



**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
UNDERWRITING COMMITTEE MEETING
AGENDA**

**Friday, April 12, 2024
12:00 p.m.**

Zoom

Zoom Link: <https://us02web.zoom.us/j/81840689080>

Dial-in Number: (669) 900-6833

Meeting ID: 818 4068 9080

No Passcode Required

All portions of this meeting will be conducted via teleconference in accordance with Government Code Section 54953. The teleconference locations are as follows: *City of Rancho Cucamonga, 10500 Civic Center Drive, Rancho Cucamonga, CA 91730; and City of Oakdale, 280 N. 3rd Ave., Oakdale, CA 95361.*

Each location is accessible to the public, and members of the public may address the Committee from any teleconference location. Alternatively, you may attend the meeting and address the Committee via the Zoom link or dial-in number shown above.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Yvette Flama (yvette.flama@sedgwick.com or 916.290.4629 as early as possible, and preferably at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item provided to the Committee will be available for public inspection. Please contact Ms. Flama via phone or email for copies.

Page

1. CALL TO ORDER; ROLL CALL

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

3. PUBLIC COMMENTS - The Public may submit any questions by contacting Yvette Flama at yvette.flama@sedgwick.com. This time is reserved for members of the public to address the Committee relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law.

4. CONSENT CALENDAR

- *A. Minutes of the October 11, 2023, Underwriting Committee Meeting

Recommendation: Approval of the Consent Calendar.

5. MEMBERSHIP MATTERS

- *A. Review of Prospective Member Application, Town of Los Gatos (PLAN JPA)

Recommendation: Staff recommends the Underwriting Committee unconditionally approve the Town of Los Gatos (PLAN JPA) at an SIR of no less than \$75,000, effective July 1, 2024. Please note that the City has requested a \$250,00 SIR.

- *B. Consideration of Newly Formed Underlying Members of ERMA JPA Members

Recommendation: Staff recommends the Underwriting Committee conditionally approve the City of Mountain House and the Pajaro Regional Flood Management Agency (PRFMA) with the condition the agencies have policies and procedures created and reviewed by legal counsel with expertise in public sector employment law in the 8 areas identified in the ERMA policies and procedures review project by July 1, 2026.

6. CLOSING COMMENTS

This time is reserved for comments by the Committee members and staff and to identify matters for future Committee business.

- A. Committee
- B. Staff

7. ADJOURNMENT

CONSENT CALENDAR

SUBJECT: Consent Calendar

RECOMMENDATION: *None*

BACKGROUND AND STATUS:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and typically require no discussion. Should the Committee wish to discuss any item listed, it may be pulled from the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- A. Minutes of the October 11, 2023, Underwriting Committee Meeting

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

**MINUTES OF THE UNDERWRITING COMMITTEE MEETING
OF OCTOBER 11, 2023**

An ERMA Underwriting Committee Meeting was held on October 11, 2023. All portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953.

COMMITTEE MEMBERS PRESENT: John Gillison, President, CIRA
Bryan Whitemyer, Vice President, CSJVRMA
Jeremy Wittie, VCJPA

COMMITTEE MEMBERS ABSENT: None.

OTHERS PRESENT: Rob Kramer, Executive Director
Yvette Flama, Sedgwick

1. CALL TO ORDER/ROLL CALL

The October 11, 2023, ERMA Underwriting Committee Meeting was called to order at 1:02 p.m. A roll call was taken, and a quorum was determined to be present.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Bryan Whitemyer moved, seconded by John Gillison, to approve the agenda as posted. A roll call vote was taken. The motion passed unanimously.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

The Committee discussed Jeremy Wittie willingness to serve as Treasurer. The Committee agreed that the appointment of Jeremy Wittie as Treasurer be brought before the Board at the November 6, 2023, Board of Directors meeting.

John Gillison moved, seconded by Bryan Whitemyer, to approve the following item on the Consent Calendar: A) Minutes of the May 18, 2023, Underwriting Committee Meeting. A roll call vote was taken. The motion passed unanimously.

5. MEMBERSHIP MATTERS

A. Review of Prospective Member Application, City of Burlingame (PLAN JPA)

Rob Kramer, Executive Director, reported an application was received from the City of

Burlingame, an underlying member of the Pooled Liability Assurances Network (PLAN), for participation in ERMA at a \$100,000 self-insured retention (SIR), effective January 1, 2024. Mr. Kramer provided a summary of the application as follows:

- The city reports payroll of \$26M for the 2022 calendar year and has 217 full-time employees and 140 part-time employees.
- The City fairly recently had its written personnel policies and procedures reviewed with a few noted exceptions.
- The City is working toward compliance with AB 1825 and SB 1343 training requirements by conducting online training via Vector Solutions, a third-party provider (formerly known as Target Solutions).

The City provided an attestation of two known losses in the past seven fiscal years.

Mr. Kramer noted staff's additional recommendation that the Committee extend approval of the city's participation in ERMA with the condition the city's personnel policies and procedures are reviewed and updated by legal counsel with public sector employment law expertise and formally approved by the district's governing board no later than July 1, 2025.

John Gillison moved, seconded by Bryan Whitemyer, to recommend the Board approve the City of Burlingame (PLAN JPA) at a \$100,000 SIR, effective January 1, 2024, with the condition the city's personnel policies and procedures are updated, reviewed by legal counsel with expertise in public sector employment law, and approved by city council no later than July 1, 2025. A roll call vote was taken. The motion passed unanimously.

B. Review of Prospective Member Application, City of Milpitas (PLAN JPA)

Rob Kramer, Executive Director, reported an application was received from the City of Milpitas, an underlying member of the Pooled Liability Assurances Network (PLAN), for participation in ERMA at a \$100,000 self-insured retention (SIR), effective January 1, 2024. Mr. Kramer provided a summary of the application as follows:

- The City reports payroll of approximately \$63,120,648.00 for the 2022 calendar year and has 402 full-time employees and 316 part-time employees.
- The City recently had its written personnel policies and procedures reviewed.
- The City is compliant with AB 1825 and SB 1343 training requirements.

The City provided an attestation of no known losses in the past seven fiscal years.

John Gillison moved, seconded by Bryan Whitemyer, to recommend the Board approve the City of Milpitas (PLAN JPA) at a \$100,000 SIR, effective January 1, 2024. A roll call vote was taken. The motion passed unanimously.

6. CLOSING COMMENTS

A. Committee Members

None.

B. Staff

None.

7. ADJOURNMENT

The October 11, 2023, ERMA Underwriting Committee meeting adjourned at 1:30 p.m. by general consent.


Yvette Flama, Board Secretary

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective Member Application, Town of Los Gatos (PLAN JPA)

RECOMMENDATION: *Staff recommends the Underwriting Committee unconditionally approve the Town of Los Gatos (PLAN JPA) at an SIR of no less than \$75,000, effective July 1, 2024. Please note that the City has requested a \$250,00 SIR.*

BACKGROUND AND STATUS:

The Town of Los Gatos, an underlying member of the Pooled Liability Assurances Network (PLAN JPA), provided an application and supporting documentation for participation in ERMA effective July 1, 2024, at a self-insured retention (SIR) of \$250,000. The application materials have been reviewed by staff and are summarized as follows:

- The Town reports payroll of approximately \$20,359,421.06 for the 2022 calendar year and has 153 full-time and 56 part-time employees. This payroll is in line with an SIR as low as \$50,000 or \$75,000.
- The Town had its written personnel policies and procedures reviewed and updated within the past five years; however, legal counsel has not reviewed them.
- The Town has no current reportable losses.
- The Town is compliant with AB 1825 and SB 1343 training requirements.

REFERENCE MATERIALS ATTACHED:

- Town of Los Gatos Premium Indication
- Town of Los Gatos Application for Participation

**EMPLOYMENT RISK MANAGEMENT AUTHORITY
CONTRIBUTION INDICATION**

PLAN JPA

Name of Entity	Town of Los Gatos
2022 Calendar Year Payroll	\$21,397,544
Coverage Period	July 1, 2023 to June 30, 2024

CALCULATION

		\$50,000	\$75,000	\$100,000	\$250,000	\$350,000	\$500,000
Retained Limit Options		1.00	0.91	0.83	0.51	0.37	0.21
Retained Limit Factor		0.555	0.502	0.458	0.280	0.203	0.114
Retained Limit Rate							
Funding for Losses		\$118,756	\$107,475	\$97,974	\$59,972	\$43,346	\$24,345
Loss Prevention & Training	0.0103	2,205	2,205	2,205	2,205	2,205	2,205
Administration	0.0574	12,291	12,291	12,291	12,291	12,291	12,291
Subtotal		\$133,253	\$121,971	\$112,470	\$74,468	\$57,842	\$38,841
JPA Participation Credit	0.44%	(\$587)	(\$537)	(\$495)	(\$328)	(\$255)	(\$171)
Individual Experience Mod Factor *		1.000					
Off-Balance Factor		1.162					
Excess Insurance \$3M x \$1M	0.0575	12,304	12,304	12,304	12,304	12,304	12,304
ERMA CONTRIBUTION **		\$166,440	\$153,390	\$142,400	\$98,442	\$79,211	\$57,232

* New members are assigned an experience modification factor of 1.000 their first year in ERMA.

** Contribution will be prorated based on date of inception of coverage.

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
LIABILITY COVERAGE APPLICATION FOR PROSPECTIVE MEMBERS
OF A PARTICIPATING JOINT POWERS AUTHORITY**

If completed electronically, this application will adjust to allow space for any answers. If not completed electronically, then additional sheets may be needed.

PROGRAM YEAR: 2023/24

ENTITY NAME:	Town of Los Gatos	Date:	3/28/2024
EMPLOYMENT PRACTICES INFORMATION			
A. Policies and Procedures			
1.	Does the Entity have written personnel policies and procedures?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2.	Does the Entity distribute the manual/rules to all employees?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
3.	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
4.	Are the following policies or procedures included in the manual? Check all that apply:		
	<input checked="" type="checkbox"/> Hiring	<input checked="" type="checkbox"/> Termination	<input checked="" type="checkbox"/> Suspension
	<input checked="" type="checkbox"/> Medical Leave	<input checked="" type="checkbox"/> Unpaid Leave	<input checked="" type="checkbox"/> Grievance Procedures
	<input checked="" type="checkbox"/> Drug & Alcohol Testing	<input checked="" type="checkbox"/> Discipline	<input checked="" type="checkbox"/> Attendance
	<input checked="" type="checkbox"/> Family Medical Leave Act	<input checked="" type="checkbox"/> Harassment, Discrimination, & Retaliation	
	<input checked="" type="checkbox"/> Written Job Description for all Positions	<input checked="" type="checkbox"/> Workplace Violence Policies	
	<input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees		
	<input checked="" type="checkbox"/> Employee Hotline/Complaint Procedure		
5.	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
6.	Does the Entity have legal counsel regularly review the manual/rules?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
7.	Have the above-referenced policies been updated within the past five years?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If no, when was the manual or rules last reviewed?		
8.	Were the above-referenced policies formally approved and adopted by council/governing board?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	<i>If you answered no to any of the above, please use this space to provide more information:</i>		

B. Employee Information			
1.	Number of Full Time Employees: 153		
2.	Number of Part time Employees: 56		
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?		
	2024 8 %	2023 10 %	2022 %
	2021 %	2020 %	2019 %
4.	How many involuntary employment terminations have occurred in the past three years?		
	2024 Terminations 1	2023 Terminations: 2	2022 Terminations: 3

Do not have data

		<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>
5.	Percentage of Employees with salaries less than \$100,000 % 44	Should = 100%
6.	Percentage of Employees with salaries greater than \$100,000 % 56	

C. Employment Practices Claims Handling		
1.	Who in the Entity has been designated to handle claims? <small>Bridgette Falconio (Administrative Technician for the Town's Attorney's Department)</small>	
2.	(a) With respect to oral or written claims, do you have a written procedure for obtaining information and conducting required follow up on the claim? (b) Do you require written claims for EEO-related complaints?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If yes to 2(a), describe the policy and procedure for receiving, reviewing, and responding to claims: The PLAN JPA handles reviewing the Town claims and recommendeds how the Town should respond.	
3.	Does the Employment Claims handler coordinate with the Workers' Compensation Administrator on all claims involving actual or potential industrial injuries?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.	Has your entity received any claim in the previous 7 completed fiscal years, including the partial current fiscal year, (including but not limited to Tort Claim, any and all claims filed with the DFEH, EEOC, Department of Labor or Federal Department of Justice, any civil lawsuit or other written claim) alleging the following?	
	(a) Allegations of discrimination or harassment under FEHA, Title VII or any other federal or state law relating to discrimination based on race, sex, religion, disability, national origin, marital status, age, sexual orientation, retaliation or any other protected legal status;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(b) Allegations of retaliation relating to an Employee engaging in protected activity involving any EEO-related complaint, protected leave status, worker's compensation claim, or any other protected activity or status;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(c) Actual or alleged constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(d) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(e) Allegations of misrepresentation or defamation made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(f) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(g) Allegations of false imprisonment, detention, or malicious prosecution made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	(h) Allegations of libel, slander, defamation of character, invasion of privacy made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; and	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(i) Other personal injury allegations made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the answer is yes to any of the above, please attach a listing of the loss(es) showing a full description of each claim, including the date filed, the substance of the allegations, the disposition of the claim, and any monetary amounts paid in connection with the claim.		

D. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please describe handling of this function:	
2.	Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.	Do you anticipate any "layoffs" during the next 24 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
4.	Have you had any "layoffs" in the past 36 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825, SB 1343 and SB 778?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please explain.	
6.	Briefly describe the procedure for maintaining AB 1825 and SB 1343 training records: Human Resources maintains training certificates, and reports are obtained through legal/training consultant.	
7.	Does your entity provide SB 1343 training?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8.	Are elected or appointed officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

E. DESIRED SELF-INSURED RETENTION							
<input type="checkbox"/> \$25K	<input type="checkbox"/> \$50K	<input type="checkbox"/> \$75K	<input type="checkbox"/> \$100K	<input checked="" type="checkbox"/> \$250K	<input type="checkbox"/> \$350K	<input type="checkbox"/> \$500K	
<i>Please attach the following:</i>							
<ul style="list-style-type: none"> • <i>EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year;</i> • <i>Payroll information for the previous 7 completed calendar years;</i> • <i>Completed resolution authorizing participation in ERMA;</i> • <i>Completed intent to participate; and</i> • <i>Most Recent Financial Audit.</i> 							

The undersigned declares that no fact, circumstance, or situation indicating the probability of a claim or action is now known to any person proposed for this coverage; and it is agreed by all concerned that if there be knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the coverage for herewith being applied. The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking coverage, has read and understands this application, and declares all statements set forth herein are true, complete, and accurate, and include all material information.

The undersigned further declares and represents that any occurrence taking place prior to the inception of the coverage for which is being applied, which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to ERMA. The undersigned acknowledges and agrees that the submission and ERMA's receipt of such report, prior to the inception of the coverage for which being applied, is a condition precedent to coverage.

The undersigned acknowledges:

- (1) ERMA does not require the submittal of the aforementioned policies and procedures. ERMA does, however, rely on the information provided by the applicant in review of the application and the undersigned, therefore, declares and represents that the policies and procedures as represented above are the current policies and procedures of the entity.
- (2) ERMA's Board of Directors may recommend a risk assessment of any new member within 60 days of joining ERMA and/or a higher self-insured retention from what was requested, if an application for membership is approved.

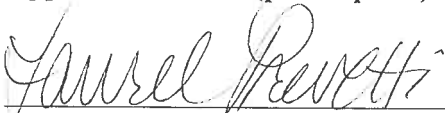
The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

Town of Los Gatos

Agency or Entity Name

Laurel Prevetti

Applicant's Name (please print)



Applicant's Signature

Town Manager

Applicant's Title

3-28-2024

Date

MEMBERSHIP MATTERS

SUBJECT: Consideration of Newly Formed Underling Members of ERMA JPA Members

RECOMMENDATION: *Staff recommends the Underwriting Committee conditionally approve the City of Mountain House and the Pajaro Regional Flood Management Agency (PRFMA) with the condition the agencies have policies and procedures created and reviewed by legal counsel with expertise in public sector employment law in the 8 areas identified in the ERMA policies and procedures review project by July 1, 2026.*

BACKGROUND AND STATUS:

The City of Mountain House is a newly forming City that has made application to the Municipal Pooling Authority (MPA).

The Pajaro Regional Flood Management Agency (PRFMA) is a newly formed Joint Powers Authority that has made application to the California Intergovernmental Risk Authority (CIRA).

Both of these entities, being newly formed, will not have a loss history and will not likely be able to complete the ERMA underwriting application with any historical information.

Staff is recommending that for newly formed underlying members of current ERMA JPA members, they be approved at no less than a \$50,000 SIR and that the condition of having all 8 of the identified most critical EPL policies be required to be created and reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

REFERENCE MATERIALS ATTACHED:

- CIRA Risk Assessment of PRFMA
- Statement of No Losses for PRFMA
- 2023-24 PRFMA Budget



March 7, 2024

CIRA New Member Risk Assessment for Pajaro Regional Flood Management Agency

On March 6, 2024, CIRA staff conducted a risk assessment for the Pajaro Regional Flood Management Agency (PRFMA) as part of the underwriting process to be accepted in the CIRA Workers' Compensation and General Liability programs. As the PRFMA has applied for membership in both the workers' compensation and general liability program, the risk assessment reviewed the PRFMA loss control program, operations, employment practices, and discussion of its future plans. At this time, PRFMA does not have a physical location. We would like to thank Mark Strudley and Roxanne Grillo for their time and consideration. It should be noted that this report is based on conditions collected at the time of the virtual risk assessment and information provided by PRFMA. The information in this summary does not guarantee that operations, whether noted or not, are in compliance with federal, state, or local laws or regulations.

Agency Profile

The PRFMA is a joint powers authority of the County of Santa Cruz, Santa Cruz County Flood Control and Water Conservation Zone No. 7, the County of Monterey, the Monterey County Water Resources Agency, and the City of Watsonville. Formed in 2021, the Agency will plan, finance, and implement projects and programs to reduce flood risk from the lower Pajaro River and its tributaries in Santa Cruz and Monterey Counties.

The Agency includes an area of approximately 120 square miles with a population in excess of 70,000 residents. The total payroll for fiscal years 22-23 was \$134,102 and is estimated to be \$470,000 for the current fiscal year with four full-time equivalent employees. The Agency's current year revenue is \$56,057,489, with \$1,706,900 representing general operating and administrative expenses. The remaining money is dedicated to flood control improvements.

The PRFMA's operations and maintenance scope encompass a range of activities. These include maintaining pumping plants, gates, and closure structures, mowing levees, controlling rodent and burrowing vectors, ensuring crown road surfacing; performing levee crown repairs, compaction of levees and berms, bank stabilization, vegetation management, and sediment removal.

The Agency has four (4) full-time employees: an Executive Director, an Engineering Supervisor, a Resource Planner, and a Clerk/Finance/Admin Manager. The Agency has partnerships with the surrounding counties and the City of Watsonville, which provide staff to conduct maintenance of the levees. The Agency may look to other providers for this service or hire additional staff to perform this work in the future.



701 Ocean Street, Rm. 410
Santa Cruz, CA 95060
(831) 454-2807

March 19, 2024


Amy Conley
General Manager
California Intergovernmental Risk Authority (CIRA)
2330 E. Bidwell Street, Ste 150
Folsom, CA 95630

Subject: Statement of No Loss

TO WHOM IT MAY CONCERN:

I CERTIFY THAT I AM NOT AWARE OF ANY LOSSES, ACCIDENTS OR CIRCUMSTANCES THAT MIGHT GIVE RISE TO A CLAIM BETWEEN JANUARY 1, 2024 UNTIL NOW.

Name: Mark Strudley, Ph.D.

Signature:  DocuSigned by:
Mark Strudley
9A56C942FF79405...

Title: Executive Director

ATTACHMENT 1
PRFMA AGENCY BUDGET FY 2023-24

REVENUES:

<i>Line Item</i>	<i>Amount</i>
Member Agency Contributions - Levee OMRR&R:	
Zone 7 - Levee OMRR&R	\$ 1,896,504
MCWRA - Levee OMRR&R	\$ 440,100
PRFMA - Levee OMRR&R	\$ 1,248,000
Sub-Total - Levee OMRR&R	\$ 3,584,604
Member Agency Contributions - Drainage OMRR&R:	
Zone 7 - Drainage OMRR&R	\$ 349,431
MCWRA - Drainage OMRR&R	\$ 26,700
City of Watsonville	\$ 52,500
Sub-Total - Drainage OMRR&R	\$ 428,631
Member Agency Contributions - Other	
Zone 7 Carryover Balance - Cost Share Agreement	\$ 699,157
Zone 7A Drainage Impact Fee - Cost Share Agreement	\$ 485,869
Monterey County - OMRR&R Agreement	\$ 859,228
Sub-Total - Other	\$ 2,044,254
Non-local Revenue	
State Aid	\$ 50,000,000
Sub-Total - Non-Local Revenue	\$ 50,000,000
Total Revenue	\$ 56,057,489

ATTACHMENT 1
PRFMA AGENCY BUDGET FY 2023-24

EXPENSES:

<i>Line Item</i>	<i>Amount</i>
Personnel:	
1 Executive Director	\$ 351,100
2 Engineering Supervisor	\$ 190,000
3 Resource Planner	\$ 197,600
4 Deputy Executive Director	\$ 225,000
<i>Subtotal Personnel</i>	\$ 963,700
Administrative Contract Services:	
5 Attorney	\$ 100,000
6 Auditor	\$ 17,700
7 Public Information	\$ 70,600
8 Financial Management/Grant Admin Support	\$ 112,900
9 Federal Advocacy - Capital Edge	\$ 72,000
10 Federal Advocacy - Carpi & Clay	\$ 67,900
11 State Advocacy	\$ 84,800
12 Clerking Services	\$ 26,000
13 IT Services	\$ 7,200
14 Admin/HR/Risk/Misc	\$ 74,886
<i>Subtotal Administrative Contract Services</i>	\$ 633,986
Services and Supplies:	
15 Telecommunication	\$ 4,700
16 Postage & Freight	\$ 500
17 Advertising (Public Notices, etc.)	\$ 900
18 Office Supplies	\$ 3,500
19 Computers/Software/Website	\$ 5,900
20 Printing and Binding	\$ 2,100
21 Travel & Meeting	\$ 7,100
22 Dues & Subscriptions	\$ -
22.1 NAFSMA	\$ 1,200
22.2 BAFPAA	\$ 3,900
22.3 FMA	\$ 125
22.4 NHWC	\$ 320
22.5 ASFPM	\$ 400
22.6 CSDS	\$ 1,800
22.7 NWC	\$ 1,525
22.8 CSDA	\$ 1,634
22.9 GFOA	\$ 310
22.10 Other	\$ 1,200
23 Tools, Supplies & Equip.<\$6,000	\$ 5,900
24 Liability Insurance	\$ 59,100
25 Other Materials & Supplies	\$ 7,100
<i>Subtotal Services / Supplies</i>	\$ 109,214
Levee SGO&A (89.3%)	\$ 1,524,262
Drainage SGO&A (10.7%)	\$ 182,638
<i>Subtotal General Operations and Administration</i>	\$ 1,706,900

ATTACHMENT 1
PRFMA AGENCY BUDGET FY 2023-24

<i>Line Item</i>	<i>Amount</i>
Operations, Maintenance, Repair, Replacement & Rehabilitation:	
26 Levee Slope/Bench Mowing	\$ 236,600
27 Levee Compaction	\$ 263,000
28 Rodent Control	\$ 174,000
29 Flap Gate/Culvert Maintenance	\$ 117,500
30 Culvert CCTV Inspection/Flushing	\$ 42,300
31 Brush Removal	\$ 58,900
32 Levee Top & Access Road Maintenance	\$ 180,500
33 Pump Station O&M	\$ 51,900
34 Misc. O&M	\$ 228,000
35 In-channel Vegetation Maintenance	\$ 353,000
36 Capacity Analysis (surveying and H/H)	\$ 117,700
37 Permitting, Biological Monitoring, Mitigation	\$ 117,700
38 Emergency Monitoring/Gaging and Response	\$ 82,400
39 Reserve, Repair, Replacement, Rehabilitation	\$ 117,700
Subtotal OMRR&R	\$ 2,141,200
Capital Reserve	
40 Capital Reserve Funds	\$ 2,209,389
Subtotal Capital Project	\$ 2,209,389
Federal Capital Improvement Projects	
41 Pajaro River Flood Risk Management Project	\$ 50,000,000
Subtotal Capital Project	\$ 50,000,000
Total Expenses	\$ 56,057,489
Total Budget	\$ 56,057,489

Loss Analysis

Due to the PRFMA being recently formed, there is no loss history to review.

Risk Assessment Findings

Operations

PRFMA has been tasked with improving and maintaining the levees in their geographical area. The Agency is currently pursuing and enacting multiple professional service agreements. These agreements are for a wide range of services, including design work, securing right of way and easements, and environmental studies. The Agency also has agreements with Santa Cruz County, Monterey County, Monterey WRA, and the City of Watsonville to perform ongoing maintenance for the various levee sections that have been transferred to the Agency based on geographical locations. In the future, the Agency will evaluate these agreements and possibly transfer some of the work to other providers.

Vehicles

PRFMA currently has no vehicles. The Agency does plan to acquire a vehicle next fiscal year to aid in visual inspections of the levees. The Agency expressed its openness to adopting a driver policy and having staff conduct driver safety training during the assessment.

Employment Practices

Employment practices liability can be a significant exposure for any agency. All employees and volunteers are required to complete state-required anti-harassment training, and that training must be up to date. To address this risk, the Agency has a Personnel Rules & Regulation, approved by the Board on December 14, 2022, and has been implemented. This document also contains sections on how the Agency will address issues of harassment, substance abuse, and violence in the workplace. It was also shared that staff has completed their required sexual harassment training. If approved for membership, the Agency can take advantage of Vector Solution to provide and track the required trainings.

Contractual Risk Management

As stated earlier, PRFMA is creating and enacting several professional services and maintenance agreements. When reviewing a selection of these agreements, it was found that the current indemnification and insurance requirements aligned with the CIRA's best practices related to risk transfer. It was also observed that the Agency receives the required certificate and endorsements as stipulated in the agreements. CIRA can work with the Agency to add language to clarify endorsement needs further and improve the risk transfer.

Property and Infrastructure

The Agency currently does not own or operate a physical office or yard. It is currently considering various options, but no specific timeline was shared. The Agency stores some project supplies at the Pajaro-Sunny Mesa Community Services District yard.

The Agency is currently responsible for the maintenance of the 26 miles of levy; however, only a small percentage of the property has been transferred from the other controlling agencies to PRFMA. The Agency staff shared that it is in the process of securing all the required lands, easements and rights-of-way are associated with the levies they are now responsible for maintaining.

The Agency shared that it will assess the condition, existing security, and remote monitoring as sections of the levees and their associated assets (i.e., pumps, generators, control gates, etc.) are transferred to their control. These assessments will aid in determining future updates. Updates may include adding “No Trespassing” signs, securing the area around pumps/generators, and enhancing remote monitoring. All best practice actions CIRA would support.

Finally, it was shared that some trails open to the public are along the levees that will be transferred to the Agency. They have requested CIRA send any guidance it has to manage the risk associated with trails.

Safety and Health

Due to PRFMA’s recent creation, limited staff, and use of contracts, the Agency’s safety and health risk would be rated “low.” The Agency does have a section on safety and health in its Personnel Rules & Regulation (Section H) that discusses the establishment of a safe and healthful workplace. Due to the current staff’s administrative role and remote work, there is no need for a wide range of safety programs. CIRA can assist the Agency with the few programs it will need to implement to meet regulatory requirements and establish a safety culture.

Recommendations

Overall, the Agency appears to be well-managed and in the process of establishing an effective risk management program. Staff also shared their openness to using CIRA resources and adopting appropriate best practices in the future as the Agency grows. If approved for membership, CIRA staff can work with the Agency to implement required safety programs and aid in establishing a positive risk culture.