



SAN ANTONIO WATER COMPANY MEETING AGENDA

for ADMINISTRATIVE & FINANCE COMMITTEE

March 28, 2023 @ 3pm

At Company Office 139 N. Euclid Ave., Upland, CA 91786 with
option of Virtual/Online or Teleconference

Please join my meeting from your computer, tablet or smartphone. <https://meet.goto.com/196903549>
You can also dial in using your phone.

United States: [+1 \(312\) 757-3121](tel:+13127573121)

Access Code: 196-903-549

- 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 November 22, 2022.

5. Administrative and Financial Issues:

- A. Salary Range Adjustment

Consider adjusting the salary table to account for inflation.

- B. Clothing Allotment

Review current and proposed clothing allotment for field staff.

- C. Condolence Policy Update

Review current and proposed update for condolence policy.

- D. Property and Casualty Insurance Renewal

Review the Company's annual Property and Casualty Insurance renewal.

- E. Property and Casualty Insurance Broker RFP

Property and Casualty Insurance Broker Request for Proposal (RFP)

- F. Investment Advisors

Investment Advisors Request for Proposals (RFP)

- G. Community Events

Discuss possible engagement in community events.

- H. Bank Deposits

Discuss current state of banking industry and possible impact to SAWCo.

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 will be held on May 23, 2023 at 3:00pm

NOTE: All agenda report items and back-up materials are available for review and/or acquisition from SAWCo's Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [8:00a – 11:30a and 12:30p – 4:00p] and alternating Fridays [8:00a – 11:30a and 12:30p – 3:00p] and on SAWCo's website www.sawaterco.com. The agenda is also available for review and copying at the Upland Public Library located at 460 N. Euclid Avenue.

POSTING STATEMENT: On March 23, 2023, a true and correct copy of this agenda was posted at the entry of the Water Company's office (139 N. Euclid Avenue), the Upland City Hall at 450 N. Euclid Ave., the Upland Public Library at 460 N. Euclid Ave., and on SAWCo's website.

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

November 22, 2022

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was held virtually and called to order at 3:03 p.m. on the above date as noticed. Committee Members present were Bill Velto and Rudy Zuniga. Directors Martha Goss and Bob Cable were absent. Also in attendance were, SAWCo's General Legal counsel Derek Hoffman, General Manager Brian Lee, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Mr. Lee presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Director Zuniga moved and Director Velto seconded to approve the meeting minutes of September 27, 2022. Motion carried unanimously.
5. Administrative and Financial Issues:
 - A. ***Information Technology Request For Proposal (RFP)*** – Mr. Lee explained he previously issued an Information Technology (IT) RFP for a time and material contract. The RFP was sent to six local IT firms yet only one submitted a proposal. The one proposal received was not for time and materials but for a monthly retainer and is therefore considered a non-responsive bid. Mr. Lee would like to alter the original RFP from a time and materials contract to a monthly retainer.

Director Bob Cable entered the meeting at 3:05 p.m.

Director Cable inquired whether the contract SAWCo currently has with Inland Productivity Solutions, Inc. is a monthly retainer type. Mr. Lee replied that it is a monthly retainer contract.

Director Velto suggested staff reach out to the City of Upland to see if they can submit a proposal. Director Cable questioned whether that would be a conflict of interest. Staff was directed to look into whether the City of Upland could submit a proposal.

Director Velto moved and Director Cable seconded to recommend the Board authorize the General Manager to alter the IT RFP to request monthly retainer proposals instead of a time and materials contract and release. Motion carried.
6. Closed Session: None.
7. Committee Comments and Future Agenda Items: Director Cable wished everyone a Happy Thanksgiving.
8. Adjournment: Seeing no further business, the meeting was adjourned at 3:11 p.m.

Assistant Secretary
Brian Lee

Agenda Item No. 5A

Item Title: Salary Table Adjustment

Purpose:

To consider adjusting employee salary tables to match local inflation.

Issue:

Does the AFC recommend adjusting the Company salary tables to match inflation?

Manager's Recommendation:

Recommend adjusting the Company's salary tables 7.0% upward based on the Riverside / San Bernardino / Ontario 'Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)' change from January 2022 to January 2023.

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).

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.

The CPI numbers and respective yearly change are shown below for the Riverside / San Bernardino / Ontario 'Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)':

Geographic Area	Jan 2022	Jan 2023	Change	% Change
Riverside, et al.	119.557	127.936	8.379	7.0

Impact on the Budget:

Implementing a COLA increases salary ranges only. It does not adjust current salary rates, except in one instances for 2023 The recommended COLA adjustment would place one employee below the salary range for their position. The Company would adjust this employee's salary upward to bring this employee back into the newly adjusted range (full year cost increase would be \$2,580). All other employees would be eligible for performance-based salary adjustments at the time of their annual review.

Previous Actions:

None.

2022 Salary rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 213,304	\$ 253,282	\$ 266,614	\$ 293,301
Assistant General Manager	\$ 164,861	\$ 195,790	\$ 206,086	\$ 226,678
Water Utility Superintendent	\$ 100,110	\$ 118,872	\$ 125,112	\$ 137,634
Senior Administrative Specialist	\$ 62,150	\$ 73,798	\$ 77,688	\$ 85,467
Accounting/Personnel Specialist	\$ 62,150	\$ 73,798	\$ 77,688	\$ 85,467
Admin/Conservation Specialist	\$ 51,355	\$ 61,006	\$ 64,210	\$ 70,637
Water Utility Worker 1	\$ 56,493	\$ 67,101	\$ 70,637	\$ 77,688
Water Utility Worker 2	\$ 68,349	\$ 81,182	\$ 85,446	\$ 93,995
Water Utility Worker 3	\$ 75,213	\$ 89,315	\$ 93,995	\$ 103,397

2022 hourly rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 102.55	\$ 121.77	\$ 128.18	\$ 141.01
Assistant General Manager	\$ 79.26	\$ 94.13	\$ 99.08	\$ 108.98
Water Utility Superintendent	\$ 48.13	\$ 57.15	\$ 60.15	\$ 66.17
Senior Administrative Specialist	\$ 29.88	\$ 35.48	\$ 37.35	\$ 41.09
Accounting/Personnel Specialist	\$ 29.88	\$ 35.48	\$ 37.35	\$ 41.09
Admin/Conservation Specialist	\$ 24.69	\$ 29.33	\$ 30.87	\$ 33.96
Water Utility Worker 1	\$ 27.16	\$ 32.26	\$ 33.96	\$ 37.35
Water Utility Worker 2	\$ 32.86	\$ 39.03	\$ 41.08	\$ 45.19
Water Utility Worker 3	\$ 36.16	\$ 42.94	\$ 45.19	\$ 49.71

Proposed 2023 Salary rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 228,238	\$ 271,003	\$ 285,272	\$ 313,830
Assistant General Manager	\$ 176,405	\$ 209,498	\$ 220,522	\$ 242,549
Water Utility Superintendent	\$ 107,120	\$ 127,192	\$ 133,869	\$ 147,264
Senior Administrative Specialist	\$ 66,498	\$ 78,957	\$ 83,117	\$ 91,458
Accounting/Personnel Specialist	\$ 66,498	\$ 78,957	\$ 83,117	\$ 91,458
Admin/Conservation Specialist	\$ 54,954	\$ 65,270	\$ 68,702	\$ 75,587
Water Utility Worker 1	\$ 60,445	\$ 71,802	\$ 75,587	\$ 83,117
Water Utility Worker 2	\$ 73,133	\$ 86,861	\$ 91,437	\$ 100,568
Water Utility Worker 3	\$ 80,475	\$ 95,576	\$ 100,568	\$ 110,635

2023 COLA	7.0%
-----------	------

Proposed 2023 hourly rate				
	Low	Midpoint	Control Point	High
General Manager	\$ 109.73	\$ 130.29	\$ 137.15	\$ 150.88
Assistant General Manager	\$ 84.81	\$ 100.72	\$ 106.02	\$ 116.61
Water Utility Superintendent	\$ 51.50	\$ 61.15	\$ 64.36	\$ 70.80
Senior Administrative Specialist	\$ 31.97	\$ 37.96	\$ 39.96	\$ 43.97
Accounting/Personnel Specialist	\$ 31.97	\$ 37.96	\$ 39.96	\$ 43.97
Admin/Conservation Specialist	\$ 26.42	\$ 31.38	\$ 33.03	\$ 36.34
Water Utility Worker 1	\$ 29.06	\$ 34.52	\$ 36.34	\$ 39.96
Water Utility Worker 2	\$ 35.16	\$ 41.76	\$ 43.96	\$ 48.35
Water Utility Worker 3	\$ 38.69	\$ 45.95	\$ 48.35	\$ 53.19

Agenda Item No. 5B

Item Title: Request for Change Annual Clothing Allotment

Purpose:

To present a proposed change in the annual clothing allotment for Field Operation staff.

Issue:

Current annual clothing allotment for field personnel is \$330 annually, originally set in 2014. The allotment is used for the purchase of required non-logo items such as steel toed boots and jeans as needed.

Due to inflationary increases staff proposes the annual clothing allotment be increased.

Manager's Recommendation:

The AFC recommend the Board update the Water Company's Annual Clothing Allotment for Field Operations to \$600.

Background:

The Water Company's Uniform Policy and Annual Clothing Allotment for the Field Operations staff provides an annual uniform allowance for the purchase and maintenance of work boots (with toe safety protectors) and work jeans. The current annual clothing allotment for each field employee is \$330.00, which is reimbursable with acceptable receipts and properly completed check requests.

Clothing prices have increased substantially since 2014.

Impact on the Budget:

Up to \$1,350 per year (5 x (\$600-\$330) = \$1,350).

Previous Actions:

Board revised policy in May 2014.

Agenda Item No. 5C

Item Title: Condolence Policy Update

Issue:

Does the Advisory Committee wish to consider updating the established guidelines for the Company's expression of emotional support?

Manager's Recommendation:

Recommend to the Board adoption of updated emotional support guidelines

Background:

This Company is a family comprised of many individuals. There are an array of various life events that prompt an emotional response or solace and it is appropriate for the Company family to provide an expression of support to our individual family members during emotionally trying times.

Company family support during these times is meaningful and helpful, but it comes down to a question of who, what, when and how much?

To provide an expression of Company support in time of need, the Board established guidelines in 2007 to 1) identify the person or persons that the Company desires to respond to, 2) the type of adequate response appropriate to the situation and direct/indirect relationship with the Company, and 3) the extent of the response (how much) to commemorate or tribute.

Attached is a "draft" update for comments and consideration.

Impact on the Budget:

Unknown.

Previous Actions:

Board approval of policy in 2007.

“Draft”

Condolence Policy

WHEREAS, the Board desires to express sympathy,

WHEREAS, the Board desires to establish guidelines in its expressions

NOW THEREFORE, The Board of Directors of the San Antonio Water Company, in Upland, California, establishes the following guidelines:

The Board and staff shall respond to the following events:

- ❖ Loss of life or loved one
- ❖ Life threatening illness
- ❖ Major surgeries

Specific cards, flowers or donations shall be presented to:

1. Members of the Board and company employees
2. Board member spouses and children
3. Company employees and their immediate family members (as defined by the California Code of Regulations)
3. Ex-Officio members of the Board
4. Inspectors of Election

Specific cards shall be presented to:

1. Affiliate members [Chino Basin, Six Basin, Cucamonga Basin, PVPA]
2. Associate agency members [City of Upland, City of Ontario, Monte Vista, Three Valleys, WFA, etc.]

Flower and plant arrangements shall not exceed \$200

Donations to the bereaved charity of choice not to exceed \$200 without prior Board approval

§13692. Immediate Family Member Defined.

For purposes of subdivision (d) of Labor Code Section 2066, "immediate family member" means spouse, domestic partner, cohabitant, child, stepchild, grandchild, parent, stepparent, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, great grandparent, brother, sister, half-brother, half-sister, stepsibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin (that is, a child of an aunt or uncle).

Note: Authority cited: Sections 55, 59, 95 and 98.8, Labor Code. Reference: Section 2066(d), Labor Code.

Agenda Item No. 5D

Item Title: Property and Casualty Insurance Renewal

Purpose:

To review the Company’s annual Property and Casualty insurance renewal.

Issue:

Should the Company renew our Property and Casualty Insurance with JPRIMA?

Manager’s Recommendation:

Review, authorize approval and forward to the full Board with a recommendation to ratify approval.

Background:

In CY2016, California AB656 passed, allowing mutual water companies to work with public agencies to form a Joint Powers Risk Insurance Management Authority (JPRIMA).

The commercial package with JPRIMA runs from 4/1/22 to 4/1/23.

Following is a summary of past renewal premiums:

Policy Period	Premium	% of rate change
4/1/17 – 4/1/18	\$28,254	
4/1/18 – 4/1/19	\$27,547	- .02%
4/1/19 – 4/1/20	\$28,891	+ 5%
4/1/20 – 4/1/21	\$29,894	+ 3%
4/1/21 – 4/1/22	\$35,376	+18%
4/1/22 – 4/1/23	\$42,689	+17.5%
4/1/23 – 4/1/24	\$58,631	+37%

This year’s rates compared to last year’s rates:

	2022	2023	Diff.
Property	\$ 8,148	\$ 13,734	69%
Crime	\$ 500	\$ 750	50%
General	\$ 7,107	\$ 10,546	48%
Public Officials and Management	\$ 3,777	\$ 5,131	36%
Auto	\$ 9,022	\$ 11,183	24%
Excess	\$ 10,269	\$ 11,865	16%
JPRIMA Admin Fees	\$ 3,866	\$ 5,422	40%
TOTAL	\$ 42,689	\$ 58,631	37%

Just as last year, the increase in this year’s premium is due to the following:

- Increase in property and equipment values
- Increase in field payroll

- Marketplace losses in the areas of Employment Practices and Public Officials Liability
- Premium loads for wildfire and inverse condemnation exposures

Our account manager states that Company specific premium increases account for about 5%. The remainder is marketplace driven.

The proposal was received on March 21st. Staff is requesting approval of the quote by the AFC so that coverage does not lapse. We would then bring the quote to the full Board at the April regular Board meeting for ratification.

Staff has also prepared a Request for Proposals (RFP) to compare current coverage and premiums with alternatives. Should a better value present itself this year staff would recommend a midyear change in the Company's insurance provider.

Impact on the Budget:

Over budget [budgeted \$41,000 and actual considered is \$58,631].

Previous Actions:

None.



SAN ANTONIO WATER COMPANY

Property & Casualty 4/1/2023

Work Comp 5/1/2023

Presented by:

David McNeil, ARM

Principal

909.919.7508

david.mcneil@epicbrokers.com

Shelly Birdzell

Senior Client Manager II

909.919.7904

shelly.birdzell@epicbrokers.com

License OB29370

3633 Inland Empire Blvd, Suite 640, Ontario CA 91764
Telephone 909.919.7880 ~ Facsimile 888.789.5971 ~ www.epicbrokers.com



San Antonio Water Company Proposal 2023 to 2024

Table of Contents

- Section 1.....Package, Auto, Umbrella-Renewal 4/1/2023
Comparison, Carrier Quote, SOV/ME
- Section 2.....Work Comp-Renewal 5/1/2023
Comparison, Carrier Quote
- Section 3.....Your EPIC Account Team & Contact Information; We are EPIC;
Service Commitment; When to Notify; Claims Advocacy

SAN ANTONIO WATER COMPANY PREMIUM COMPARISON

COVERAGE	Policy Term	4/1/2022 TO 4/1/2023		4/1/2023 TO 4/1/2024	
	Carrier AM Best Rating	Cal Mutuals JPRIMA A XV		Cal Mutuals JPRIMA A XV	
		LIMITS	PREMIUM	LIMITS	PREMIUM
PACKAGE					
Property			\$8,148		\$13,734
Blanket Property-replacement cost		\$11,180,422		\$11,180,422	
- Real Property & Business Personal Property					
Blanket Coverage Extension; applies to the following -		\$2,000,000		\$2,000,000	
- Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic, Data, Preservation of Property					
Deductible		\$1,000		\$1,000	
Equipment Breakdown / Boiler & Machinery		Included		Included	
Deductible		\$1,000/\$2,500		\$1,000/\$2,500	
Mobile Equipment-actual cash value					
- Scheduled		\$170,410		\$170,410	
- Unscheduled, maximum \$10,000 any one item		\$70,003		\$70,003	
- Borrowed, rented & leased		n/a		n/a	
Deductible		\$1,000			
Terrorism		Included		Included	
Crime			\$500		\$750
Employee Theft		\$250,000		\$250,000	
Deductible		\$1,000		\$1,000	
General Liability			\$7,107		\$10,546
Payroll - Non Auditable		\$443,672		\$492,737	
Form		Occurrence		Occurrence	
Per Occurrence		\$1,000,000		\$1,000,000	
General Aggregate		\$10,000,000		\$10,000,000	
Products & Completed Operations Aggregate		\$10,000,000		\$10,000,000	
Personal & Advertising Injury		\$1,000,000		\$1,000,000	
Damage to Premises Rented To You		\$1,000,000		\$1,000,000	
Medical Payments		\$10,000		\$10,000	
Water & Wastewater Testing Errors & Omissions		Included		Included	
Inverse Condemnation		Included		Included	
Terrorism		Included		Included	
Public Officials & Management Liability			\$3,777		\$5,131
Budget - Non Auditable		\$3,375,569		\$3,498,500	
Employee Count		8.5		9.5	
Form		Occurrence		Occurrence	
Wrongful Act-per act		\$1,000,000		\$1,000,000	
Deductible-each wrongful act		\$1,000		\$1,000	
Employment Practices (including third party discrimination)-per offense		\$1,000,000		\$1,000,000	
Deductible-each offense		N/A		\$1,000	
Employee Benefits Plans-per act		\$1,000,000		\$1,000,000	
Injunctive Relief-per act		\$5,000		\$5,000	
Aggregate Limit		\$10,000,000		\$10,000,000	
Inverse Condemnation		Included		Included	
Form		Claims-Made		Claims-Made	
Privacy & Network Security Wrongful Acts-per act		\$1,000,000		\$1,000,000	
Deductible		None		\$1,000	
Effective Date		6/1/2012		6/1/2012	

SAN ANTONIO WATER COMPANY PREMIUM COMPARISON

COVERAGE	Policy Term	4/1/2022 TO 4/1/2023		4/1/2023 TO 4/1/2024	
	Carrier	Cal Mutuals JPRIMA		Cal Mutuals JPRIMA	
	AM Best Rating	A XV		A XV	
		LIMITS	PREMIUM	LIMITS	PREMIUM
Automobile					
Number of Vehicles		7	\$9,022	7	\$11,183
Combined Single Limit		\$1,000,000		\$1,000,000	
Uninsured/Underinsured Motorist		\$1,000,000		\$1,000,000	
Medical Expense		\$5,000		\$5,000	
Hired/Non-Owned Liability		\$1,000,000		\$1,000,000	
Hired Physical Damage		\$100,000		\$100,000	
Owned Physical Damage		ACV		ACV	
- Comprehensive Deductible		\$500		\$500	
- Collision Deductible		\$500		\$500	
Excess					
Each Occurrence		\$10,000,000	\$10,269	\$10,000,000	\$11,865
General Aggregate		\$10,000,000		\$10,000,000	
Premiums do not include taxes & fees			\$38,823		\$53,209

Refer to policies for complete terms and conditions.



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

COVERAGE PROPOSAL
San Antonio Water Company

COVERAGE PERIOD
4/1/2023 - 4/1/2024

PRESENTED BY:
Edgewood Partners Insurance Center



Insurance Administrator
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).

PAGE	COVERAGE SECTION		PREMIUM
3-7	SECTION 1. PROPERTY (Property, Equipment Breakdown & Mobile Equipment, if offered in the section)	\$	13,734.00
8	SECTION 2. COMMERCIAL CRIME	\$	750.00
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$	10,546.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (Wrongful Acts, Employment Practices & Employee Benefits, Privacy and Network Risk, if offered in the section)	\$	5,131.00
12	SECTION 5. BUSINESS AUTO	\$	11,183.00
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$	11,865.00
		MEMBER CONTRIBUTION	\$ 53,209.00
		JPRIMA ADMINISTRATION FEES	\$ 5,422.00
		TOTAL AMOUNT DUE*	\$ 58,631.00

*Payment is due within thirty (30) days of binding.

NOTES:

The JPRIMA MOC has a common anniversary date of April 1, 2023.

Terrorism coverage is automatically included for Property and General Liability.

Course of Construction: Please be advised that our policy is not intended for anything other than small, ancillary construction/replacement projects. Any substantive construction/replacement projects performed by insured employee or a third party should have a separate Builder's Risk Policy. We do not offer theft of materials. If subcontractors are being used, either entirely or in combination with employees, the insured entity should obtain Certificates of Insurance and request to be named as Additional Insured.

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2023 - 4/1/2024

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:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Proprietary & Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	\$11,180,422
Blanket Coverage Extension: 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.	\$2,000,000
Equipment Breakdown / Boiler & Machinery:	Included
Mobile Equipment (scheduled):	\$170,410
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	\$70,003
Mobile Equipment (borrowed, rented & leased):	N/A
Flood Zone X(unshaded)/C:	N/A

DEDUCTIBLES:

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

COVERAGE HIGHLIGHTS:

- Blanket Property Limits & Blanket Coverage Extension Limits
- No Coinsurance
- Equipment Breakdown
- Broad Definition of Covered Property
- Proprietary Coverage Extensions

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(Unshaded)/C only)

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2023 - 4/1/2024

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.

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2023 - 4/1/2024

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

Page 4 of 13

The MOC may contain limits, exclusions, and limitations that are not detailed in this proposal.

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; but only if such penstock is scheduled in the policy;
- (If not covered by other insurance): Additions under construction, alterations and repairs to the “real property” or structure, material, equipment supplies and temporary structures on or within 100 feet of the described premises, used for making additions, alterations or repairs to the “real property” or structure;
- 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;
- Glass which is part of a building or structure;
- Light standards;
- 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 or structures;
- 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; or
- Dumpsters, concrete trash containers, or permanent recycling bins;

■ 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	\$500,000
Valuable Papers and Records	\$500,000
Tools and Equipment Owned by Your Employees	\$5,000
Personal Effects and Property of Others	\$5,000
Fine Arts	\$25,000
Contamination	\$250,000
Indoor and Outdoor Signs (unscheduled)	\$50,000
Outdoor Property (unscheduled)	\$300,000
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 – Business Income and Extra Expense	\$250,000
Dependent Business Premises	\$250,000
Property at Other Locations	\$250,000
Pollution Remediation Expense (specified cause of loss)	\$250,000
Pollution Remediation Expense (covered cause of loss)	\$100,000
Contract Penalties	\$100,000
SCADA Upgrades	\$100,000
Property in Transit	\$100,000
Limited Coverage for "Fungus", Wet Rot or Dry Rot	\$50,000
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 Expense	\$5,000
Patterns, Dies, Molds, Forms	\$2,500
Debris Removal	25% of debris removal expense + \$250K
Ordinance or Law Provision	100% of scheduled limit plus 25%

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: 4/1/2023 - 4/1/2024

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:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

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
\$250,000	\$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: 4/1/2023 - 4/1/2024

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:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

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

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

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

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 COVERAGE(S):

Inverse Condemnation

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2023 - 4/1/2024

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. Available via endorsement only.
- **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:

COVERAGE PROPOSAL FOR MEMBER: San Antonio Water Company

EFFECTIVE DATE: 4/1/2023 - 4/1/2024

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

Page 10 of 13

The MOC may contain limits, exclusions, and limitations that are not detailed in this proposal.



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:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

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

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

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

PRIVACY LIABILITY AND NETWORK RISK¹:

Privacy & Network Security Wrongful Acts (Coverage A Only)	\$1,000,000	per act
¹ Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Coverage is limited only to the Primary policy. Privacy Retroactive Date: 6/1/2012. Privacy Deductible: \$1,000.		
* \$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.		

OPTIONAL COVERAGE(S):

Inverse Condemnation

RETROACTIVE DATE:

N/A

DEDUCTIBLE:

\$1,000 Each Wrongful Act or Offense including expenses

EPL DEDUCTIBLE:

\$1,000 Each Offense 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: 4/1/2023 - 4/1/2024

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:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- ISO Business Auto
- Proprietary Endorsements

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
Fleet Automatic		Included

DEDUCTIBLE:

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

POLICY HIGHLIGHTS:

- Fleet Automatic Coverage
- Commercial Auto 360 Endorsement
- Pollution Liability – Broadened Coverage for Coverage Autos

NOTES:

Please refer to the auto worksheet provided for per unit coverage information.



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:

- A XV (Excellent) A.M. Best Rating
- A-Strong Standard & Poor's Rating

FORM:

- Following Form
- Proprietary

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 minimum security requirements.
This insured has WC placement with Zenith Insurance Company. EL will be added to the Schedule of Underlying services on the Excess Dec.

Quote ID: 1777714 **Joint Powers Risk and Insurance Management Authority Proposal**

Insured		03/08/2023
San Antonio Water Company		Policy:
9 N. Euclid Avenue		FEIN:
Upland, CA 91786		e-mail:

Description	Renewal	Business Auto	\$11,183.00
Lock Rates Date	04/01/2023		
Effective Date	04/01/2023		
Expiration Date	04/01/2024	Total	\$11,183.00
Type of Business	Renewal		
Program Name	WaterPlusMID		
		Policy Surcharges and Taxes	
		POLICY TOTAL	\$11,183.00

Policy Totals Breakdown

Business Auto	
Liability	\$7,063.00
Medical	\$392.00
UM/UIM	\$497.00
Other Than Coll	\$708.00
Collision	\$2,023.00
Hired Auto	\$250.00
Non-Owned	\$250.00
Total	\$11,183.00

Policy Information - Business Auto

Legal Entity	Other	Type of Fleet	Fleet
Liability	1,000,000	CSL Deductible	Full
NAICS Class	221310 Water supply systems		

Location 1 Joint Powers Risk and Insurance Management Authori

139 N. Euclid Avenue Upland, CA 91786 San Bernardino County	Business Auto	\$11,183.00
Total		\$11,183.00

Business Auto

Territory 159	Total Fleet Premium Information...
	Liability \$7,192
	UM/UIM \$497
	Med Pay \$392
	OTC \$708
	Collision \$2,023
	Non-Owned \$121
	Hired \$250
	Fleet Grand Total \$11,183

Hired Auto: Liability class 6619, Physical Damage class 6619

	Limit/Ded	Premium
Liability	1,000,000	\$250†
†Liab Minimum Applies: 250		

Non-Owned Auto class 6601 (10 Employees)

	Limit	Premium
Liability	1,000,000	\$121

Vehicles

Vehicle # 1 - Truck 2012 Ford F350 1FD8W3E64CEC78287			
Cost New 41,188	Code 21499	Age Group 12	Vehicle Total \$1,359

	Limit	
Liability	1,000,000	\$980
	Limit	Premium
Med Payments	5,000	\$56
Un Motorist	1,000,000	\$71
	Deduct	Premium
Comprehensive	500	\$85
	Deduct	Premium
Collision	500	\$167

Vehicle # 2 - Truck 2012 Ford F550 1FDUF5GT4GEA43661			
Cost New 62,479	Code 21499	Age Group 12	Vehicle Total \$1,463

	Limit	
Liability	1,000,000	\$1,036
	Limit	Premium
Med Payments	5,000	\$56
Un Motorist	1,000,000	\$71
	Deduct	Premium
Comprehensive	500	\$98
	Deduct	Premium
Collision	500	\$202

Vehicle # 3 - Truck (Used in Dumping) 2008 International 4300 1HTMMAAL18H565023			Vehicle Total	\$1,120
Cost New	44,577	Code 21479	Age Group 16	

	Limit	
Liability	1,000,000	\$814
	Limit	Premium
Med Payments	5,000	\$56
Un Motorist	1,000,000	\$71
	Deduct	Premium
Comprehensive	500	\$67
	Deduct	Premium
Collision	500	\$112

Vehicle # 4 - Truck 2004 Chevrolet Pickup 1GBHC2928E311490			Vehicle Total	\$1,111
Cost New	33,750	Code 01499	Age Group 20	

	Limit	
Liability	1,000,000	\$827
	Limit	Premium
Med Payments	5,000	\$56
Un Motorist	1,000,000	\$71
	Deduct	Premium
Comprehensive	500	\$52
	Deduct	Premium
Collision	500	\$105

Vehicle # 5 - Truck 2014 Ford F-250 1FT7X2BT9EEA97514			Vehicle Total	\$1,495
Cost New	48,429	Code 01499	Age Group 10	

	Limit	
Liability	1,000,000	\$1,049
	Limit	Premium
Med Payments	5,000	\$56
Un Motorist	1,000,000	\$71
	Deduct	Premium
Comprehensive	500	\$95
	Deduct	Premium
Collision	500	\$224

Vehicle # 6 - Truck 2019 Ford F-250 1FT7X2BT4KEC70321			Vehicle Total	\$1,927
Cost New	57,723	Code 01499	Age Group 5	

	Limit	
Liability	1,000,000	\$1,254
	Limit	Premium
Med Payments	5,000	\$56
Un Motorist	1,000,000	\$71
	Deduct	Premium
Comprehensive	500	\$143
	Deduct	Premium
Collision	500	\$403

Vehicle # 7 - Truck (Used in Dumping) 2023 Mack Dump Truck 1M2MDAAA4PS071697			Vehicle Total	\$2,208
Cost New	108,900	Code 31479	Age Group 1	

	Limit	
Liability	1,000,000	\$1,103
	Limit	Premium
Med Payments	5,000	\$56
Un Motorist	1,000,000	\$71
	Deduct	Premium
Comprehensive	500	\$168
	Deduct	Premium
Collision	500	\$810

Property Schedule

Loc#	Description	Street	City	State	Zip	Building	Contents
1-1	Booster #1A	400 E. 20th	Upland	CA	91786	\$ 950,000.00	
1-2	Reservoir #1	400 E. 20th	Upland	CA	91786	\$ 135,273.60	
1-3	Carpport Structure	400 E. 20th	Upland	CA	91786	\$ 26,000.00	
2-1	Booster #9	1572 Golf Club Drive	Upland	CA	91786	\$ 130,000.00	
2-2	Well Site #3	1572 Golf Club Drive	Upland	CA	91786	\$ 78,000.00	
2-3	Well Site #24	1572 Golf Club Drive	Upland	CA	91786	\$ 26,000.00	
2-4	Control Pannel	1572 Golf Club Drive	Upland	CA	91786	\$ 400,000.00	
3-1	Booster #14	2570 Mesa Terrace	Upland	CA	91786	\$ 134,000.00	
3-2	Forebay Bldg	2570 Mesa Terrace	Upland	CA	91786	\$ 270,000.00	\$ 336,000.00
3-3	Mlox Bldg.	2570 Mesa Terrace	Upland	CA	91786	\$ 152,000.00	\$ 45,000.00
4-1	Booster #16	2510 N. Euclid	Upland	CA	91786	\$ 104,000.00	
5-1	Booster #17	2790 Mountain Ave.	Upland	CA	91786	\$ 89,440.00	\$ 52,000.00
6-1	Booster #19	2602 Holly Drive	Upland	CA	91786	\$ 343,000.00	\$ 150,000.00
7-1	Edison Box	San Antonio/Shin Rd.	Upland	CA	91786	\$ 103,700.00	\$ 78,579.94
8-1	Reservoir #4	2345 Paloma Curve	Upland	CA	91786	\$ 156,000.00	
9-1	Reservoir #6	Mtn & San Antonio Dam	Upland	CA	91786	\$ 572,000.00	
9-2	Reservoir #5	Mtn & San Antonio Dam	Upland	CA	91786	\$ 285,000.00	
10-1	Reservoir #7	2575 E. Spring Terrace	Upland	CA	91786	\$ 1,476,699.31	
11-1	Well Site #25a	1715 Benson Avenue	Upland	CA	91786	\$ 135,200.00	
12-1	Reservoir #9	1519 W. 24th Street	Upland	CA	91786	\$ 104,000.00	
13-1	Reservoir #12	885 E. 26th Street	Upland	CA	91786	\$ 2,600,000.00	
13-2	Well #32	885 E. 26th Street	Upland	CA	91786	\$ 38,400.00	
14-1	Reservoir #14	Holly Dr. & 26th St.	Upland	CA	91786	\$ 78,000.00	
15-1	Well Site #2	1464 Golf Club Drive	Upland	CA	91786	\$ 46,800.00	
16-1	Well Site #12	980 E. 6th Street	Upland	CA	91786	\$ 83,200.00	
17-1	Well Site #15	2294 4th Ave.	Upland	CA	91786	\$ 41,600.00	
17-2	Well Site #16	2294 4th Ave.	Upland	CA	91786	\$ 211,501.68	
17-3	Booster #18	2294 4th Ave.	Upland	CA	91786	\$ 182,000.00	
18-1	Well Site #22	1540 Red Hill N. Drive	Upland	CA	91786	\$ 124,800.00	
19-1	Well Site #26	1759 W. 17th St.	Upland	CA	91786	\$ 67,600.00	\$ 24,000.00
19-2	Well Site #27a	1813 W. 17th St.	Upland	CA	91786	\$ 135,200.00	\$ 151,000.00
20-1	Well Site #31	1680 Hunningbird Ln.	Upland	CA	91786	\$ 31,200.00	\$ 5,000.00
21-1	Office	139 N. Euclid	Upland	CA	91786	\$ 260,000.00	\$ 236,327.07
21-2	Garage	139 N. Euclid	Upland	CA	91786	\$ 20,800.00	\$ 4,000.00
22-1	Yard Bldg/Cont	172 S. 1st Ave.	Upland	CA	91786	\$ 140,400.00	
22-2	Storage Bldg	172 S. 1st Ave.	Upland	CA	91786	\$ 20,800.00	
23-1	Booster #20 - Pump	885 East 26th St.	Upland	CA	91786	\$ 104,000.00	
23-2	Booster #20 - Control Pannel	885 East 26th St.	Upland	CA	91786	\$ 104,000.00	
24-1	Tunnel Shaft 6 Mlox Building	2777 N. Mountain Ave. 'C'	Upland	CA	91786	\$ 137,900.00	

\$ 10,098,514.59 \$ 1,081,907.01

Total Combined Insurance Value: \$ 11,180,421.60

Inland Marine Schedule

Valuation	Description	Serial #/ ID #	Model Year	Insured Value
ACV	Misc. Tools & Equipment/\$10K Max Item			\$ 70,003
ACV	CONEQ / Airman Compressor	5773108802		\$ 11,962
ACV	Excavator - John Deer 17G	1FF017GXAFK225723	2016	\$ 39,403
ACV	Backhoe - 2019 CA	NJC753266		\$ 106,653
ACV	Toyota Forklift	77426 / 7FGU25		\$ 12,391

Scheduled Inland Marine \$ 170,410
Total Value \$ 240,413

**SAN ANTONIO WATER COMPANY
PREMIUM COMPARISON**

		Term	5/1/2022 to 5/1/2023			5/1/2023 to 5/1/2024		
		Carrier	CalMutuals/JPRIMA/Zenith			CalMutuals/JPRIMA/Zenith		
		AM Best Rating	A X			A X		
COVERAGE								
WORKERS COMPENSATION								
State	Class Code	Description	Estimated Payroll	Base Rate	Net Rate	Estimated Payroll	Base Rate	Net Rate
CA	7520	Waterworks Ops	\$443,672	3.85	2.74	\$492,736	3.85	2.75
CA	8742	Salespersons-Outside	\$407,972	0.88	0.65	\$444,446	0.89	0.64
CA	8810	Clerical – NOC	\$183,842	0.59	0.42	\$140,461	0.66	0.47
		Experience Modification (estimated)	79%			84%		
		Total Payroll	\$1,035,486			\$1,077,643		
		Estimated Premium	\$15,637			\$17,031		
		State Surcharges	\$928			\$997		
		TOTAL ESTIMATED PREMIUM	\$16,565			\$18,028		

Refer to policy for complete terms and conditions.

Subjectivity:

Complete form 701-section D only

TheZenith®

A FAIRFAX Company

Renewal Proposal of # Z137711002

Date: 03/09/2023

SAN ANTONIO WATER COMPANY

139 N Euclid Ave
Upland CA 91786-6036

George Pappas

ALLIED COMMUNITY INSURANCE SERVICES LLC

Prod Cd: 093499A 20.0

(717) 657-9671

11452 EL CAMINO REAL

SUITE 250

SAN DIEGO CA 92130

Workers' Compensation Proposal

Policy Period: 05/01/2023 at 12:01 a.m. to
05/01/2024 at 12:01 a.m.

Employer's Liability Limits: 1,000,000/1,000,000/1,000,000

Group Membership: WATER INDUSTRY GROUP >= \$9,200

Estimated Payroll : \$1,077,643

Total Estimated Premium (without fees): \$17,031

Total State Fees & Assessments: \$997

Total Estimated Premium Incl Charges: \$18,028

Selected Payment Plan

Selected Payment Option:	Installment Plan
Billing Type:	Direct Bill
Frequency:	Monthly
Deposit Premium:	\$2,555 / 15%
State Fees & Assessments:	\$150
Total Due Up Front:	\$2,705

Zenith Insurance Company and its wholly owned subsidiary ZNAT Insurance Company (together, "Zenith") offer flexible payment options and there is never a charge for installments.

You will be billed directly by Zenith Insurance Company.

The remaining amount due will be paid in 8 installments of \$1,915.

Dividend Plan for WATER INDUSTRY GROUP >= \$9,200

This proposal is based on the employer's membership in the WATER INDUSTRY GROUP >= \$9,200, and if accepted, will make the insured member eligible for future dividends which may be declared by the Zenith Insurance Company Board of Directors. Under California workers' compensation insurance, a dividend is a refund to the policyholder that represents a portion of the premium that the insurer did not need to pay claims or meet expenses.

Under California law it is unlawful for an insurer to promise the future payment of dividends under an unexpired workers' compensation policy or to misrepresent the conditions for dividend payment. Dividends are payable only pursuant to conditions determined by the Board of Directors or other governing board of the Zenith Insurance Company following policy expiration. Forfeiture of a right to, reduction in the amount of, or delay in the payment of a policyholder's dividend due to the policyholder's failure to accept renewal of the policy or subsequent policies issued by the same insurer is illegal and constitutes an unfair practice.

It is a misdemeanor for any insurer or officer or agent thereof, or any Insurance broker or solicitor, to promise the payment of future workers' compensation dividends. Past dividend performance is no guarantee of an insurer's future dividend performance.

Proposal # Z137711002
SAN ANTONIO WATER COMPANY
Page 1 of 5

This proposal is good until 05/01/2023 at 12:01 a.m. and is subject to the terms and conditions of the policy for which this proposal is given, including any special conditions and/or exclusions that may apply. This proposal does not constitute an insurance policy.

- * This proposal is based on information given to us. Please verify the information contained in this proposal and read the Proposal Disclaimer carefully.
- * This proposal was issued by: Zenith Insurance Company, 7440 N. Palm Avenue Suite #103, Fresno, CA 93711 Phone: (559) 449-4715, Underwriter: Lori Henson

Comments

Please check with the employer to see if they have employees in other states Remote employees are becoming more common and those states need to be listed in 3A on the policy

California Premium Calculation Zenith Insurance Company

STATE COVERAGE									
State	From	Through	Class Code	Description	No. of Emp FT/PT	Est. Payroll	Manual Rate	Est. Manual Premium	Est Net Rate*
CA	05/01/23	05/01/24	7520-0	WATER COMPANIES--ALL EMPLOYEES--INCLUDING CONSTRUCTION OR EXTENSION OF LINES.	5/0	492,736	3.85	18,970	2.75
CA	05/01/23	05/01/24	8742-0	SALESPERSONS--OUTSIDE.	2/0	444,446	0.89	3,956	0.64
CA	05/01/23	05/01/24	8810-0	CLERICAL OFFICE EMPLOYEES--N.O.C.	2/1	140,461	0.66	927	0.47

*Est. Net Rate is the manual rate modified by an experience modification factor (if applicable) and other adjustments.

California Adjustments and Calculation Details

05/01/23 to 05/01/24

State Manual Premium			\$23,853
Modified Premium (estimated)		(84.00%)	\$-3,816
Employers Liability Limits 1,000,000 Per Accident 1,000,000 Per Disease 1,000,000 Policy Limit		(.00%)	\$0
Risk Adjustment		(-15.00%)	\$-3,006
State Regulatory Assessment		.053866	\$917
Ciga Charges		0	\$0
State Regulatory Fraud Assessment		.004679	\$80
Total State Assessments			\$997
Total Estimated Policy Premium & Fees			\$18,028

The experience modification factor has been estimated. When the actual experience modification factor is published, it will be endorsed to our policy with no change in risk adjustment factor.

Notices and Disclaimers

PROPOSAL DISCLAIMER: *This proposal is subject to the information provided by you and/or the insurance agent, verification of this information and the applicable rates and underwriting guidelines applicable at the time. All proposals are for illustration purposes only; the actual premiums and coverage will be based on certain underwriting criteria, manuals, rates, rating plans and classifications. We reserve the right to change our manuals and apply the changes to the policy if authorized by law or a governmental agency regulating this insurance. The premium calculation details shown are estimates. The final premium will be determined after the policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by the policy. The final premium may also be affected by certain state legislative and/or regulatory changes. If the final premium is more than the premium you paid to us, you must pay us the balance. If the final premium is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy. You may be subject to a cancellation penalty in the event you cancel the policy prior to the policy expiration date. In the event any provision of this proposal and any provision of the policy, including endorsements, if any, are inconsistent or conflicting, the inconsistent or conflicting provision of the policy shall control.*

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE: *Coverage for acts of terrorism is included in the proposal. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under the coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019, and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of the annual premium that is attributable to coverage for acts of terrorism is CA \$0.00 per \$100 of payroll and does not include any charges for the portion of losses covered by the United States government under the Act.*

NOTICE OF MEDICAL PROVIDER NETWORK/PANEL: *Our medical management team maintains a comprehensive medical provider network or panel depending on the region, that includes a full range of health care providers, primary, and specialty care physicians, as well as hospitals and associated services. The health care service providers in our network have been selected based on their geographic location, specialty and credentials. All workers' compensation medical treatment provided under the policy will be administered by appropriately credentialed providers according to nationally accepted evidence-based treatment guidelines.*

CALIFORNIA EXECUTIVE OFFICER, PARTNER, MANAGING MEMBER EXCLUSIONS: *Any Officer, Director, Partner or Managing Member that desires to be excluded from coverage must complete the attached waiver (one signed waiver per excluded individual) - the law strictly prohibits our ability to exclude these individuals from coverage until we have received and accepted a signed waiver. Please return any/all signed waivers with binding order or instructions to your local Zenith underwriting office.*

California Short-Rate Cancellation Disclosure Notice

**IMPORTANT NOTICE ABOUT THE POLICY OF INSURANCE FOR WHICH YOU HAVE APPLIED
PLEASE READ THE FOLLOWING INFORMATION CAREFULLY**

The policy for which you have applied contains a cancellation provision that permits us to refund premium on a basis other than the pro rata when you cancel the policy. Under the policy for which you have applied, if you cancel the policy, your final premium will be calculated based on the time your policy was in force with us, increased by the percentage specified in the short-rate cancellation table listed below.

Short Rate Cancellation Table

Short Rate Cancellation Table FOR TERM OF ONE YEAR					
Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium	Days Policy In Force	Percent of One Year Premium
1	5%	95-98	37%	219-223	69%
2	6%	99-102	38%	224-228	70%
3-4	7%	103-105	39%	229-232	71%
5-6	8%	106-109	40%	233-237	72%
7-8	9%	110-113	41%	238-241	73%
9-10	10%	114-116	42%	242-246 (8 mos.)	74%
11-12	11%	117-120	43%	247-250	75%
13-14	12%	121-124 (4 mos.)	44%	251-255	76%
15-16	13%	125-127	45%	256-260	77%
17-18	14%	128-131	46%	261-264	78%
19-20	15%	132-135	47%	265-269	79%
21-22	16%	136-138	48%	270-273 (9 mos.)	80%
23-25	17%	139-142	49%	274-278	81%
26-29	18%	143-146	50%	279-282	82%
30-32 (1 mo.)	19%	147-149	51%	283-287	83%
33-36	20%	150-153 (5 mos.)	52%	288-291	84%
37-40	21%	154-156	53%	292-296	85%
41-43	22%	157-160	54%	297-301	86%
44-47	23%	161-164	55%	302-305 (10 mos.)	87%
48-51	24%	165-167	56%	306-310	88%
52-54	25%	168-171	57%	311-314	89%
55-58	26%	172-175	58%	315-319	90%
59-62 (2 mos.)	27%	176-178	59%	320-323	91%
63-65	28%	179-182 (6 mos.)	60%	324-328	92%
66-69	29%	183-187	61%	329-332	93%
70-73	30%	188-191	62%	333-337 (11 mos.)	94%
74-76	31%	192-196	63%	338-342	95%
77-80	32%	197-200	64%	343-346	96%
81-83	33%	201-205	65%	347-351	97%
84-87	34%	206-209	66%	352-355	98%
88-91 (3 mos.)	35%	210-214 (7 mos.)	67%	356-360	99%
92-94	36%	215-218	68%	361-365 (12 mos.)	100%

Your **EPIC** Account Team & Contact Information

David McNeil, ARM

Principal
909.919.7508

david.mcneil@epicbrokers.com

Overall Account Management

Shelly Birdzell

Senior Client Manager II
909.919.7904

shelly.birdzell@epicbrokers.com

Daily Account Management

Certificate Requests

Max Rodriguez, WCCA, SIA

Senior Claims Analyst
Workers Compensation

909.919.7502

max.rodriguez@epicbrokers.com

Kiersten Okihara-Gaines

Claims Associate
Property & Casualty
909.919.7888

kiersten.okihara-gaines@epicbrokers.com

Dan Ryan

Managing Principal
909.919.7517

dan.ryan@epicbrokers.com

Overall Client Satisfaction

Margareta Thorsen

Vice President
Surety Bonds
626.583.2439

margareta.thorsen@epicbrokers.com

Fax 626.577.8940

General Contact Information

Main Number909.919.7880

Fax Number.....888.789.5971

Private Client.....415.356.3940

Employee Benefits.....949.417.9176



Insurance Brokers & Consultants

We Are **EPIC**

As a full service brokerage, EPIC provides you with a wide array of risk management, commercial insurance, personal insurance & employee benefits products and services

EPIC is a premier Independent Insurance Brokerage firm with expertise in the development, coordination and marketing of insurance portfolios. We already are one of the top insurance brokers in the United States of America with premium volume in excess of \$200 million.

Our client base is loyal and diversified which provides us with opportunities to trouble shoot the most complex of issues facing clients. We believe this experience makes us invaluable to our clients. Your challenges become our opportunities to prove our value to you. Our philosophy is "The client always comes first". We accomplish this through action as we do not have the corporate edits or bureaucracy many of our competitor's must endure.

With EPIC Partner's acquisition of Calco, we not only remain flexible and hands-on, we have \$100 million in financial and corporate backing to provide the resources our clients need. EPIC's backing will enable our clients to have the best of both worlds! We believe this is an unbeatable combination.

The principals of EPIC each bring over 25 years of industry experience working with clients like Salesforce, Yahoo, Peoplesoft and Sanmina, to name a few. Our expansion will continue in California with a focus on Employee Benefits, Business Insurance, Technology, Wind & Energy, Construction and other specialized industry segments. Plans are in place to open several new locations including San Francisco and the East Bay, along with explosive growth in Sacramento and Southern California.

Commercial Insurance

Property, Casualty, Auto, Environmental, Directors and Officers, Employment Practices Liability, Professional Liability, Excess, Workers' Compensation, Crime, K&R, Fiduciary, Marine, Multinational, Warranty/Recall, Patent Infringement, Internet & Cyber Liability, and more ...

Emphasis in particular Industry segments: Technology, Construction, Wind & Energy, Real Estate and more ...

Employee Benefits

Toll free HELP Line, On-line Human Resource Services, Health & Benefits Fairs, 5500 Filing Signature Ready, Compliance Audit, COBRA Compliance Audit, Employee Communications Materials, Multinational Benefits, Benefits Management, 125 Plans, ERISA & HIPAA Compliance, Industry Surveys and more

Medical, Dental, Vision, Key Man Life, Executive Benefits, STD/LTD, Life/AD&D, Flex Spending Accounts, Long-term Care, 401K, Cobra Administration, EAP and more ...

Private Client

Provides personalized coverage and service to protect personal assets such as Homes of any value, standard and unique Automobiles, Excess Liability (Umbrella) for that extra level of protection, Watercraft from Yachts to Sailboats, Personal Articles such as Jewelry, Fine Arts, Wine Collections, Silverware, Musical Instruments, Sports Memorabilia .Our Private Client Division goes the extra mile to provide the best service possible by offering clients an Asset Protection Review, and more ...

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 **EPIC**

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:** 1.909.919.7880
- **Fax:** Complete your paperwork and fax it to us at 888.789.5971

- **Property & Casualty Claims and questions**

Kiersten Okihara-Gaines

Direct Line 1.909.919.7888

Email kiersten.okihara-gaines@epicbrokers.com

- **Workers' Compensation Claims and questions**

Max Rodriguez

Direct Line 1.909.919.7502

Email max.rodriquez@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 and advocacy
- Acting as liaison between you and the insurance carrier
- Reviewing summons and complaints prior to insurance carrier submission

WaterWorld.

WATER UTILITY MANAGEMENT

EPA requires states to survey water systems' cybersecurity

The agency has released a memorandum requiring states to survey cybersecurity best practices at public water systems.

The U.S. EPA has released a memorandum requiring states to survey cybersecurity best practices at public water systems.

The agency says that a recent survey and reports of cyber-attacks show that many public water systems have not adopted basic cybersecurity best practices and are at risk of cyberattacks.

"Cyber-attacks against critical infrastructure facilities, including drinking water systems, are increasing, and public water systems are vulnerable. Cyber-attacks have the potential to contaminate drinking water, which threatens public health," said EPA Assistant Administrator for Water Radhika Fox. "EPA is taking action to protect our public water systems by issuing this memorandum requiring states to audit the cybersecurity practices of local water systems."

EPA says that states must include cybersecurity when they conduct periodic audits of water systems (called "sanitary surveys"). The memorandum highlights different approaches for states to fulfill this responsibility.

EPA is also providing technical assistance and resources to assist states and water systems as they work toward implementation of a robust cybersecurity program.

EPA's guidance, titled "Evaluating Cybersecurity During Public Water Sanitary Surveys" is intended to assist states with building cybersecurity into sanitary surveys. It includes key information on options for evaluating and improving the cybersecurity of operational technology used for safe drinking water.

The agency is also requesting public comment on Sections 4-8 of the guidance and all Appendices until May 31, 2023. Comments can be submitted by email to wicrd-outreach@epa.gov. EPA plans to revise and update the document based on public comment and new information.

EPA's technical assistance program has already proven effective in aiding systems with their cybersecurity and EPA says that it looks forward to working with other entities in the future.

"EPA's cybersecurity technical assistance program provided a wonderful jumping-off point to work on improving the cybersecurity of the water and sewer systems," said Amy Rusiecki, Assistant Superintendent of Operations, Town of Amherst Public Works, Massachusetts. "The program armed us with the tools to have the appropriate conversations with the Town's IT staff and our water/sewer staff to take small steps toward improvement. The roadmap for how to correct the Town's vulnerabilities is still driving decisions today."

The agency says that it will be offering additional training on how to implement best practices for cybersecurity and use the available resources. EPA is also offering consultations with subject matter experts and direct technical assistance to water systems to conduct assessments of their cybersecurity practices and plans for closing security gaps.



INSIGHTS

ANNOUNCEMENT

EPIC Launches New Cybersecurity Solutions to California Water-Related Agencies

March 10, 2023

Partnership With Organizations Is An Important Step In Protecting Water Services

Cyber threats and data breaches are something we worry about every day, but they don't just happen to personal financial accounts, banking institutions and tech companies. Our nation's water utilities have become increasingly vulnerable to cyberattacks, which the American Water Works Association says "could cause devastating harm to public health and safety, threaten national security and result in costly recovery and remediation efforts to address system issues as well as data loss."

The issue has become so significant that the White House released a statement in March 2023 detailing the complex threat that water utilities face from cyber breaches and emphasizing the need for software products and services to promote secure development practices.

Recognizing this need in 2021, David McNeil, Principal with EPIC Insurance Brokers & Consultants, partnered with Allied Public Risk, LLC (APR), Alvaka Networks, CalMutuals JPRIMA and Lloyd's of London. They worked for two years developing a customized cyber program for water utilities and water-related agencies seeking cyber coverage. The new product launch was announced this week by Alvaka Networks and CalMutuals JPRIMA.

"I am thrilled to be part of this innovative, cutting-edge product launch," McNeil said. "The development process took more than two years, but we now have a cyber-insurance product that meets the specific needs of the critical water infrastructure sector."

"We were able to come up with something that advanced the coverages and created a stabilized price option for water utility companies to have coverage no matter their size," McNeil continued.

Water-related agencies have found it challenging to obtain cybersecurity coverage that is both affordable and comprehensive.

"In addition to critical patching services, Alvaka and EPIC will be working closely with our organization to provide cyber outreach and education throughout California," said Susan Allen, CEO of CalMutuals JPRIMA. "This initiative is an important aspect of the program, as education is key to reducing the risk of cyber-attacks."

The program is designed to increase cyber liability insurance quality, affordability and availability for members of CalMutuals JPRIMA. Although initially available for California companies, the team hopes to expand the coverage options to water utilities throughout the U.S.

Taking an Aggressive Stand

The threats that water utilities face include attacks against operations technology systems that control turning the water on and off, the level of chemicals that are healthy versus dangerous, and more. The information technology attacks include typical phishing, malware and spoofing, but once inside the system hackers may try to transition to the operating systems and wreak havoc. With the correct risk management defensive measures in place, such issues can be avoided.

"The partners in this endeavor understand the critical nature of their work, and we are committed to doing our part in providing critical patching services to ensure this sector is protected against the latest cyber threats," said Kevin McDonald COO and CISO of Alvaka Networks. "The recent announcement by the White House of a more aggressive approach to

National Cybersecurity Policy, with heavy emphasis on water and other critical infrastructure, is an encouraging sign that the government is taking cybersecurity seriously.”

“This program is a significant step forward in JPRIMA’s mission to help organizations protect themselves against the ever-evolving threat of cyberattacks,” said Paul Fuller, CEO of APR and Lloyd’s of London Coverholder.

“In addition to the support from Alvaka, we leaned heavily on the expertise and guidance of David,” Fuller continued. “He helped us with the technical insurance knowledge to build an industry-leading program.”

Learn more about our [Risk Management Practice](#).

Featured Insights

[View All](#)

<p>EPIC Welcomes Joe Breakfield</p> <p>Alerts</p>	<p>Senior Care Insurance Market Update</p> <p>Insights</p>	<p>EPIC Welcomes Natalie Bailey</p> <p>Insights</p>
--------------------------------------------------------------------------	-----------------------------------------------------------------------------------	----------------------------------------------------------------------------

Related Content

<p>About EPIC</p> <p>EPIC Insurance Brokers and Consultants has a nationwide presence with a depth of industry expertise across ...</p>
<p>PRODUCTS</p> <p>Risk Management</p> <p>Our experienced teams take an enterprise-wide approach, consulting closely with you to identify, analyze and...</p>
<p>PRODUCTS</p> <p>Risk Consulting</p> <p>Our Risk Consulting team is focused on reducing operational and financial risks at an enterprise-wide level...</p>

Your Insurance Partners Beyond the Policy



CalMutuals
JPRIMA

CYBERSECURITY INSURANCE

Water entities can now obtain best-in-class cyber liability and network security insurance protection at affordable and stable rates through CalMutuals JPRIMA.

CalMutuals JPRIMA's experienced San Diego-based claims team of privacy attorneys, data forensics experts and crisis managers stands ready to help before, during and after a covered event.

Lloyd's of London is our major carrier partner and one of the world's largest insurance writers of cyber liability and network protection and will support CalMutuals JPRIMA in offering policy options with and without Ransomware coverage.

Access to our insurance program will require verification of a managed service provider (MSP), or validated internal processes, that provides critical and time-sensitive patching with follow-up patch verification. CalMutuals JPRIMA recommends enrollment with our partner, NetSecure™, the cyber security division of Alvaka Networks, a prominent California based MSP. Having members computers up-to-date will vastly improve security and substantially reduce breaches caused by software vulnerability.

Why You Need It

Given the pervasiveness of computer hacking into businesses and government agencies, more and more organizations are purchasing cyber insurance to manage the risk of losses arising from ransomware, malware, and data breaches. Cybercrime is a lucrative criminal enterprise with no signs of stopping and some estimate the annual global costs of cyber-attacks may double that of natural disasters. As cyber-attacks on water systems have public health consequences, regulators are pondering IT security standards on water purveyors and others to protect drinking water safety. Purchasing CalMutuals JPRIMA cybersecurity insurance today helps manage that risk while adding valuable tools to help protect your system.



What You Get Coverages and enhancements include:

- Data Liability & Network Security
- Business Interruption & Extra Expense
- Regulatory Fines & Assessments
- Credit Monitoring & Notification
- Data Restoration & Forensics
- Public Relations & Crisis Management
- Media Liability
- Funds Transfer Fraud
- Third-Party Funds Theft
- Duty to Defend
- Legal Representation
- Moonlighting Activities of State-Based Actors
- Inclusion of Employee-Owned Devices
- Voluntary Notification

Requirements for Ransomware Protection

Applicants With Revenue Under \$1m

- Patchworx enrollment (or its equivalent)
- Firewall
- Antivirus software
- Back-up critical data (every 30 days)
- Air gap (meaning between your IT & OT systems)
- Portable device encryption (noncompliant exclusion)
- PCI compliant
- Strong passwords (quarterly changes)

Applicants With Revenue Between \$1m And \$5m

- Same requirements for applicants with revenue under \$1 million
- Two Factor Authentication (2FA) for all remote access, including employee-owned machines
- No unsupported operating systems or applications without manufacturer support unless isolated from the insured's network and not Internet-facing

Applicants With Revenue Greater Than \$5m

- Same requirements for applicants w/ revenue between \$1-5 million
- Personally Identifiable Information (PII) encrypted at rest (multiple records of one person = one record)
- Remote Desktop Protocol (RDP) or other remote access software disabled unless required
- Back-up critical data off-site every seven days (back-up data not to be accessible from the network)
- Back up data within a separate domain requiring different login credentials to the corporate IT network

Policy limits will apply separately per member, will be \$1 million and include an optional funds transfer fraud sublimit. The minimum deductible will be \$5,000. Higher limits and deductibles are available.

JPRIMA Insurance Administrator and Lloyd's Coverholder:

Allied Public Risk, LLC California d/b/a: Allied Community Insurance Services, LLC

California License #: 0L01269 / National Producer #: 17536322

Authorized Broker: David McNeil, ARM

(david.mcneil@epicbrokers.com)

Telephone: (714) 856 - 4221

California License #: 0B29370

1370 North Brea Blvd., Suite 235 • Fullerton, CA 92835

calmutualsjprima.org





CYBER LIABILITY & NETWORK SECURITY APPLICATION WATER-RELATED ENTITIES W/ ANNUAL REVENUE ABOVE \$5M

Coverage offered on a claims made basis with loss adjustment expenses included within the available limit of insurance. Any loss adjustment expenses paid under this coverage will reduce the available limit of insurance and may exhaust it completely. Please read the entire policy carefully.

SECTION I – GENERAL INFORMATION

Name of Applicant:
 Address:
 Telephone:
 Website:
 Contact / Email:
 Type of Water-Related Entity:
 Please list all subsidiaries for which coverage is requested under this policy:
 Total Number of Employees:
 Annual Revenue >\$5M: (Yes No
 Annual Revenue Amount:

SECTION II – RISK CONTROLS

Please use the Additional Information section for any answers requiring further explanation.

1. Are you running MS XP, Windows Server 8 or any other form of unsupported operating system? Yes No
If yes, please describe any extended support and/or plans to phase out of any critical areas.
2. Is your total number of Personally Identifiable Information (PII) records held less than 100,000 records? Yes No
(please include # clients with PII in your system versus total # pieces of PII)
Total number:
3. Are any of your servers within your Operational Technology environment internet facing? Yes No
a) If yes, is access to your Operational Technology environment restricted by a minimum of 2FA? Yes No
4. Do you secure remote access to your Corporate IT network with a minimum of 2FA? Yes No
5. Do you have the following:
 - a) Air gap between your Corporate IT and Operational Technology system environments? Yes No
If no, what applications runs across systems?
 - b) Formal written privacy policy? Yes No
 - c) Mandatory strong passwords with enforced quarterly changes? Yes No
 - d) Your privacy statement clearly shown on your website? Yes No
6. Have you achieved compliance with the following (check all that apply):
 - a) PCI DSS (Payment Card Industry Data Security Standard) Yes N/A
 - b) GLBA (Gramm-Leach-Bliley Act) Yes N/A
 - c) HIPAA (Health Insurance Portability and Accountability Act) Yes N/A
7. Do you have a written procedure for validating all changes to vendor/client/customer contact details and/or bank account details in writing and then over the telephone with oral confirmation from the relevant employee/partner/director of the Insured or vendor/client/customer before the changes are actioned? Yes No
8. If yes to question #7, is that written procedure always followed? Yes No
9. Do you deploy a regularly updated (at least once a week) commercial grade firewall at all external gateways of your network? Yes No
10. Does your SCADA network use any unencrypted telemetry within the communication infrastructure? Yes No
11. Is all sensitive customer, client, and employee data:
 - a) Encrypted at rest? Yes No
 - b) Encrypted in transit? Yes No
 - c) Accessible via mobile devices, laptops, or other portable storage media? Yes No
 - i) If yes, are the mobile devices, laptops, or other storage media encrypted? Yes No
 - ii) If not encrypted, do you have biometric and/or password protection for mobile devices and laptops? Yes No
12. Do you run a regularly updated (at least once a week) commercial grade antivirus application across your entire network, including endpoints and servers? Yes No
13. Do you install critical patches within 30 days of release? Yes No

14. Have you disabled Remote Desktop Protocol on all your endpoints, including servers, where not required? Yes No
15. Do you employ application whitelisting? Yes No
16. Do you currently offer any phishing training to your staff? Yes No
17. Have you deployed the following:
- a) SPF? Yes No
 - b) DKIM? Yes No
- If yes to a) and/or b), have you also deployed DMARC? Yes No
18. Do you (or your Cloud Service Provider) provide high availability for your critical applications and data? If yes, how is this achieved? Yes No
19. Do you (or your Cloud Service Provider) back up data that is necessary to run your facility at least every (seven) 7 days? Yes No
20. Is this data backed up and stored offline, such that it is not accessible from the Corporate IT network? Yes No
21. Is access to this data limited to those with a direct operational need? Yes No
22. How often is this data tested for integrity? Weekly Monthly 180 days Never
23. What is the procedure for the application of patches to your Operational Technology network?
24. What are the logical connections between your Corporate IT and Operational Technology networks?

SECTION III - LOSS EXPERIENCE

Explain any Yes responses, including corrective actions and damages incurred, on the Additional Information section.

1. During the past three (3) years whether insured or not, have you sustained any losses due to unauthorized access, unauthorized use, virus, denial of service attack, electronic media liability, data breach, data theft, fraud, electronic vandalism, sabotage, or other similar electronic security events? Yes No
2. Within the past three (3) years, have you experienced any network related business interruption exceeding eight (8) hours other than planned maintenance? Yes No
3. During the last three (3) years, has anyone alleged that you were responsible for damage to their computer system(s) arising out of the operation of your computer system(s)? Yes No
4. During the last three (3) years, have you received a complaint or other proceeding (including an injunction or other request for non-monetary relief) arising out of intellectual property infringement, copyright infringement, media content, or advertising material? Yes No
5. During the last three (3) years, has anyone made a demand, claim, complaint, or filed a lawsuit against you alleging invasion of, or interference with rights of privacy, or the inappropriate disclosure of personally identifiable information (PII)? Yes No
6. During the last three (3) years, have you been the subject of an investigation or action by any regulatory or administrative agency for privacy-related violations? Yes No
7. Are you aware of any circumstance that could reasonably be anticipated to result in a claim being made against you for the coverage being applied for? Yes No

SECTION IV - MINIMUM SECURITY REQUIREMENTS CERTIFICATION

Any "No" answers will result in ransomware not being afforded.

1. Do you or your Managed Service Provider (MSP) perform regular patching? Yes No
2. Do you have a firewall? Yes No
3. Do you have antivirus software? Yes No
4. Do you back-up critical data every 30 days? Yes No
5. Do you have some level of separation between your IT and OT systems? Yes No
6. Do you have encryption for your portable devices? Yes No
7. Are you PCI compliant? Yes No
8. Do you have strong passwords with quarterly changes? Yes No
9. Do you have a Managed Service Provider? If yes, please name the MSP: Yes No
10. Do you have Two Factor Authentication (2FA) for all remote access, including employee-owned machines? Yes No
11. Do you have any unsupported operating systems or applications without manufacturer support unless isolated from the insured's network and not internet-facing? Yes No

-
12. Do you have Personally Identifiable Information (PII) encrypted at rest (multiple records of one person = one record)? Yes No
13. Do you have Remote Desktop Protocol (RDP) or other remote access software disabled unless required? Yes No
14. Do you back-up critical data off-site every seven days? (back-up data not to be accessible from the network) Yes No
15. Do you back up data within a separate domain requiring different login credentials to the corporate IT network? Yes No

SECTION V - ADDITIONAL INFORMATION

This section may be used to provide additional information to any question on this application. Please identify the question number to which you are referring.

FRAUD STATEMENT AND SIGNATURE SECTIONS

The Undersigned states that he/she is an authorized representative of the Applicant and declares to the best of his/her knowledge and belief and after reasonable inquiry, that the statements set forth in this Application (and any attachments submitted with this Application) are true and complete and may be relied upon by Underwriters in quoting and issuing the policy. If any of the information in this Application changes prior to the effective date of the policy, the Applicant will notify the Underwriters of such changes and the Underwriters may modify or withdraw the quote or binder. The signing of this Application does not bind the Underwriters to offer, or the Applicant to purchase the policy.

NAME

TITLE (Must be signed by the President, Chairman, CEO, or Executive Director)

SIGNATURE

DATE

MARCH 02, 2023

FACT SHEET: Biden-Harris Administration Announces National Cybersecurity Strategy

[Read the full strategy here](#)

Today, the Biden-Harris Administration released the National Cybersecurity Strategy to secure the full benefits of a safe and secure digital ecosystem for all Americans. In this decisive decade, the United States will reimagine cyberspace as a tool to achieve our goals in a way that reflects our values: economic security and prosperity; respect for human rights and fundamental freedoms; trust in our democracy and democratic institutions; and an equitable and diverse society. To realize this vision, we must make fundamental shifts in how the United States allocates roles, responsibilities, and resources in cyberspace.

1. We must **rebalance the responsibility to defend cyberspace** by shifting the burden for cybersecurity away from individuals, small businesses, and local governments, and onto the organizations that are most capable and best-positioned to reduce risks for all of us.
2. We must **realign incentives to favor long-term investments** by striking a careful balance between defending ourselves against urgent threats today and simultaneously strategically planning for and investing in a resilient future.

The Strategy recognizes that government must use all tools of national power in a coordinated manner to protect our national security, public safety, and economic prosperity.

VISION

Our rapidly evolving world demands a more intentional, more coordinated, and more well-resourced approach to cyber defense. We face a complex threat environment, with state and non-state actors developing and executing novel campaigns to threaten our interests. At the same time, next-generation technologies are reaching maturity at an accelerating pace, creating new pathways for innovation while increasing digital interdependencies.

This Strategy sets out a path to address these threats and secure the promise of our digital future. Its implementation will protect our investments in rebuilding America's infrastructure, developing our clean energy sector, and re-shoring America's technology and manufacturing base. Together with our allies and partners, the United States will make our digital ecosystem:

- **Defensible**, where cyber defense is overwhelmingly easier, cheaper, and more effective;
- **Resilient**, where cyber incidents and errors have little widespread or lasting impact; and,
- **Values-aligned**, where our most cherished values shape—and are in turn reinforced by—our digital world.

The Administration has already taken steps to secure cyberspace and our digital ecosystem, including the National Security Strategy, Executive Order 14028 (Improving the Nation's Cybersecurity), National Security Memorandum 5 (Improving Cybersecurity for Critical Infrastructure Control Systems), M-22-09 (Moving the U.S. Government Toward Zero-Trust Cybersecurity Principles), and National Security Memorandum 10 (Promoting United States Leadership in Quantum Computing While Mitigating Risks to Vulnerable Cryptographic Systems). Expanding on these efforts, the Strategy recognizes that cyberspace does not exist for its own end but as a tool to pursue our highest aspirations.

APPROACH

This Strategy seeks to build and enhance collaboration around five pillars:

(1. Defend Critical Infrastructure – We will give the American people confidence in the availability and resilience of our critical infrastructure and the essential services it provides, including by:

- Expanding the use of minimum cybersecurity requirements in critical sectors to ensure national security and public safety and harmonizing regulations to reduce the burden of compliance;
- Enabling public-private collaboration at the speed and scale necessary to defend critical infrastructure and essential services; and,
- Defending and modernizing Federal networks and updating Federal incident response policy

2. Disrupt and Dismantle Threat Actors – Using all instruments of national power, we will make malicious cyber actors incapable of threatening the national security or public safety of

the United States, including by:

- Strategically employing all tools of national power to disrupt adversaries;
- Engaging the private sector in disruption activities through scalable mechanisms; and,
- Addressing the ransomware threat through a comprehensive Federal approach and in lockstep with our international partners.

3. Shape Market Forces to Drive Security and Resilience – We will place responsibility on those within our digital ecosystem that are best positioned to reduce risk and shift the consequences of poor cybersecurity away from the most vulnerable in order to make our digital ecosystem more trustworthy, including by:

- Promoting privacy and the security of personal data;
- Shifting liability for software products and services to promote secure development practices; and,
- Ensuring that Federal grant programs promote investments in new infrastructure that are secure and resilient.

4. Invest in a Resilient Future – Through strategic investments and coordinated, collaborative action, the United States will continue to lead the world in the innovation of secure and resilient next-generation technologies and infrastructure, including by:

- Reducing systemic technical vulnerabilities in the foundation of the Internet and across the digital ecosystem while making it more resilient against transnational digital repression;
- Prioritizing cybersecurity R&D for next-generation technologies such as postquantum encryption, digital identity solutions, and clean energy infrastructure; and,
- Developing a diverse and robust national cyber workforce

5. Forge International Partnerships to Pursue Shared Goals – The United States seeks a world where responsible state behavior in cyberspace is expected and reinforced and where irresponsible behavior is isolating and costly, including by:

- Leveraging international coalitions and partnerships among like-minded nations to counter threats to our digital ecosystem through joint preparedness, response, and cost imposition;

- Increasing the capacity of our partners to defend themselves against cyber threats, both in peacetime and in crisis; and,
- Working with our allies and partners to make secure, reliable, and trustworthy global supply chains for information and communications technology and operational technology products and services.

Coordinated by the Office of the National Cyber Director, the Administration's implementation of this Strategy is already underway.

###

Shelly Birdzell

From: David McNeil
Sent: Wednesday, March 15, 2023 7:41 AM
To: Shelly Birdzell
Subject: Please print and include w/ renewals

INFORMATIONAL - TLP:GREEN - US CISA to Warn Critical Infrastructure of Ransomware Risk

US CISA to Warn Critical Infrastructure of Ransomware Risk

Summary:

"The top U.S. cybersecurity agency says it's testing out scanning critical infrastructure organizations to detect vulnerabilities exploitable by ransomware hackers in a bid to have them patched before extortionists also catch them out. Congress called on the Critical Infrastructure and Security Agency to conduct a pilot scanning for ransomware vulnerabilities in legislation that became law last March. The Ransomware Vulnerability Warning Pilot became active on Jan. 30. Once the agency identifies these affected systems, a regional representative from CISA will notify system owners of their security vulnerabilities, CISA said. Most ransomware attacks use known vulnerabilities to infiltrate networks, says CISA, which maintains a catalog of such bugs. The agency says it will use multiple open-source and internal tools to research and detect vulnerabilities including vulnerability scanning and its power to compel companies to provide security documentation through administrative subpoenas" (BankInfoSec, 2023).

Analyst comments:

The announcement of the pilot comes weeks after the Biden administration doubled down on efforts to combat ransomware. "We're elevating our work on ransomware, declaring ransomware a threat to national security, rather than just a criminal challenge," Anne Neuberger, deputy national security adviser for cyber and emerging technology, told reporters ahead of the official unveiling of the Biden administration's national cybersecurity strategy. The strategy also aims to use "all instruments of national power" to disrupt and dismantle actors who threaten U.S. interests" (BankInfoSec, 2023).

Mitigation:

Backup your data, system images, and configurations, regularly test them, and keep the backups offline: Ensure that backups are regularly tested and that they are not connected to the business network, as many ransomware variants try to find and encrypt or delete accessible backups. Maintaining current backups offline is critical because if your network data is encrypted with ransomware, your organization can restore systems.

Update and patch systems promptly: This includes maintaining the security of operating systems, applications, and firmware in a timely manner. Consider using a centralized patch management system; use a risk-based assessment strategy to drive your patch management program.

Test your incident response plan: There's nothing that shows the gaps in plans more than testing them. Run through some core questions and use those to build an incident response plan: Are you able to sustain business operations without access to certain systems? For how long? Would you turn off your manufacturing operations if business systems such as billing were offline?

Check Your Security Team's Work: Use a 3rd party pen tester to test the security of your systems and your ability to defend against a sophisticated attack. Many ransomware criminals are aggressive and sophisticated and will find the equivalent of unlocked doors.

Segment your networks: There's been a recent shift in ransomware attacks – from stealing data to disrupting operations. It's critically important that your corporate business functions and manufacturing/production operations are separated and that you carefully filter and limit internet access to operational networks, identify links between these networks and develop workarounds or manual controls to ensure ICS networks can be isolated and continue operating if your corporate network is compromised. Regularly test contingency plans such as manual controls so that safety critical functions can be maintained during a cyber incident.

Train employees: Email remains the most vulnerable attack vector for organizations. Users should be trained how to avoid and spot phishing emails. Multi Factor authentication can help prevent malicious access to sensitive services.

Source:<https://www.bankinfosecurity.com/us-cisa-to-warn-critical-infrastructure-ransomware-risk-a-21435>

David J.McNeil, ARM Principal

Cell (714) 856-4221 | Direct (909) 919-7508 |
Main (909) 919-7880
david.mcneil@epicbrokers.com

3633 Inland Empire Blvd., Suite 640, Ontario, CA
91764

License #0B29370

License #0776250

LinkedIn Profile:

<http://www.linkedin.com/in/davidjmcneil>

Agenda Item No. 5E

Item Title: Property and Casualty Insurance Broker RFP

Purpose:

To solicit proposals for the Company's property and casualty insurance coverage.

Issue:

Should the Company switch from our property and casualty insurance with JPRIMA?

Manager's Recommendation:

Review and authorize staff to release the attached Request for Proposals.

Background:

In CY2016, California AB656 passed, allowing mutual water companies to work with public agencies to form a Joint Powers Risk Insurance Management Authority (JPRIMA).

The Company has utilized JPRIMA since. As the below table shows, premiums have increased significantly since 2018.

Policy Period	Premium	% of rate change
4/1/17 – 4/1/18	\$28,254	
4/1/18 – 4/1/19	\$27,547	- .02%
4/1/19 – 4/1/20	\$28,891	+ 5%
4/1/20 – 4/1/21	\$29,894	+ 3%
4/1/21 – 4/1/22	\$35,376	+18%
4/1/22 – 4/1/23	\$42,689	+17.5%
4/1/23 – 4/1/24	\$58,631	+37%

The sharp increase in premiums may or may not be market driven. Staff does not know. It is therefore appropriate for the Company to search for and compare coverage and premiums available from other insurance brokers. Staff has prepared the attached RFP for committee consideration. If the committee is agreeable, staff would release the RFP and bring back responses to the May AFC meeting for consideration. If an alternative insurance broker is recommended to and selected by the Board, the Company would be prepared to switch carriers midyear.

Impact on the Budget:

unknown

Previous Actions:

None.



San Antonio Water Company

Incorporated October 25, 1882
Serving the original Ontario Colony lands

A REQUEST FOR PROPOSALS

TO PROVIDE INSURANCE BROKER SERVICES TO THE SAN ANTONIO WATER COMPANY

PROJECT TITLE:

INSURANCE BROKER SERVICES

RESPONSE DUE BEFORE 3:00 PM

On April 27, 2023

Introduction

The San Antonio Water Company is soliciting proposals from qualified firms to provide general insurance and worker's compensation brokerage services. The Company's seven-member Board is seeking proposals from qualified firms with a proven track record of insurance brokerage service to general businesses with an emphasis on water companies desired. The initial term of the contract is anticipated to be three years.

General Information

In 1882 Canadians George and William Chaffey purchased 8,000-acres of the Cucamonga Rancho, including the water rights, and established an irrigation colony which they named Ontario, in honor of their homeland. On October 25, 1882 they also established the San Antonio Water Company under the General Corporation Laws of the United States. Ranchero water rights established back in the 1700's were transferred to the Company to support the newly established irrigation colony. The brother's vision was to develop a mutual water company whose members shared equally in the locally available water supply.

The brothers sold irrigation colony land in 10-acre blocks, primarily intended for the booming citrus industry. Along with the land, the brothers sold shares in the Company, one share for each purchased acre. Each shareholder was entitled to a portion of available local water, distributed equally by the company amongst all the shareholders. The Company was responsible for distributing water on a non-profit basis to the shareholders.

Since 1882 the San Antonio Water Company has consistently provided water service to its shareholders. Although the local citrus industry has largely disappeared, the Company maintains delivery to current shareholders utilizing the same successful 'per share' distribution plan established over 135 years ago.

The Company does not import any water. Instead, we are dependent on our local San Antonio Canyon and Cucamonga Canyon watersheds and downstream groundwater basins.

Currently, our shareholders include most residents of the unincorporated area of San Antonio Heights, the Cities of Upland and Ontario, the Monte Vista Water District, local quarries and the proud heritage of remaining grove irrigators.

Annual shareholder water entitlements are established based on projected availability. For 2023 full water entitlement is established at 13,000 Acre Feet (AF).

The Company provides water through two separate systems: domestic and irrigation.

The domestic system receives most of its water through the San Antonio tunnel. The domestic water system provides service to the San Antonio Heights, also known as our Basic Service Area. Consisting primarily of large residential lots, the Heights is an unincorporated area of San

Bernardino County approximately 2.6 square miles in size located immediately north of the City of Upland. The Company provides water to individual residential lots through 1,200 domestic meters.

The irrigation system primarily receives water from surface water diversions in the San Antonio Canyon. Additional irrigation water is supplied through seven wells located in three groundwater basins; Cucamonga Basin, Six Basins and Chino Basin.

The irrigation system provides service to the Company’s ‘extended’ service area. Shareholders in the extended service area include municipal and private companies. A majority of the distributed irrigation water is treated by municipal shareholders and then delivered to their customers as domestic water. The remaining irrigation water is used for farming, landscaping and commercial use (quarry).

Currently, the Company is housed in two separate properties. The main office located at 139 North Euclid Avenue, Upland houses the Company’s five office staff . The Field office is located at 170 South First Avenue, Upland and houses five field staff along with company vehicles, equipment and spare parts.

Project Scope of Services

General Services

The Company desires an insurance broker to provide annual proposals for property, crime, general liability, public officials and management liability, business auto, excess liability and workers compensation and provide support to management.

Services shall include:

- Research insurance carriers and provide options for coverage to consider.
- Prepare a proposal and recommendation of the right service for the company.
- Review options and recommendations with management
- Provide overview of company’s risk management

Schedule

The Company anticipates the following timeline and key milestones for award of the project:

Proposal Due Date	April 27, 2023
Administrative and Finance Committee (AFC) Review	May 23, 2023
Interview	TBD – If necessary
Board of Director’s Approval	June 20, 2023

Proposal Requirements

The proposal shall not exceed 15 pages excluding resumes, cover letter, dividers, front, and back covers. Responses to this RFP shall be in the following order and shall include:

1. Executive Summary (2 pages maximum)

Summarize the contents of your firm's proposal in a clear and concise manner.

2. Firm Description (3 pages maximum)

Describe the nature of your firm's practice and your qualifications for providing insurance brokerage services for the Company.

3. Proposal should address the following questions (2 pages maximum):

What is your approach to securing the best rates?

Do you provide assistance with compliance and HR concerns?

How will you ensure rates are competitive in the future?

Describe your risk management services.

4. Identification of Prime Consultant (2 pages maximum per individual, excluded from proposal page maximum)

Provide a professional resume of the individual who will be designated to serve as primary contact as well as for others who you anticipate will be involved in providing insurance brokerage services to the Company. For each person whom you propose to designate as prime, deputy or supporting consultant provide the following:

- Training and years of practice
- Years working as insurance broker.

5. Identification of Primary Consultant Expertise (5 pages maximum)

Provide demonstrated expertise in the following areas as it relates to mutual water companies or public agencies:

6. Experience and Past Performance (3 pages max / 3 firms max)

Include a summary of experience and performance for similar agencies. Include the following information:

- Owner, contact name and phone number
- Agency size and description
- Agency budget
- Total term of relationship with Agency

7. Firm's Local Experience (1 page maximum)

Describe the firm's experience and knowledge with the County of San Bernardino. Include a commitment of availability to attendance at Company meetings when requested.

8. Proposed Total Professional Fee and Fee Schedules Submitted Under Separate Sealed Cover

- Compensation for your brokerage firm explained and any fee structure identified.
- Proposed 2023 Property, Casualty and Workers Comp Premiums for June through December.

Exceptions to this RFP

The Consultant shall certify that it takes no exceptions to this RFP including, but not limited to, the Professional Service Agreement (attached).

Selection Process and Schedule

Key senior staff and select Company Directors will independently review and rank each proposal. Based on an aggregate of those reviews, the Company may enter directly into negotiations with the top ranked firm. Alternatively, interviews may be scheduled.

After negotiating a proposed agreement that is fair and reasonable the General Manager will present the contract to the Company's Board for authorization to execute a contract with the most responsive firm.

Related Documents

Current 2023 insurance coverage documents and premiums are attached.

Interested proposers should immediately contact the Company to register for inclusion on the project distribution list. Revisions or supplemental information to this RFP will be issued through addenda by email and posted on the Company's website. Proposers are responsible for receipt of any and all addenda.

Submittal Requirements

One (1) executed original electronic copy in PDF marked "ORIGINAL" in red ink shall be delivered either by flash drive or email. Proposed Fee Estimate marked "FEE ESTIMATE – 2023 Insurance Brokerage Services" shall be submitted as a separate PDF from the proposal. Proposals will not be accepted in any other format. Proposals will not be accepted by fax or verbally. The proposal shall

be signed by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Firm.

The Response Proposal must be received no later than **3:00 p.m.** local time, on or before **April 27th, 2023** at the office of:

blee@sawaterco.com

PROPOSAL – 2023 Insurance Brokerage Services

San Antonio Canyon Water Company

139 North Euclid Avenue

Upland, CA 91786

Attn: Brian Lee

Failure to comply with the requirements of this RFP may result in disqualification. Questions regarding this RFP shall be submitted in writing to blee@sawaterco.com.

Agenda Item No. 5F

Item Title: Personal Investment Advisors Request for Proposals (RFP)

Purpose:

Review and Provide Input on Personal Investment Advisors RFP.

Issue:

Company would like to receive Proposals from Personal Investment Advisors to ensure we are receiving the best value for our company and employees.

Manager's Recommendation:

Authorize staff to release the RFP.

Background:

Following is a summary of the type of our retirement plan and advisors:

Year	Retirement	Type	Investment Advisor	Through	TPA
1992	John Hancock/Sun America	Annuity		So. Calif. Mutual Water Co.	
1999	Nationwide	401(k)	Mike Hardy	So. Calif. Mutual Water Co.	Robert Reeves
2011	Nationwide	401(k)	Mark McKeon	SAWCo	Robert Reeves

Staff would like to look at what options may be out there. Over the years, staff has been approached by others advisors claiming to do a better job for less fees.

Staff has put together a request for proposal for the Board's consideration.

Impact on the Budget:

None

Previous Actions:

None



San Antonio Water Company

Incorporated October 25, 1882
Serving the original Ontario Colony lands

A REQUEST FOR PROPOSALS

TO PROVIDE 401K INVESTMENT ADVISOR AND PLAN SERVICES TO THE SAN ANTONIO WATER
COMPANY

PROJECT TITLE:

401K INVESTMENT ADVISOR AND PLAN SERVICES

RESPONSE DUE BEFORE 2:00 PM

On May 11, 2023

Introduction

The San Antonio Water Company is soliciting proposals from qualified firms to provide 401K investment advisory and plan services. The Company's seven-member Board is seeking proposals from qualified firms with a proven track record of 401K investment advisory and plan service to general businesses. The initial term of the contract is anticipated to be three years.

General Information

In 1882 Canadians George and William Chaffey purchased 8,000-acres of the Cucamonga Rancho, including the water rights, and established an irrigation colony which they named Ontario, in honor of their homeland. On October 25, 1882 they also established the San Antonio Water Company under the General Corporation Laws of the United States. Ranchero water rights established back in the 1700's were transferred to the Company to support the newly established irrigation colony. The brother's vision was to develop a mutual water company whose members shared equally in the locally available water supply.

The brothers sold irrigation colony land in 10-acre blocks, primarily intended for the booming citrus industry. Along with the land, the brothers sold shares in the Company, one share for each purchased acre. Each shareholder was entitled to a portion of available local water, distributed equally by the company amongst all the shareholders. The Company was responsible for distributing water on a non-profit basis to the shareholders.

Since 1882 the San Antonio Water Company has consistently provided water service to its shareholders. Although the local citrus industry has largely disappeared, the Company maintains delivery to current shareholders utilizing the same successful 'per share' distribution plan established over 135 years ago.

The Company does not import any water. Instead, we are dependent on our local San Antonio Canyon and Cucamonga Canyon watersheds and downstream groundwater basins.

Currently, our shareholders include most residents of the unincorporated area of San Antonio Heights, the Cities of Upland and Ontario, the Monte Vista Water District, local quarries and the proud heritage of remaining grove irrigators.

Annual shareholder water entitlements are established based on projected availability. For 2023 full water entitlement is established at 13,000 Acre Feet (AF).

The Company provides water through two separate systems: domestic and irrigation.

The domestic system receives most of its water through the San Antonio tunnel. The domestic water system provides service to the San Antonio Heights, also known as our Basic Service Area. Consisting primarily of large residential lots, the Heights is an unincorporated area of San Bernardino County approximately 2.6 square miles in size located immediately north of the City of Upland. The Company provides water to individual residential lots through 1,200 domestic meters.

The irrigation system primarily receives water from surface water diversions in the San Antonio Canyon. Additional irrigation water is supplied through seven wells located in three groundwater basins; Cucamonga Basin, Six Basins and Chino Basin.

The irrigation system provides service to the Company's 'extended' service area. Shareholders in the extended service area include municipal and private companies. A majority of the distributed irrigation water is treated by municipal shareholders and then delivered to their customers as domestic water. The remaining irrigation water is used for farming, landscaping and commercial use (quarry).

Currently, the Company is housed in two separate properties. The main office located at 139 North Euclid Avenue, Upland houses the Company's five office staff . The Field office is located at 170 South First Avenue, Upland and houses five field staff along with company vehicles, equipment and spare parts.

Project Scope of Services

General Services

The Company desires an 401k investment advisor to provide on-going support to management and staff providing advice about securities.

Services shall include:

- Provide employee assistance with the following:
 - Making investment recommendations
 - Assess employee needs
 - Conduct enrollment meetings
 - Educate participants about the plan's investment options
 - Ensure ongoing investment and financial education
 - Respond to participant questions during meetings and via phone or email
 - Provide one-on-one guidance to employees
 - Educate retirees and former employees on how to manage their savings
- Provide employer assistance with the following:
 - Work with or provide Third Party Administrator
 - Provide education to help participants improve the chances of a successful retirement and reduce fiduciary risk to the employer.
 - Help employers protect themselves by managing fiduciary liability and using systems to help employers meet their responsibilities.
- Review annually the following:
 - Plan status
 - Plan design and any potential improvements
 - The plan's Investment Policy Statement (IPS)
 - Plan investments
 - Discrimination testing results

- Retirement plan law compliance and updates
- IRS and DOL updates
- Review regularly the following:
 - Regularly discuss trends in the retirement plan industry
 - Conduct vendor reviews, searches, and price comparisons (benchmarking)
 - Suggest changes, when appropriate, to improve administration, compliance, or employee education

Schedule

The Company anticipates the following timeline and key milestones for award of the project:

Proposal Due Date	May 11, 2023
Administrative and Finance Committee (AFC) Review	May 23, 2023
Interview	TBD – If necessary
Board of Director’s Approval	June 20,2023
Consultant’s Notification	June 21, 2023

Proposal Requirements

The proposal shall not exceed 15 pages excluding resumes, cover letter, dividers, front, and back covers. Responses to this RFP shall be in the following order and shall include:

1. Executive Summary (2 pages maximum)

Summarize the contents of your firm’s proposal in a clear and concise manner.

2. Firm Description (3 pages maximum)

Describe the nature of your firm’s practice and your qualifications for providing 401k investment and plan services for the Company.

3. Proposal should address the following questions (2 pages maximum):

What is your approach to providing services?

4. Identification of Prime Consultant (2 pages maximum per individual, excluded from proposal page maximum)

Provide a professional resume of the individual who will be designated to serve as primary contact as well as for others who you anticipate will be involved in providing 401k investment advisory and plan services to the Company. For each person whom you propose to designate as prime, deputy or supporting consultant provide the following:

- Training and years of practice
- Years working as investment advisor

5. Identification of Primary Consultant Expertise (5 pages maximum)

Provide demonstrated expertise in the following areas as it relates to 401k plans, services provided and investment experience:

6. Experience and Past Performance (3 pages max / 3 firms max)

Include a summary of experience and performance for similar agencies. Include the following information:

- Owner, contact name and phone number
- Agency size and description
- Agency budget
- Total term of relationship with Agency

7. Firm's Local Experience (1 page maximum)

Describe the firm's experience and knowledge with the County of San Bernardino. Include a commitment of availability to attendance at Company meetings when requested.

8. Proposed Total Professional Fee and Fee Schedules Submitted Under Separate Sealed Cover

Compensation for your 401k investment advisory and plan services explained (i.e. flat fees or by earning commissions).

Exceptions to this RFP

The Consultant shall certify that it takes no exceptions to this RFP including, but not limited to, the Professional Service Agreement (attached).

Selection Process and Schedule

Key senior staff and select Company Directors will independently review and rank each proposal. Based on an aggregate of those reviews, the Company may enter directly into negotiations with the top ranked firm. Alternatively, interviews may be scheduled.

After negotiating a proposed agreement that is fair and reasonable the General Manager will present the contract to the Company's Board for authorization to execute a contract with the most responsive firm.

Related Documents

Interested proposers should immediately contact the Company to register for inclusion on the project distribution list. Revisions or supplemental information to this RFP will be issued through addenda by email and posted on the Company's website. Proposers are responsible for receipt of any and all addenda.

Submittal Requirements

One (1) executed original electronic copy in PDF marked "ORIGINAL" in red ink shall be delivered either by flash drive or email. Proposed Fee Estimate marked "FEE ESTIMATE – 2023 Insurance Brokerage Services" shall be submitted as a separate PDF from the proposal. Proposals will not be accepted in any other format. Proposals will not be accepted by fax or verbally. The proposal shall be signed by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Firm.

The Response Proposal must be received no later than **2:00 p.m.** local time, on or before **May 11th, 2023** at the office of:

blee@sawaterco.com

PROPOSAL – 2023 401k Investment Advisor and Plan Services

San Antonio Water Company

139 North Euclid Avenue

Upland, CA 91786

Attn: Brian Lee

Failure to comply with the requirements of this RFP may result in disqualification. Questions regarding this RFP shall be submitted in writing to blee@sawaterco.com.

Agenda Item No. 5G

Item Title: Company Participation in Community Events

Purpose:

To discuss what level of participation the Company could engage in community events.

Issue:

There are a number of community events that occur in and around the Company's service area hosted by a variety of organizations. Should the Company participate in those events and to what level of participation?

Manager's Recommendation:

None

Background:

Director Zuniga requested that this item be brought before the AFC for discussion purposes.

Impact on the Budget:

Undetermined

Previous Actions:

None

Agenda Item No. 5H

Item Title: Bank Deposits

Purpose:

To discuss the current state of the banking industry and how it may impact the Company's deposits.

Issue:

Should the Company change current practices to improve safeguards of our deposits

Manager's Recommendation:

None

Background:

The banking industry has been undergoing significant stress in the recent past, including some bank failures. The government has protected and insured to the full amounts on deposit at those failed banks. However, current law only provides up to \$250,000 protection from the FDIC.

The Company currently maintains about \$2,000,000 split between two checking accounts with Citizen Bank. The remainder of Company reserves are deposited with LAIF, the Local Agency Investment Fund.

Staff has discussed the current stress in the banking industry with Citizen's Senior VP, Greg Armstrong. Mr. Armstrong has provided assurances that Citizen Bank is well positioned and our deposits are secure.

Impact on the Budget:

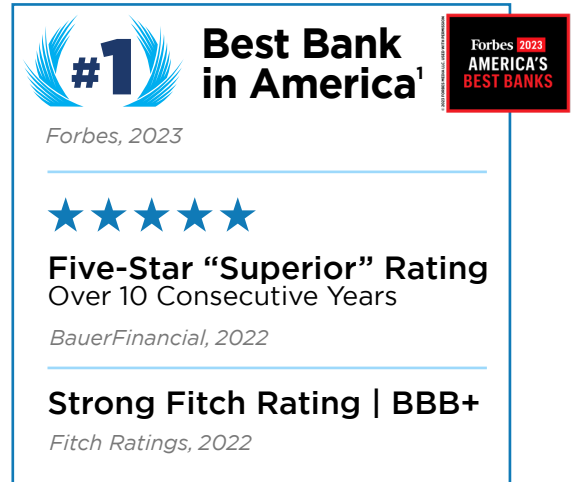
Undetermined

Previous Actions:

None

Safe and Sound

One of the Top Performing Banks in the Nation

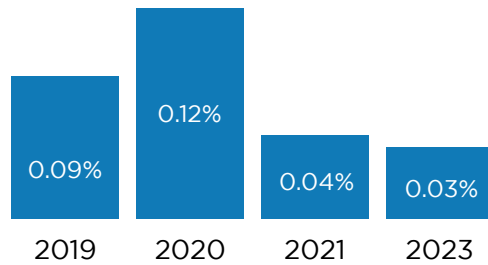
#1 Best Bank in America¹
Forbes, 2023

★★★★★
Five-Star "Superior" Rating
Over 10 Consecutive Years
BauerFinancial, 2022

Strong Fitch Rating | BBB+
Fitch Ratings, 2022

Pristine Credit Quality

NonPerforming Assets (NPA)
to Total Assets Ratio



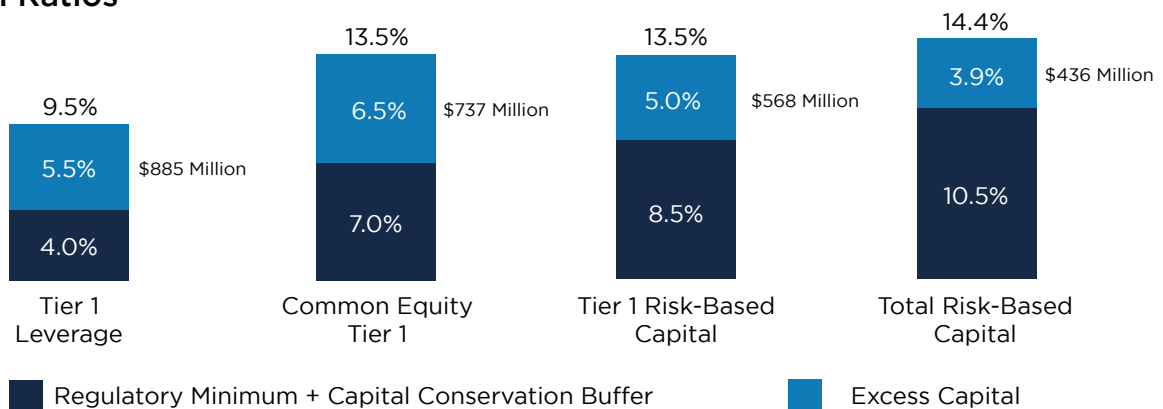
✓ Seven of the last ten years the Bank has experienced net recoveries.

✓ Over the last ten years the Bank experienced \$20.5 million in net recoveries.

Liquidity

The Bank has ample liquidity, as reflected by our loans to total deposits and customer repurchase ratio of only 68%.

Capital Ratios²



 Equal Housing Lender | Member FDIC

¹CVB Financial Corp. is the holding company for Citizens Business Bank.

²As of 12.31.2022.

SSF 03.23

cbbank.com | 