



**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
FINANCE COMMITTEE
AGENDA**

Regular Meeting
March 23, 2023 – 1:00 p.m.

Directors participating telephonically:

Anthea Hansen - 17840 Ward Avenue, Patterson, California 95363

Rebecca Eisenberg - 2345 Waverly Street, Palo Alto, California 94301

Michael Tognolini - EBMUD Administration Building, 375 Eleventh Street, Oakland, California
94607

This meeting will be conducted remotely and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Zoom link below without otherwise complying with the Brown Act's teleconference requirements.

Please click the link below to join the webinar:

<https://lagerlof.zoom.us/j/81912208202?pwd=dG9hdGFyOWp6L1BERktwK0MyUHVRZz09>

Passcode: 484186

Or One tap mobile:

US: +16694449171,,81912208202#,,,*484186#

or Telephone: 1-669-444-9171

Meeting ID: 819-1220-8202

Passcode: 484186

Any member of the public wishing to make any comments to the Committee may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. Members of the public may also submit written comments to the Clerk by 4:00 p.m. on the business day prior to the meeting for the Clerk to read into the record (subject to three-minute limitation). The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making their comment. Members of the public will be disconnected from the meeting prior to any Closed Session, if applicable.

NOTE: *To comply with the Americans with Disabilities Act, if you need special assistance to participate in this Committee meeting, please contact the Authority's Clerk at rperea@lagerlof.com by 4:00 p.m. on March 22, 2023 to inform the Authority of your needs and to determine if accommodation is feasible. Each item on the Agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Materials related to items on this Agenda are available for public review at: www.losvaquerosjpa.com/board-meetings.*

CALL TO ORDER

ROLL CALL OF COMMITTEE MEMBERS

Anthea Hansen – Chair, San Luis & Delta-Mendota Water Authority
Paul Sethy – Vice Chair, Alameda County Water District
Michael Tognolini – East Bay Municipal Utility District
Rebecca Eisenberg – Santa Clara Valley Water District

PUBLIC COMMENT ON NON-AGENDA ITEMS

Any member of the public wishing to address the Finance Committee regarding items not on the Agenda should do so at this time. The Committee welcomes your comments and requests that speakers present their remarks within established time limits and on issues that directly affect the Authority or are within the jurisdiction of the Authority.

DISCUSSION ITEMS (may include action to recommend forwarding items to Board of Directors for adoption or approval)

- 1.1 February 23, 2023 Finance Committee Meeting Summary**
- 1.2 Status Update of Audit and Accounting Services Requests for Proposals**
- 1.3 Discussion of Proposals for Authority Insurance Coverage**
- 1.4 Overview of 2023-24 Fiscal Year Budget**
- 1.5 Draft Treasurer's Report – Month Ended February 28, 2023**

FUTURE AGENDA ITEMS

ADJOURNMENT

ITEM 1.1: FEBRUARY 23, 2023 FINANCE COMMITTEE MEETING SUMMARY

RESPONSIBLE/LEAD STAFF MEMBER:

James Ciampa, General Counsel

DISCUSSION:

Attached for the Committee's information is the summary prepared for the February 23, 2023 Finance Committee meeting.

ALTERNATIVES:

Any suggested revisions to the attached summary will be considered.

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Summary from February 23, 2023 Finance Committee meeting.



SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

February 23, 2023 – 1:00 p.m.

Present at the meeting were Chair, Anthea Hansen; Vice Chair, Paul Sethy; and Committee Member Rebecca Eisenberg. Staff and 18 others also attended the meeting.

1.1 December 22, 2022 Finance Committee Meeting Summary. The draft summary of the December 22, 2022 Finance Committee meeting was presented for the Committee’s information with an amendment to provide clarification on the capacity of the Expanded Transfer Facility pump station in connection with the discussion concerning the Transfer-Bethany Pipeline. The draft summary was approved by the Committee, as amended.

1.2 Overview of Current Financial Processes and Procedures. Taryn Ravazzini, Executive Director, advised that since the formation of the Authority, Contra Costa Water District (“CCWD”) has acted as the Authority’s “bank,” handling all accounting and financial reporting, the receipt and deposit of all Authority monies and the processing of all Authority payments. Most of those functions will be transitioned to the Authority in the coming months. Ms. Ravazzini thanked CCWD for the excellent work completed thus far and for their continuing support.

The Committee was provided with information concerning how CCWD is currently handling the above-referenced financial functions. Marguerite Patil, CCWD Assistant General Manager, and David Moore of Clean Energy Capital, the Authority’s financial consultant, provided an overview of those functions, along with information on how the transition of those functions to the Authority will occur.

Ms. Patil summarized the controls in place at the Authority in connection with CCWD’s financial management and accounting activities, cashflow management and financial reporting, which all provide transparency with respect to the Authority’s finances. She noted that both the California Water Commission and the Bureau of Reclamation require monthly status reports and the financial status is then reported to the Authority through the monthly Treasurer’s Reports.

Mr. Moore discussed various procedures in place and the activities involved in transitioning financial functions from CCWD to the Authority’s independent financial management. He noted staff seeks input from the Finance Committee regarding bank selection and the transition plan, as well as JPA requirements for acceptance and filing of an audit. Mr. Moore explained that Maze & Associates is CCWD’s current auditor and that firm reviewed the

Project funds held by CCWD as part of its Fiscal Year 2022 audit, which has been completed. It was anticipated that Maze & Associates would also perform the Fiscal Year 2023 audit for the Authority in conjunction with its audit of CCWD.

Vice Chair Sethy asked Mr. Moore for his recommendation for selecting an independent auditor to avoid any perceived conflict of interest. Mr. Moore explained how the finances at this point remain controlled by CCWD so the work in auditing CCWD's finances includes the review of the Authority's funds. Further discussion ensued and Vice Chair Sethy asked Executive Director Ravazzini to present this matter to the full Board to see whether they would prefer to issue a Request for Proposals for an independent auditor for Fiscal Year 2023 that has no connection to CCWD. Vice Chair Sethy also stated he would like to have an independent auditor act as an oversight auditor for the Fiscal Year 2022 audit.

Committee Member Eisenberg noted she prefers to use a separate auditing firm to avoid any perception of a conflict of interest and that she preferred that the Authority proceed with a RFP for a separate auditor. Chair Hansen noted she is in agreement with whatever decision is made that is in the Authority's best interest.

The Committee asked the Executive Director and staff to look into options that work within the time frame for the Fiscal Year 2023 audit. Executive Director Ravazzini thanked the Committee for their comments and noted that June 30, 2023 is the target date for transitioning the Authority to independent financial management.

Public Comment: Herman Williams, CCWD Director of Finance, commented that the authority may want to pursue "agreed upon procedures" with another auditor in connection with the Fiscal Year 2022 financials, which would allow the Authority to define the scope of work that review would entail.

1.3 Draft Treasurer's Report – Month Ended January 31, 2023. Executive Director Ravazzini presented the Draft Treasurer's Report for the Committee's review and discussion. Vice Chair Sethy thanked CCWD staff for providing the information and preparing the report.

FUTURE AGENDA ITEMS:

- FY 2024 Budget will be brought to the Committee for discussion at the March 23 Committee meeting.

The meeting adjourned at 2:14 p.m.

James D. Ciampa

James D. Ciampa
General Counsel

ITEM 1.2: STATUS UPDATE OF AUDIT AND ACCOUNTING SERVICES REQUESTS FOR PROPOSALS

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

At the March 8 Board of Directors' meeting, we reviewed the issuance of requests for proposals for audit services and accounting services. The Board directed that the request for proposal for audit services be sent to various audit firms for audits of the Authority's 2022-23 and 2023-24 fiscal years, with an option for an agreed upon procedures review of the 2021-22 fiscal year. Staff is in the process of preparing that request for proposal. Also, with respect to the 2021-22 fiscal year, staff is finalizing the engagement with Maze and Associates to prepare the 2022 fiscal year audit and Special District Financial Transactions Report for that fiscal year.

With respect to the accounting services request for proposal, staff is working with Contra Costa Water District staff on that RFP and anticipates finalizing and distributing that RFP within the next two weeks. The proposed scope of work includes tasks related to General Financial Transition Services, Program Controls and Reporting, Funding Agreement Administration Support, Accounting Services, and supplemental services as needed. The proposed schedule offers a 30-day advertising period, followed by Authority proposal review and consultant selection, and contract discussions. Authority Board action for contract approval is anticipated at the June 14 Authority Board meeting.

ALTERNATIVES:

For discussion purposes

FISCAL ANALYSIS:

Staff anticipates the cost for the audit services to be in the \$20,000 to \$40,000 range per year, and the cost of accounting services to be in the \$100,000 to \$150,000 per year range.

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

None

ITEM 1.3: DISCUSSION OF PROPOSALS FOR AUTHORITY INSURANCE COVERAGE

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

Over the past several months, staff has investigated various alternatives from which to procure general liability and errors and omission insurance coverage. Those efforts have included discussing coverage issues and requesting quotes for coverage from various public agency insurance pools, including ACWA-JPIA, Special Districts Risk Management Authority (SDRMA) and the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA). Unfortunately, ACWA-JPIA and SDRMA and others have not been willing to provide quotes.

The Los Vaqueros Reservoir Phase 2 Expansion is a unique and complex project and the work of the JPA will evolve over the coming years. Staff, in working with Mike Waltz with InterWest Insurance Services, has aimed for the baseline for coverage of risk to be established in as comprehensive and flexible a manner as possible. Staff's objective was to receive quotes for Public Officials and Management Liability insurance. Two providers, CalMutuals JPRIMA and Socius, were responsive. Each offers different policies and degrees of coverage.

Summaries of the quotes and associated coverage are set forth in the attached table and the quotes follow. This item is intended to foster discussion among the Committee with respect to insurance coverage for the Authority and to provide a recommendation to the Board of Directors regarding the type and level of coverage to be procured.

ALTERNATIVES:

For discussion purposes

FISCAL ANALYSIS:

Based on the quotes received, annual cost of coverage will range from \$43,000 to \$75,000.

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Comparison table of proposals received to date and quotes received.

	Cal Mutuals/JPRIMA	SOCIUS/INDIAN HARBOR/ASCOT
Public Officials & Management liability \$10M limit	\$35,461 \$1m occurrence \$10Mil aggregate	Indian Harbor: \$5M occurrence x \$5M aggregate, \$23,522
General Liability	\$22,494 \$1 Mil Occurrence \$10 Mil aggregate	n/a; monoline quote only
Excess Line	\$9479(Optional) \$4M limits over GL and POM \$5M occurrence x \$14M aggregate	ASCOT: \$5M x \$5M, \$17,900 (Necessary to meet \$10M coverage limit)
Administrative Fees	Annual Membership \$6,844	n/a
Taxes and Fees	n/a	\$2,070
Exclusions and additional notes		
Note	(\$50,000 Retention)	(\$25,000 Retention)
Defense Costs	Outside of all limits with duty to defend	Inside limit on Indian Harbor and Ascot, specific limits for non-monetary claims
Coverage	Occurrence Based	Claims Made
Additional Exclusions	<ul style="list-style-type: none"> • Inverse Condemnation* • Dam Failure* • Insured v. Insured • Member Agencies v. Insured 	<ul style="list-style-type: none"> • Inverse Condemnation • Dam Failure (not w/in scope of policy offerings) • Insured v. Insured • Member Agencies v. Insured
ANNUAL TOTAL	\$74, 278	\$43,492.02

*Willing to consider coverage as project develops.

Declinations due to risk appetite or not competitive in class:

RSUI, Crum & Forrester, Travelers, AllDigital, Falcon, SDRMA, Glatfelter, ACWA-JPIA.

SOCIUS QUOTE

SOCIUS PRICE QUOTE:

Please see the attached \$5Mx\$5M terms (in addition to the re-attached \$5M primary) from Ascot Specialty (Non-Admitted).

A premium breakdown at \$10M looks like:

Premium - PGUI - \$5M limit:	\$ 23,522.00	(Non-Admitted)
PGUI Policy Fee:	\$ 245.00	
Premium – Ascot - \$5M x \$5M limit:	\$ 17,900.00	(Non-Admitted)
CA Surplus Lines Taxes/Fees @ 3.18%		
in addition to the premium	\$ 1325.02	
Socius Broker Fee: *	\$ 500.00	
Insured's Total Cost:	<u>\$ 43,492.02</u>	

Commission to Your Agency:

8% of Premium – Primary \$5M

11% of Premium – Excess \$5Mx\$5M

*Do not include Socius broker fee when calculating surplus line taxes & fee.

Please note that both carriers will require the application submitted to be signed and dated.

As always, let me know if you have any questions.

All the best,

Morgan Denebeim, RPLU

Vice President • License No. OM16036

email: Morgan@SociusInsurance.com

mobile: (415) 747-4142

Socius Insurance Services, Inc. • License No. OD606776

99 Osgood Place, Suite 200, San Francisco, CA 94133

License No. OD606776



**Professional
Governmental
Underwriters, LLC**

The Authority.

DBA: PGB Insurance Agency CA License #: 0F65220

4870 Sadler Road, Suite 102
Glen Allen, VA 23060 www.pgui.com
Toll Free: 800-586-6502 Fax: 804-272-7852

25+ YEARS
of excellence
EST. 1993

Public Officials Management & Employment Practices Liability

DBA: PGB Insurance Agency CA license #: 0F65220

Date: 02/28/2023

To: Morgan F. Denebeim
Socius Insurance Services, Inc. - San Francisco
Email: mfdenebeim@sociusinsurance.com

From: Ned Daly
Phone: 804-272-8060
Email: ndaly@pgui.com

Proposed Insured: Los Vaqueros Reservoir JPA
1331 Concord Avenue
Concord, CA 94520

Application #: APP72276103

Thank you very much for your submission. Based upon the information received and subject to the limitations outlined below, we are pleased to offer the following:

QUOTATION

Coverage: See coverage form PGU POL 2001 (04/2017) for terms, conditions and limitations

Form: Claims Made

Retro Date: Inception

Insurer Information: Indian Harbor Insurance Company
A member of the AXA XL Group of Companies
Best Rating: A+
Surplus Lines Insurer

Filings / Taxes: PGU Not Responsible For Tax Filings

Quotation / Indication valid until: 5/15/2023

If we are offering coverage on a surplus lines basis, the agent is responsible for handling of filings unless we note otherwise on this quotation. If we have provided terms using bid specifications or an application other than ours, the quote is subject to change pending review of a completed and signed PGU application.

Public Officials Management & Employment Practices Liability

Proposed Insured: Los Vaqueros Reservoir JPA

Terms	Limits	Retentions each claim including LAE	Premium
Public Officials Management	\$1,000,000	\$25,000	\$13,631.00
Employment Practices Liability	N/A	N/A	N/A
Policy Aggregate	\$1,000,000		
Non-Monetary Coverage - Defense Only	\$50,000	\$25,000	Included
Non-Monetary Coverage - Defense Only Aggregate	\$100,000		
Crisis Management	\$25,000	\$5,000	Included
Features/Enhancements			
Punitive Damages		See Retentions Above	Included
Personal Injury		See Retentions Above	Included
Third Party Wrongful Acts		N/A	N/A
Back Pay / Front Pay		N/A	N/A
Loss of Earnings		See Retentions Above	Included
Optional Increased Limits			
	2,000,000 CSL		Additional Premium \$4,594.00
	3,000,000 CSL		\$2,297.00
	4,000,000 CSL		\$1,500.00
	5,000,000 CSL		\$1,500.00
Premium, Fees and Taxes			
	Total Premium:		\$23,522.00
	Policy Fee :		\$245.00
	Total Cost:		\$23,767.00
Comments:			

Proposed Insured: Los Vaqueros Reservoir JPA

SUBJECTIVITIES - WE MUST BE PROVIDED WITH THESE ITEMS BEFORE COVERAGE CAN BE BOUND:

Reminders:

A written request is required to bind coverage.

Backdating of coverage is not allowed.

See attached Coverage Features attachment for additional information.

Limits, retentions, terms and conditions quoted do not necessarily match those requested.

This proposal contains a brief outline of coverages to be included in any policy that may be issued in the future.

This is only a summary and the Terms and Conditions of any policy will take precedence over any proposal.

Minimum Earned Premium is the GREATER of \$1,500 or 25% of annual premium.

We will not cancel flat after inception date.

Engineering Fee is non-refundable.

Applicable Forms: (Other forms may apply. Consult Underwriter for details.)

PN CA 02 01 17	Import Information to Policyholders - California
PN CA 05 01 20	Notice to Policyholder - California Surplus Lines Important Notice
PGU POL 2000 08 19	Public Officials and Employment Practices Liability Declarations
IL MP 9104 0314 IHIC 03 14	In Witness
PGU 2002 04 17	Schedule of Policy Forms and Endorsements
PGU POL 2001 04 17	Public Officials and Employment Practices Liability Insurance Policy
PGU 1010 04 17	Delete Insuring Agreement Item 2. EPLI and Third Party Liability Coverage
PGU POL 1045 04 17	Defense Expenses Paid Within the Limits of Liability
PGU 1052 (POL) 04 17	Minimum Earned Premium Upon Cancellation
PGU 1133 01 22	US Professional Indemnity - Cyber Exclusion
XL-CASOP 11 10	Service of Process
PN CW 01 01 22	Notice to Policyholders - Fraud Notice
PN CW 02 01 19	Notice to Policyholders - Privacy Policy
PN CW 05 05 19	Notice to Policyholders - U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")



Ascot Apex™ Follow Form Excess Quotation

Date: 3/7/2023

Named Insured:	Los Vaqueros Reservoir JPA
Mailing Address:	1331 Concord Avenue Concord, CA 94520

Producer Contact:	Morgan Denebeim Socius - San Francisco 180 Howard Street Suite 205 San Francisco, CA 94105 mfdenebeim@sociusinsurance.com
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Underwriter Contact:	Devon Lay 3500 Lenox Road Suite 750 Atlanta, GA 30326 devon.lay@ascotgroup.com
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Policy Period:	4/15/2023 to 4/15/2024
Policy Form:	Ascot Apex Excess Follow Form Policy – Form Number EXE-P001-1219-00
Coverage Type:	Excess Non-Profit D&O
Renewal of:	New

Carrier:	Ascot Specialty Insurance Company (Non-Admitted)
Rating:	AM Best Financial Strength Rating of A (Excellent) , a Financial Size Category of XIV

Ascot is pleased to provide our quote for the above captioned firm. Please find all terms and subjectivities listed below. If you have any questions or concerns, please do not hesitate to contact your assigned Underwriter. Thank you for the opportunity to quote.

Coverage		
Aggregate Limit of Liability	Attachment	Policy Premium
\$5,000,000	\$5,000,000	\$17,900



Ascot Apex™ Follow Form Excess Quotation

Followed Policy			
Carrier	Limit	Retention	Premium
Indian Harbor Insurance Company	\$5,000,000	\$25,000	\$23,767

Subjectivities
1. Copy of underlying binders and policies, when issued.
2. Properly completed, signed and dated Competitor Application.
3. SL Tax Form PRIOR TO BINDING.

Additional Information
Pending or Prior Claim/Litigation Date: Inception

Schedule of Forms			
Endt#	Form Name	Form Number	Comments
	Excess Follow Form Declarations Page	EXE-D001-1219-00	
	Excess Follow Form Insurance Policy	EXE-P001-1219-00	
1	Schedule of Forms / Endorsements	EXE-E001-1219-00	
2	Economic Sanctions Endorsement	EXE-C001-1219-00	
3	Service of Suit ASIC	EXE-C010-1219-00	
	Policyholder Terrorism Disclosure		
	CA Surplus Lines Notice		
	ASIC Signature Page	EXE-C006-1219-00	

In order to complete the underwriting process, we require that you send us the additional information requested above. We are not required to bind coverage prior to our receipt, review and underwriting approval of the above information. Please note that if between the date of this indication and the effective date of the policy there is any material change in the condition of the proposed insured or any event or occurrence which may be deemed to be a material change in underwriting exposure by us, we may at our option withdraw or modify this indication by giving you written notice of such.



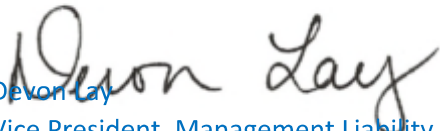
Ascot Apex™ Follow Form Excess Quotation

It is your agency's/brokerage's responsibility to conform to the Laws & Regulations of the applicable jurisdiction, including, but not limited to, payment of premium taxes, procuring of affidavits and compliance with surplus lines laws if applicable.

Copies of the applicable policy form and endorsements are available upon request. Please advise immediately if you believe any element of the coverage provided herein is contrary to that which had been agreed.

This Quote will expire in 60 days from 3/7/2023, or the effective date; whichever is sooner.

Sincerely,


Devon Lay
Vice President, Management Liability

IMPORTANT NOTICE:

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC’s International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or “surplus line” broker to obtain more information about that insurer.

7. California maintains a “List of Approved Surplus Line Insurers (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker’s fee charged for this insurance will be returned to you.

Date: _____

Insured: _____

Surplus Lines Tax Form



Named Insured:	Los Vaqueros Reservoir JPA
Mailing Address:	1331 Concord Avenue Concord, CA 94520
Policy Period:	4/15/2023 - 4/15/2024
Producer:	Socius - San Francisco
State of Filing/Risk:	CA

Attached is the Quotation or Binder for the above listed Insured, written on an Excess and Surplus Lines basis.

Your responsibility, as the producer of this business, is to comply with all Surplus Lines rules and regulations. The rules and regulations include, but are not limited to, the following:

- collection and payment of applicable Surplus Lines taxes and/or fees,
- submission of policies to appropriate state Surplus Lines stamping office(s),
- taking necessary measures to ensure state regulations have been followed regarding authorized company declinations.

You are also responsible for obtaining proper licensure from regulating authorities and being in good standing as an insurance broker in each state in which you do business.

Please return this document completed and signed prior to binding in order to meet your reporting requirements to the insurer and to expedite the processing.

Filing Broker Information

Name	
Address	
License Number	
Expiration Date	
Resident or Non-Resident	
SLA Number (NJ Risks only)	
Signature	



ASCOT APEX™

EXCESS FOLLOW FORM INSURANCE POLICY DECLARATIONS

Item 1.

Named Insured and Address	Insurer
Los Vaqueros Reservoir JPA 1331 Concord Avenue Concord, CA 94520	Ascot Specialty Insurance Company (Non-Admitted)
Policy Number	Producer
	Socius - San Francisco

Item 2.

Policy Period: From: 4/15/2023 To: 4/15/2024
12:01 a.m. local time at the address shown in Item 1.

Item 3.

Aggregate Limit of Liability: \$5,000,000 excess of \$5,000,000 for all **Loss** combined, including **Defense Costs**

Item 4.

Underlying Policies:

Followed Policy Insurer	Followed Policy Number	Followed Policy Limit	Retention/Attachment
Indian Harbor Insurance Company		\$5,000,000	\$25,000

Underlying Policy Insurer(s)	Underlying Policy Number(s)	Underlying Limits	Retention/Attachment
Indian Harbor Insurance Company		\$5,000,000	\$25,000

Item 5.

Policy Premium: \$17,900
TRIA Premium: \$0

Item 6.

Endorsement(s) Effective at Inception: See Schedule of Endorsement(s)

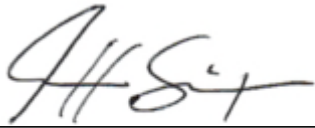
Item 7.

Notice to Insurer:

- (a) Notice of **Claim** or Potential **Claim**
 Attention: Claims Department
 Email: USclaims@ascotgroup.com
- (b) All Other Notices
 Ascot Specialty Insurance Company
 55 W. 46th Street, 26th Floor
 New York, NY 10036
 T: +1 (833) 454-3023

Item 8. **Pending or Prior Claim / Litigation Date:** Inception

In witness whereof, the Insurer has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by the duly authorized representative of the Insurer.



Jeff A. Sipos
Corporate Secretary
DATED:



Matthew Kramer
Chief Executive Officer
COUNTERSIGNED AT: New York, NY



EXCESS FOLLOW FORM INSURANCE POLICY

In consideration of the payment of premium and in reliance on all statements made and information contained in the **Application** or provided to the Insurer in connection with underwriting this Policy, and subject to all of the terms, conditions and exclusions of this Policy, the Insurer and the **Insureds** agree as follows:

I. INSURING AGREEMENT

Except as otherwise stated in this Policy, the Insurer shall provide the **Insureds** with insurance in accordance with the terms, conditions and exclusions set forth in the **Followed Policy**. Liability shall attach to the Insurer only after the insurers of the **Underlying Policies**, the **Insureds**, an excess difference-in-conditions ("DIC") insurer or any other source pay in legal currency loss covered under the respective **Underlying Policy** equal to the full amount of the **Underlying Limit**. The Insurer's maximum aggregate liability for all **Loss** covered under this Policy shall be the Aggregate Limit of Liability as stated in Item 3. of the Declarations.

II. CONDITIONS

- A. If any **Underlying Policy** contains a specific grant of coverage that is subject to a sublimit of liability, then coverage under this Policy shall not apply to any **Loss** which is otherwise subject to such grant of coverage. However, any such **Loss** paid under the **Underlying Policies** shall reduce or exhaust the **Underlying Limit** for purposes of this Policy.
- B. If during the **Policy Period** or any Extended Reporting Period the **Followed Policy** is changed to broaden or expand coverage, such change shall not apply to this Policy unless the Insurer agrees in writing to such broader or expanded coverage and the **Insureds** pay any additional premium required by the Insurer. If any **Underlying Policy** terminates during the **Policy Period** or any Extended Reporting Period, or becomes uncollectable, the Insurer shall not be liable under this Policy to a greater extent than it would have been had such **Underlying Policies** been maintained and were collectable.
- C. Notice to the Insurer shall be given at the respective address shown in Item 7. of the Declarations. Any notice to the insurer of an **Underlying Policy** shall not constitute notice to the Insurer unless also given to the Insurer as provided above.
- D. The Insurer may, at its sole discretion, fully and effectively associate with the **Insureds** in the investigation, defense or settlement of any **Claim** or potential **Claim** reported to the Insurer under this Policy even if the **Underlying Limit** has not been exhausted. No action by any other insurer shall bind the Insurer under this Policy.
- E. The additional premium for any elected Extended Reporting Period shall be the same percentage of this Policy's annual premium as the percentage stated in the **Followed Policy** for calculating the Extended Reporting Period premium unless otherwise endorsed by this Policy.

III. DEFINITIONS

- A. **Application, Claim and Loss** shall have the same meaning as set forth in the **Followed Policy**.
- B. **Followed Policy and Underlying Policies** means the policies designated as such in the Declarations.
- C. **Insureds** means the entities and natural persons insured under the **Followed Policy**.
- D. **Policy Period** means the period of time designated in Item 2. of the Declarations, subject to any earlier cancellation date.
- E. **Underlying Limit** means an amount equal to the total limits of liability of all **Underlying Policies**, as set forth in the Declarations, plus any applicable retention or deductible under the **Underlying Policies**.





SCHEDULE OF FORMS /ENDORSEMENTS

Named Insured	Policy Number	Effective Date	Endorsement No.
Los Vaqueros Reservoir JPA		4/15/2023	1

Schedule of Forms		
Endorsement No.	Form Name	Form Number
	Excess Follow Form Declarations Page	EXE-D001-1219-00
	Excess Follow Form Insurance Policy	EXE-P001-1219-00
1	Schedule of Forms / Endorsements	EXE-E001-1219-00
2	Economic Sanctions Endorsement	EXE-C001-1219-00
3	Service of Suit ASIC	EXE-C010-1219-00
	Policyholder Terrorism Disclosure	
	CA Surplus Lines Notice	
	ASIC Signature Page	EXE-C006-1219-00





ECONOMIC SANCTIONS ENDORSEMENT

Named Insured	Policy Number	Effective Date	Endorsement No.
Los Vaqueros Reservoir JPA		4/15/2023	2

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

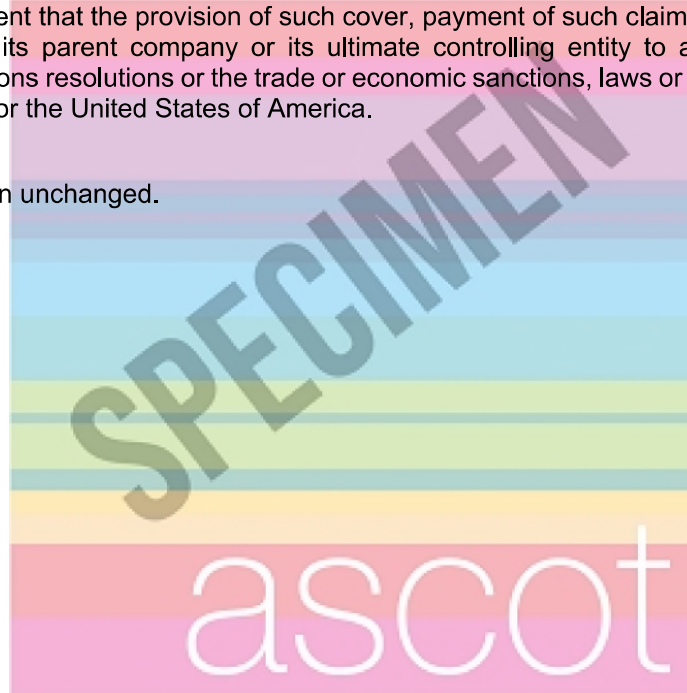
This endorsement modifies insurance provided under the following:

EXCESS FOLLOW FORM INSURANCE POLICY

- A. Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

- B. The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the United Kingdom or the United States of America.

All other terms and conditions remain unchanged.





SERVICE OF SUIT

Named Insured	Policy Number	Effective Date	Endorsement No.
Los Vaqueros Reservoir JPA		4/15/2023	3

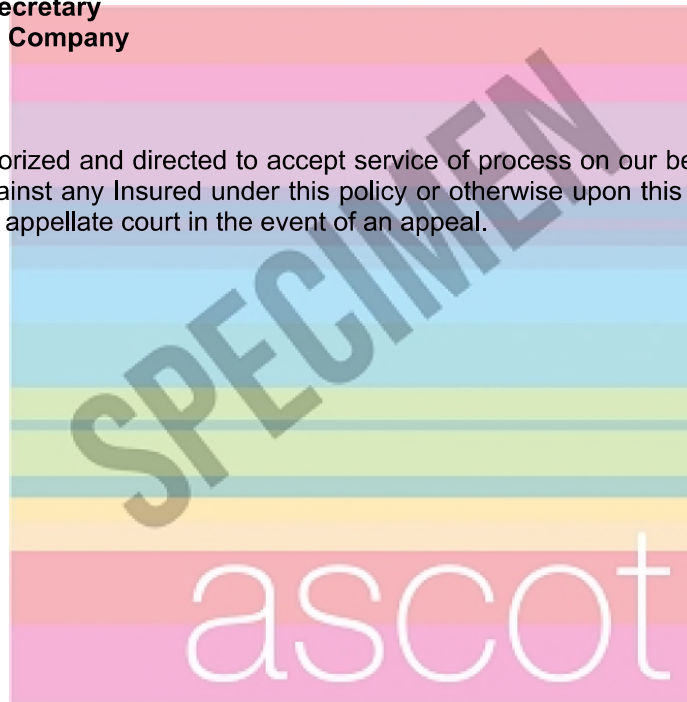
It is hereby understood and agreed that *Ascot Specialty Insurance Company* may be sued upon any cause of action arising under any insurance contract made by *Ascot Specialty Insurance Company* or evidence of insurance issued or delivered by the producer, in the courts for the county(s) where the insurance provides coverage or in the courts of New York, New York where the insurer maintains its home office.

It is further agreed that service of process in such suit may be made upon the appropriate person at the state Department of Insurance, Secretary of State or other designee as provided for in specific state laws and/or regulations.

When service of process is made upon a statutory designee according to state law, such process should be provided via certified mail to:

Jeff A. Sipos, Corporate Secretary
Ascot Specialty Insurance Company
55 W. 46th Street
New York, NY 10036

The above-named individual is authorized and directed to accept service of process on our behalf in any suit. It is further agreed that in any suit instituted against any Insured under this policy or otherwise upon this policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.





POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

MANDATORY OFFER OF COVERAGE FOR “ACT OF TERRORISM” AND DISCLOSURE OF PREMIUM

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term “act of terrorism” means any act that is 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 an air carrier or vessel 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. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

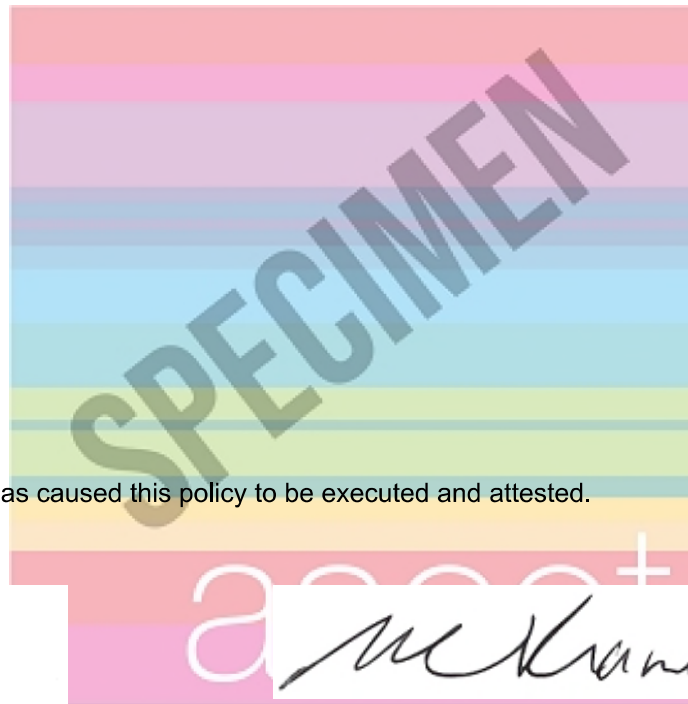
MANDATORY PREMIUM DISCLOSURE STATEMENT

Your policy does not contain an exclusion for losses resulting from an “act of terrorism.” Coverage for such losses is still subject to, and may be limited by, all other terms, conditions and exclusions in your policy. The premium charge for this coverage for the policy period is \$0.



Underwritten by: **Ascot Specialty Insurance Company**

Administrative Office: 55 West 46th Street, 26th Floor • New York, New York • 10036
1-646-356-8101 • A Stock Company



In Witness Whereof, the Company has caused this policy to be executed and attested.

A handwritten signature in black ink, appearing to read "J. Sips", is written over a horizontal line.

Jeff A. Sips
Corporate Secretary

A handwritten signature in black ink, appearing to read "Matthew Kramer", is written over a horizontal line. The signature is partially overlaid by the bottom edge of the large "SPECIMEN" watermark.

Matthew Kramer
Chief Executive Officer

CALMUTUALS JPRIMA QUOTE



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

**COVERAGE PROPOSAL
Los Vaqueros Reservoir JPA**

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

**PRESENTED BY:
InterWest Insurance Services, LLC**



**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)	\$	N/A
8	SECTION 2. COMMERCIAL CRIME	\$	N/A
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$	22,494.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (Wrongful Acts, Employment Practices & Employee Benefits, Privacy and Network Risk, if offered in the section)	\$	35,461.00
12	SECTION 5. BUSINESS AUTO	\$	N/A
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$	9,479.00
		MEMBER CONTRIBUTION	\$ 67,434.00
		JPRIMA ADMINISTRATION FEES	\$ 6,844.00
		TOTAL AMOUNT DUE*	\$ 74,278.00
*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.



SECTION 1. PROPERTY*

***PROPERTY IS INCLUDED IN THE PROPOSAL: No**

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:

- American Family Connect Property & Casualty Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	N/A
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.	N/A
Equipment Breakdown / Boiler & Machinery:	N/A
Mobile Equipment (scheduled):	N/A
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	N/A
Mobile Equipment (borrowed, rented & leased):	N/A
Flood Zone X: (shaded/unshaded)	N/A

DEDUCTIBLES:

N/A	Property
N/A	Mobile Equipment
N/A	Equipment Breakdown (aboveground & less than 50 feet belowground)
N/A	Equipment Breakdown (greater than 50 feet belowground)
N/A	Flood Zone X (per occurrence)
N/A	Unmanned Aircraft (Drone)

COVERAGE HIGHLIGHTS:

- Blanket Property Limits & Blanket Coverage Extension Limits
- No Coinsurance
- Equipment Breakdown

VALUATION:

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

KEY EXCLUSIONS:

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

COVERAGE PROPOSAL FOR MEMBER: Los Vaqueros Reservoir JPA

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 \$ for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**
Pays up to \$250,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.

KEY DEFINITIONS

■ **Real Property:**

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

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

■ **Business Personal Property:**

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

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

■ **Pollution Conditions:**

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

KEY DEFINITIONS *(continued)*

■ **Remediation Expenses:**

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

■ **Outdoor Property:**

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

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

Property Coverage is Excluded

COVERAGE PROPOSAL FOR MEMBER: Los Vaqueros Reservoir JPA

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: No**

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:

- American Family Connect Property & Casualty Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

COVERAGE GROUP SELECTED	EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$2,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

DEDUCTIBLE:

\$0 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:

Crime Coverage is Excluded.

COVERAGE PROPOSAL FOR MEMBER: Los Vaqueros Reservoir JPA

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:

- American Family Connect Property & Casualty Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

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

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Per Occurrence	\$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:

\$50,000 Per Occurrence or Offense including expenses

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):

COVERAGE PROPOSAL FOR MEMBER: Los Vaqueros Reservoir JPA

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:

- Dam Failure is Excluded.**
- Insured vs. Insured Exclusion will be applied.**
- Member Agencies vs Insured Exclusion will be applied.**
- Inverse Condemnation is Excluded.**



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:

- American Family Connect Property & Casualty Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

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

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Wrongful Acts	\$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	\$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. Privacy Retroactive Date: 4/01/2023 Privacy Deductible: None.	
*\$1,000,000 maximum annual aggregate applies per Enrolled Named Member, with a \$2,000,000 coverage form aggregate applicable to all participating Enrolled Named Members.	

OPTIONAL COVERAGE(S):

RETROACTIVE DATE:

N/A

DEDUCTIBLE:

\$50,000 Each Wrongful Act or Offense including expenses

COVERAGE HIGHLIGHTS:

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

NOTES:

Insured vs. Insured Exclusion will be applied.
Member Agencies vs Insured Exclusion will be applied.
Inverse Condemnation is Excluded.

COVERAGE PROPOSAL FOR MEMBER: Los Vaqueros Reservoir JPA

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: No**

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:

- American Family Connect Property & Casualty Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

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

PORTFOLIO:

Coverage	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	No Coverage	N/A
Hired Auto Liability	No Coverage	N/A
Non-Owned Auto Liability	No Coverage	N/A
Medical Payments	No Coverage	N/A
Uninsured / Underinsured Motorists	No Coverage	N/A
Hired Physical Damage	No Coverage	N/A
Owned Physical Damage – Comprehensive	No Coverage	N/A
Owned Physical Damage – Collision	No Coverage	N/A
Towing & Rental Car Reimbursement (covered accident)		N/A
Fleet Automatic		N/A

DEDUCTIBLE:

Liability: None
Comprehensive: N/A
Collision: N/A

NOTES:

Auto Coverage is Excluded.



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:

- American Family Connect Property & Casualty Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Following Form
- Occurrence
- Defense Costs Outside the Limits

LIMITS:

\$4,000,000/\$4,000,000

SCHEDULED UNDERLYING POLICIES:

Commercial General Liability -Yes
 Hired and Non-Owned Auto Liability - No
 Owned Auto Liability - No
 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)* - No
 Other:

NOTABLE EXCLUSION:

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

NOTES:

Employers' Liability subject to JPRIMA security requirements.

Please provide current WC declaration page for EL consideration in Excess line.

ITEM 1.4: OVERVIEW OF 2023-24 FISCAL YEAR BUDGET

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

The Los Vaqueros Reservoir Joint Exercise of Powers Agreement (JPA Agreement) requires that the Board of Directors adopt a budget prior to the start of each Fiscal Year. Staff provided the Committee an overview of development of the FY24 Budget, including contemplated capital components, at the December 22, 2022, regular meeting. Staff continues to work with Contra Costa Water District in developing the Authority's 2023-24 fiscal year budget. The following presentation will provide an overview of the budget at this stage of development.

ALTERNATIVES:

For discussion purposes

FISCAL ANALYSIS:

Eventual financial impact will depend on final budget figures.

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Slide deck concerning Fiscal Year 2023-24 Budget in production and will be provided to Committee as soon as possible.

ITEM 1.5: DRAFT TREASURER’S REPORT – MONTH ENDED FEBRUARY 28, 2023

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, Executive Director

DISCUSSION:

The draft Treasurer’s Report for February 2023 will be presented for the Committee’s review and discussion.

ALTERNATIVES:

For discussion purposes

FISCAL ANALYSIS:

None

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

Draft Treasurer’s Report for month ended February 28, 2023



DRAFT TREASURER’S MONTHLY REPORT

MULTI-PARTY AGREEMENT STATUS

Amendment No. 4 to the Multi-party Cost Share Agreement (MPA) was fully executed and an invoice for \$1,094,00 per agency was sent out in January 2023. Amendment No. 5 is being drafted.

MARCH 23, 2023

UPCOMING ACTIVITIES

March/April (various) – Finance workgroup and subgroup meetings (Draft Term sheet and Service Agreement Development)

March 23 at 1:00 p.m. – Finance Committee Meeting via Zoom

April 27 at 1:00 p.m. – Finance Committee Meeting via Zoom

Finance Committee Members:

Chair: Anthea Hansen, SLDMWA

Vice-Chair: Paul Sethy, ACWD

Rebecca Eisenberg, SCVWD

Michael Tognolini, EBMUD

ACRONYM KEY

ACWD – Alameda County Water District

CCWD – Contra Costa Water District

CWC – California Water Commission

EBMUD – East Bay Municipal Utility District

LAP – Local Agency Partners

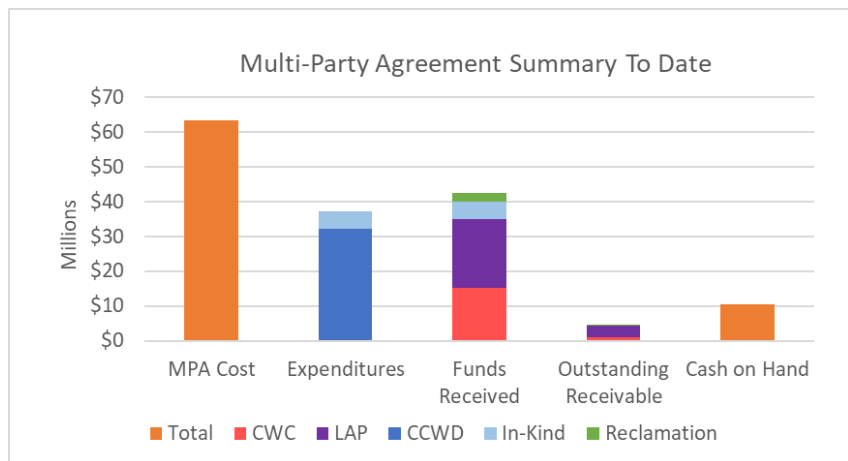
MPA – Multi-party Cost Share Agreement

SCVWD – Santa Clara Valley Water District (Valley Water)

SLDMWA – San Luis & Delta-Mendota Water Authority

WIFIA LOI – Water Infrastructure Finance and Innovation Act Letter of Interest

The following chart provides an overview of the MPA expenditures through February 28, 2023 in addition to in-kind services, funds received, outstanding receivable, and cash on hand. All LAPs remain in good standing and the Project cash on hand remains positive.



MPA Summary to Date:

MPA Cost: \$63,437,864 (total through Amendment No. 4)

Expenditures:

CCWD: \$32,148,554 (includes consultants and legal services)

In-kind: \$5,155,170 (LAPs and Reclamation)

Total: \$37,303,725

Funds Received:

CWC: \$15,309,450

Reclamation: \$2,420,227

LAP: \$19,571,077 (cash contributions)

In-kind: \$5,155,170 (LAPs and Reclamation)

Total: \$42,455,924

Outstanding Receivable:

CWC: \$910,867

Reclamation: \$398,018

LAP: \$3,282,000

Cash on Hand: \$10,531,739

FEDERAL FUNDING STATUS

A total of \$82 million was allocated to the Project in the Bipartisan Infrastructure Law FY22 Spend Plan and Reclamation recommended \$18 million of Water Infrastructure Improvements for the Nation (WIIN) Act to be allocated in FY23. Previous awards of Federal funding during FY21 and FY22 include \$10 million in pre-construction funding and \$54 million in construction funding. CCWD executed an assistance agreement with Reclamation for a total of \$7.2 million in federal funding for permitting, design, and other pre-construction activities and Reclamation has paid the initial invoice and a second invoice has been sent.

Future Federal funding requests include the remainder of the requested federal share of 21 percent of the total project cost (approximately \$49 million).

STATE FUNDING STATUS

The Project qualified for funding under the Water Storage Investment Program and received an adjusted Maximum Conditional Eligibility Determination of \$477,558,343 from the California Water Commission (CWC) on March 16, 2022. This amount reflects an additional inflation adjustment of 1.5 percent and an increase in over \$7 million from the previous award.

The Early Funding Agreement with the CWC provides for a cost share of 50 percent of eligible costs during pre-construction. An amendment was executed in November 2022 that extends the agreement through December 31, 2023 and included \$927,917 in additional early funding that is now available as a result of the inflation adjustments to the total award amount. The summary below reflects the Total Budget and other budget status information of the amended Early Funding Agreement.

Early Funding Agreement Summary to Date:

Total Budget:	\$47,755,834
Total Program Funding:	\$23,877,917 (50 percent cost share)
Total Billed To Date:	\$32,440,634 (68% spent to date)
Total Amount Remaining:	\$15,315,200
Total Retention To Date:	\$91,087
Outstanding Invoices:	\$910,867