the MOC as issued.





**SECTION 5. BUSINESS AUTO\***

**\*BUSINESS AUTO IS INCLUDED IN THE PROPOSAL: Yes**

**ISSUER:**

- California Association of Mutual Water Companies  
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

**REINSURER:**

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

**PORTFOLIO:**

Coverage	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$100,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV
Towing & Rental Car Reimbursement (covered accident)		\$75 per Day up to 30 Days
Fleet Automatic		Included

**DEDUCTIBLE:**

**Liability: None**  
**Comprehensive: \$500**  
**Collision: \$500**

**NOTES:**

**Please refer to auto terms provided for per unit coverage.**  
**Additional Designated Enrolled Named Member endorsement to be added with PNC wording for San Bernardino County Flood Control District and County of San Bernardino and Holliday Rock Co., Inc. .**



**SECTION 6. EXCESS LIABILITY\***

**\*EXCESS LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

**ISSUER:**

- California Association of Mutual Water Companies  
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

**REINSURER:**

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Following Form
- Occurrence
- Defense Costs Outside the Limits

**LIMITS:**

**\$10,000,000/\$10,000,000**

**SCHEDULED UNDERLYING POLICIES:**

Commercial General Liability - Yes  
 Hired and Non-Owned Auto Liability - Yes  
 Owned Auto Liability - Yes  
 Public Officials & Management Liability - Yes  
 Wrongful Acts - Yes  
 Employment Practices - Yes  
 Employee Benefit Plans - Yes  
 Employers' Liability: *(minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000)* - Yes  
 Other:

**NOTABLE EXCLUSION:**

- Workers' Compensation
- Uninsured Motorists / Underinsured Motorists
- Underlying Limits < \$1,000,000 except for Employers' Liability

**NOTES:**

Employers' Liability subject to JPRIMA security requirements.

# Your **EPIC** Account Team & Contact Information

**David McNeil, ARM**

**Principal**

david.mcneil@epicbrokers.com

909.919.7508

Overall Account Management

**Shelly Birdzell**

**Account Manager**

shelly.birdzell@epicbrokers.com

909:919.7904

Daily Account Management

**Marie Engstrom, CPCU**

**Claims Consultant**

**Property & Casualty**

marie.engstrom@epicbrokers.com

949.417.9118

**Max Rodriguez, WCCA, SIA**

**Workers Compensation**

**Claims Analyst**

max.rodriguez@epicbrokers.com

909.919.7502

**Dan Ryan, CIC**

**Managing Principal**

dan.ryan@epicbrokers.com

909.919.7517

Overall Client Satisfaction

**Certificate Requests**

shelly.birdzell@epicbrokers.com

909.919.7904

Fax: 888.789.5971

## **General Contact Information**

Main Number .....909.919.7880

Fax Number.....888.789.5971

Certificates .....909.919.7904

P&C Claims .....949.417.9118

WC Claims.....909.919.7502

Private Client.....866.722.2526

Employee Benefits.....877.225.2648

# **EPIC's Service Commitment**

## **EPIC will provide you with the following services:**

- Return all telephone calls within 24 hours.
- Issue Certificates of Insurance on a 24-hour turnaround or same day if received before 3:00 PM (as needed).
- Process requests for insurance program changes promptly.
- Track the status of all open claims.
- Review estimated payrolls and receipts.
- Review coverages with you as needed or at least.
- Present renewal insurance program in a timely manner.
- Keep you up-to-date about important insurance industry developments throughout the year.

# When to Notify

It is very important that we are informed whenever a significant change in your operation takes place.

## **We should be notified promptly of any change, such as:**

- Additional locations, new construction/projects
- Change in property values
- Change of ownership
- Sudden changes in sales/income/payroll
- Change in hazards (increase or decrease)
- Change in security or protection
- Change in product line
- New contractual obligations
- Change of vehicles/drivers
- Change of operation
- Change in shipment
- Leased, rented and borrowed equipment

The above are listed as *examples* of situations we should be made aware of; there are many others as well. If any questions arise, please call us.

# EPIC's Claims Advocacy

Claim reporting is simple!

Choose the most convenient method to report your claim:

- **Telephone:** Call our toll free number 800.282.2526
- **Fax:** Complete your paperwork and fax it to us at 888.789.5971
  
- **Internet:** Workers' Compensation Claims and questions  
Email Max Rodriguez – max.rodriguez@epicbrokers.com or Carrier directly for assistance
  
- **Internet:** Property & Casualty Claims and questions  
Email Marie Engstrom – marie.engstrom@epicbrokers.com

## Your EPIC Claims Team...second to none.

We have highly effective Claims Advocacy and Specialists with extensive depth and breadth. They have held positions with insurance carriers, insurance brokers and managing general agents representing reinsurance carriers. This experience provides our clients with broad-based claims expertise in multiple areas of insurance. Because of this diversity they are successful in communicating with all parties including claims adjusters, attorneys and you.

Our dedicated team responds to all of your Commercial Insurance claims needs including:

- Assisting you with reporting of Property & Casualty claims
- Providing you with Workers' Compensation claims reviews & advocacy
- Acting as liaison between you and the insurance carrier
- Reviewing summons and complaints prior to insurance carrier submission

**Agenda Item No. 5C**

Item Title: Salary Table Adjustment

Purpose:

To consider adjusting employee salary ranges to match local inflation.

Issue:

Two issues are before the Committee:

- Does the Committee recommend adjusting Company salary tables to match inflation?
- Which Consumer Price Index to use for adjustment?

Manager's Recommendation:

Recommend to the full Board adjusting the Company's salary tables 3.0% upward based on the Riverside / San Bernardino / Ontario 'Consumer Price Index for Urban Wage Earners and Clerical Workers' change from January 2018 to January 2019.

Background:

A Consumer Price Index (CPI) measures changes in the price of consumer goods and services purchased by households. The Federal Bureau of Labor Statistics (BLS) tracks CPI for geographical areas in the States ([www.bls.gov](http://www.bls.gov)).

Based on changes in the CPI tables, companies may adjust wages to ensure employee's 'cost of living' is not impacted negatively by inflation. Adjustment to salary tables based on CPI are called, "Cost of Living Adjustments (COLA)".

Yearly, the Company considers adjustments to its salary tables based on published federal changes to a CPI index.

In 2013 the AFC committed to using the 'Los Angeles-Long Beach-Anaheim' CPI 12-month change from December to December when considering COLA adjustments to Company salary tables. At the time, the Los Angeles-Long Beach-Anaheim CPI was the closest geographic area to the Company and considered the best available measure of inflation for San Bernardino County.

In 2017 the BLS started tracking CPI for 'Riverside-San Bernardino-Ontario' on a bimonthly basis. Since 2018 the CPI numbers for Riverside-San Bernardino-Ontario have been published for the months of January, March, May, July, September and November.

The CPI numbers and respective yearly change are shown below:

Geographic Area	Dec 2017	Dec 2018	Change	% Change
Los Angeles, et al.	249.854	258.101	8.25	3.20

Geographic Area	Jan 2018	Jan 2019	Change	% Change
Riverside, et al.	100.944	104.062	3.12	3.00

February 26, 2019

Impact on the Budget:

Implementing a COLA for 2019 would increase salary ranges only and would increase labor costs for those employees currently at the top of their range at the time of their performance evaluation.

Previous Actions:

None.