



CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

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Northern Region

Angels Camp
Atwater
Ceres
Escalon
Gustine
Hughson
Lathrop
Livingston
Newman
Oakdale
Patterson
Ripon
Riverbank
Sonora
Sutter Creek
Tracy
Turlock
Waterford

EXECUTIVE COMMITTEE MEETING AGENDA

**Thursday, February 24, 2022
10:00 a.m.**

**Legends Tap House & Grill
2910 Pea Soup Andersen Blvd.
Selma, California 93662
(559) 891-7000**

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Lindsey Fontana at (916) 244-1104. Requests must be made as early as possible, and 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 CSJVRMA Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833. The documents are also available on CSJVRMA's website, www.csjvrma.org.

Central Region

Chowchilla
Clovis
Dinuba
Dos Palos
Firebaugh
Fowler
Huron
Kerman
Kingsburg
Los Banos
Madera
Mendota
Merced
Orange Cove
Parlier
Reedley
San Joaquin
Sanger
Selma

Southern Region

Arvin
Avenal
Corcoran
Delano
Exeter
Farmersville
Lemoore
Lindsay
Maricopa
McFarland
Porterville
Shafter
Taft
Tehachapi
Tulare
Wasco

- | | | |
|-------------|---|----------|
| Page | 1. CALL TO ORDER | |
| | 2. ROLL CALL | |
| | 3. APPROVAL OF AGENDA AS POSTED (OR AMENDED) | A |
| | 4. PUBLIC COMMENTS – This time is reserved for members of the public to address the Committee relative to matters of the Central San Joaquin Valley Risk Management Authority not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total. | |
| 4 | 5. CONSENT CALENDAR | A |
| | If a Committee member would like to discuss any item listed, it may be pulled from the Consent Calendar. | |
| 5 | *A. Petty Cash Check Register for January 14, 2022 ~ February 9, 2022 | |
| 6 | *B. General Warrants for January 1, 2022 ~ January 31, 2022 | |
| 7 | *C. Chandler <u>Bond Market Review</u> – February 2022 | |



- 9 *D. 2022 CSJVRMA Goals and Action Items
Recommendation: Staff recommends approval of the Consent Calendar.
- 17 **6. PRESENTATIONS** **I**
 A. ResoluteGuard’s Cyber-Security Continuous Improvement Platform Presentation by Jeff Schobel, CEO
- 7. POOLED LIABILITY PROGRAM**
- 22 A. Reports by Service Provider(s) and Staff:
 *1. Report by Claims Administrator (AIMS) **I**
 24 2. Report on Coverage Denials by Legal Counsel **I**
- 8. POOLED WORKERS’ COMPENSATION PROGRAM**
- 25 A. Reports by Service Provider(s):
 *1. Report by Claims Administrator (AIMS) **I**
- 9. ADMINISTRATIVE MATTERS**
- 27 A. Renewal Proposal from James Marta & Company LLP for Financial Auditing Services **A**
Recommendation: Staff recommends the Executive Committee take action to either: 1) issue an RFP for financial auditing services; or 2) enter into an extended three-year agreement with James Marta & Company LLP at the amended fees.
- 10. FINANCIAL MATTERS**
- 30 A. Approval of Sidewalk Reimbursement for the 2022/23 Program Year **A**
Recommendation: Staff recommends the Executive Committee approve budgeting \$54,000 for the Sidewalk Reimbursement Program for the 2022/23 program year.
- 11. POOLED PROPERTY PROGRAM**
- 37 A. Amendments to the 2021/22 Pooled Property Program Memorandum of Coverage **A**
- 12. CLOSING COMMENTS**
 This time is reserved for comments by Executive Committee members and/or staff identify matters for future Executive Committee business.
- A. Executive Committee Members
 B. Staff
- 13. ADJOURNMENT**

NOTICES: Due to COVID-19 and the shelter-in place order, it is uncertain if the meetings indicated below will be held in-person or via WebEx. Please check the website, www.csjvrma.org for updates.

The next two Executive Committee meetings are scheduled for Thursday, March 24, 2022, at 2:00 p.m.; and Thursday, May 26, 2022, at 10:00 a.m.; the next Board of Directors meeting will be held on Friday, March 25, 2022, at 9:00 a.m.; the Regional Caucuses will be held in conjunction with the Board meetings.

February 24, 2022

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND STATUS:

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

RECOMMENDATION:

Staff recommends approval of the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- A. Petty Cash Check Register for January 14, 2022 ~ February 9, 2022
- B. Warrants for January 1, 2022 ~ January 31, 2022
- C. Chandler **Bond Market Review** – February 2022
- D. 2022 CSJVRMA Goals and Action Items

Ranges: From: To: From: To:
 Check Number First Last Check Date 1/14/2022 2/9/2022
 Vendor ID First Last Checkbook ID PETTY CASH PETTY CASH
 Vendor Name First Last

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
PCEFT000131	CM010	City of Madera	1/14/2022	PETTY CASH	PMCHK00000911	\$56,309.03
PCEFT000132	CR050	City of Reedley	1/14/2022	PETTY CASH	PMCHK00000911	\$1,545.70
* PCEFT000133	CT210	City of Tulare	1/14/2022	PETTY CASH	PMCHK00000911	\$345.45

Total Checks: 3 Total Amount of Checks: \$57,854.73
 =====

Ranges: From: To: From: To:
 Check Number First Last Check Date 1/1/2022 1/31/2022
 Vendor ID First Last Checkbook ID GENERAL ACCOUNT GENERAL ACCOUNT
 Vendor Name First Last

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
EFT000175	AC030	Acclamation Insurance Manageme	1/25/2022	GENERAL ACCOUNT	PMCHK00000912	\$198,802.06
EFT000176	BI030	York Risk Services Group, Inc	1/25/2022	GENERAL ACCOUNT	PMCHK00000912	\$168,116.07
EFT000177	BI100	Bickmore Actuarial	1/25/2022	GENERAL ACCOUNT	PMCHK00000912	\$16,802.00
EFT000178	L0100	Longyear & Lavra, LLP	1/25/2022	GENERAL ACCOUNT	PMCHK00000912	\$1,912.50
EFT000179	MA175	Managed Health Network	1/25/2022	GENERAL ACCOUNT	PMCHK00000912	\$10,202.80
EFT000180	AS115	AGRiP	1/25/2022	GENERAL ACCOUNT	PMCHK00000912	\$6,449.86
Total Checks: 6						Total Amount of Checks: \$402,285.29

FEBRUARY 2022



Market Data

 World Stock Market Indices
 data as of 1/31/2022

	Change (12/31/21)	%CHG
S&P 500	4,515.55	-250.63 -5.26%
NASDAQ	14,239.88	-1,405.09 -8.98%
DOW JONES	35,131.86	-1,206.44 -3.32%
FTSE (UK)	7,464.37	79.83 1.08%
DAX (Germany)	15,471.20	-413.66 -2.60%
Hang Seng (Hong Kong)	23,802.26	404.59 1.73%
Nikkei (Japan)	27,001.98	-1,789.73 -6.22%

Source: Bloomberg. Please see descriptions of indices on Page 2.

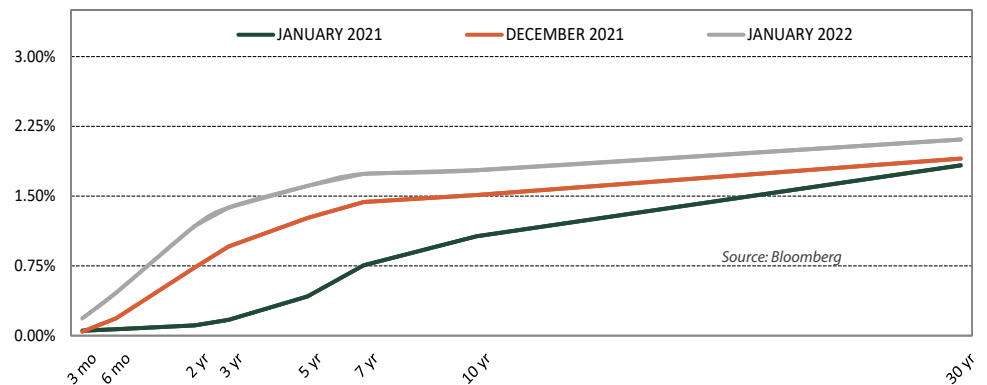
Market Summary

As a result of less US fiscal support and a reduction of monetary accommodation by the Federal Reserve (Fed), we believe economic growth in 2022 is likely to moderate but will remain above-trend. We expect the healthy labor market will help drive economic growth this year as the critical health situation improves globally. Consumer spending, the largest component of US GDP, should also remain solid, supported by healthy consumer balance sheets and a potential shift in spending toward more services rather than goods. Over the near-term, we expect financial market volatility to remain elevated with heightened geopolitical risk, persistent inflation due in part to supply chain bottlenecks, and the Fed's pivot to less accommodative monetary policy. Inflation readings continue to run hot, however we believe inflation may be at or near a peak, while pricing pressures are likely to abate as we move through the year but are expected to remain above pre-pandemic levels.

The Federal Open Market Committee (FOMC) kept the fed funds target rate unchanged in January, in a range of 0.0% - 0.25%, although they indicated that they believe it will soon be appropriate to raise the target range. The Fed is also on track to complete their bond-buying program in early March. In addition, the FOMC is signaling that a passive reduction in the size of the Federal Reserve balance sheet is likely to commence later this year. The tone of Fed Chair Powell's press conference was hawkish, but he did not give any specific timelines. He mentioned that his outlook for inflation is incrementally worse than it was in December and that supply chain issues will linger for longer than previously expected. The Fed's policy decisions will be led by incoming economic data and their evolving outlook. We are anticipating a rate hike announcement in March, but we do not believe that monetary policy is on a pre-set course and expect the Fed's policy adjustments will depend on developments in the economy.

In January, the 2-year Treasury yield increased nearly 45 basis points to 1.18%, the 5-year Treasury yield increased almost 35 basis points to 1.61%, and the 10-year Treasury yield increased about 27 basis points to 1.78%. On a month-over-month basis, the yield curve flattened. The spread between the 2-year and 10-year Treasury yield was roughly 60 basis points at January month-end, versus 78 basis points one month ago and 96 basis points one year ago. We believe there will likely be an upward bias on Treasury yields but much of the anticipated rate hikes in the federal funds rate by the Federal Reserve have been priced into the market.

TREASURY YIELDS CONTINUED TO RISE IN JANUARY



Yields continued to move higher across the curve in January; the 3-month T-bill yield was up 15 basis points to 0.18% in the month and the 2-Year Treasury yield increased 45 basis points to 1.18% as the Federal Reserve continues to signal multiple hikes in the federal funds rate in 2022, with the first likely to occur at its March meeting. Further out the yield curve, the move higher in interest rates was more muted with the 10-Year Treasury yield increasing approximately 27 basis points to 1.78% for the month. We believe there will likely be an upward bias on Treasury yields but most of the anticipated rate hikes in the federal funds rate by the Federal Reserve have been priced into the market.

TREASURY YIELDS	Trend (▲/▼)	1/31/2022	12/31/2021	Change
3-Month	▲	0.19	0.04	0.14
2-Year	▲	1.18	0.73	0.45
3-Year	▲	1.38	0.96	0.42
5-Year	▲	1.61	1.26	0.35
7-Year	▲	1.74	1.44	0.30
10-Year	▲	1.78	1.51	0.27
30-Year	▲	2.11	1.90	0.21

Source: Bloomberg

BOND MARKET REVIEW

Since 1988, Chandler Asset Management has specialized in providing fixed income investment solutions to risk-averse public agencies and institutions. Chandler's mission is to provide fully customizable, client-centered portfolio management that preserves principal, mitigates risk and generates income in our clients' portfolios.

Credit Spreads Tightened in December

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change
3-month top rated commercial paper	0.11	0.07	0.04
2-year A corporate note	0.20	0.16	0.03
5-year A corporate note	0.52	0.40	0.12
5-year Agency note	0.03	0.02	0.01

Source: Bloomberg

Data as of 1/31/2022

Supply and Demand Imbalances Continue to Impact Economic Data

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(80.73) \$Bln DEC 21	(79.33) \$Bln NOV 21	(65.80) \$Bln DEC 20
Gross Domestic Product	6.90% DEC 21	2.30% SEP 21	4.50% DEC 20
Unemployment Rate	4.00% JAN 22	3.90% DEC 21	6.40% JAN 21
Prime Rate	3.25% JAN 22	3.25% DEC 21	3.25% JAN 21
Commodity Research Bureau Index	255.12 JAN 22	232.37 DEC 21	174.20 JAN 21
Oil (West Texas Int.)	\$88.15 JAN 22	\$76.99 DEC 21	\$52.20 JAN 21
Consumer Price Index (y/o/y)	7.50% JAN 22	7.00% DEC 21	1.40% JAN 21
Producer Price Index (y/o/y)	12.20% DEC 21	13.30% NOV 21	(0.80%) DEC 20
Euro/Dollar	1.12 JAN 22	1.14 DEC 21	1.21 JAN 21

Source: Bloomberg

Economic Roundup

Consumer Prices

U.S. consumer prices rose more than expected in January as inflation reached levels not seen since 1982. The Consumer Price Index (CPI) was up 7.5% year-over-year in January, versus up 7.0% year-over-year in December. Core CPI (CPI less food and energy) was up 6.0% in January, versus up 5.5% year-over-year in December. Pricing pressures were widespread in January; energy, rents and food prices remained elevated from the prior month. The Personal Consumption Expenditures (PCE) index was up 5.8% year-over-year in December, up from 5.7% in November. Core PCE was up 4.9% year-over-year in December, versus up 4.7% in November. Current inflation readings continue to run above the Fed's longer-run target of around 2.0%. Although we believe year-over-year inflation may be at or near a peak and pricing pressures are likely to abate as we move through the year, we expect inflationary pressures will remain elevated over the near-term.

Retail Sales

On a year-over-year basis, retail sales were up 16.9% in December versus up 18.2% in November. On a month-over-month basis, retail sales were weaker than expected in December, down 1.9% versus expectations of down 0.1%, following a modest gain of just 0.2% in November. Excluding vehicles and gas, retail sales were down 2.5% month-over-month. In our view, the data suggests consumers started shopping early in the holiday season and that high gas prices have been taking a larger share of consumer's disposable income. We believe the surge in Omicron cases hindered December sales and will likely take a toll on January retail sales as well. In spite of this, we remain constructive on the outlook for consumer spending this year. Looking further ahead, we believe high levels of consumer savings along with improvements in the health situation and labor market should provide tailwinds for consumer spending.

Labor Market

The January employment report was strong with US nonfarm payrolls increasing 467,000, well above the consensus forecast of 125,000. Payrolls in the prior two months were revised significantly higher and on a trailing 3-month and 6-month basis payrolls have increased an average of about 540,000 per month. The unemployment rate edged slightly higher to 4.0% in January from 3.9% in December as more workers entered the labor force. The labor participation rate increased to 62.2% in January from 61.9% in December but remains lower than the pre-pandemic level of 63.4%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 7.1% in January from 7.3% in December, and is very close to its pre-pandemic level (7.0% in February 2020). Average hourly earnings rose 0.7% month-over-month and were up 5.7% year-over-year in January versus 4.9% in December. The labor market remains tight which is supportive of higher wages for the remainder of the year.

Housing Starts

Total housing starts increased 1.4% in December to an annual pace of 1,702,000. Single-family starts declined 2.3% while multi-family starts increased 10.6%, month-over-month. On a year-over-year basis, total housing starts were up 2.5% in December. According to the Case-Shiller 20-City home price index, home prices were up 18.3% year-over-year in November versus up 18.5% year-over-year in October, suggesting the acceleration in home prices is easing. However, tight supply will likely continue to support prices.

World Stock Market Index Descriptions

S&P 500—The S&P 500 is a market value weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization. NASDAQ—The NASDAQ Composite Index is the market capitalization-weighted index of over 3,300 common stocks listed on the NASDAQ stock exchange. Dow Jones—The Dow Jones Industrial Average is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ. The Financial Times Stock Exchange Group (FTSE)—The FTSE is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. DAX—The Deutscher Aktienindex (DAX) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. Hang Seng—The Hang Seng Index is a freefloat-adjusted market-capitalization-weighted stock market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of overall market performance in Hong Kong. Nikkei—Japan's Nikkei 225 Stock Average is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

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Data source: Bloomberg and the U.S. Department of Labor. This report is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as an indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment. Fixed income investments are subject to interest, credit, and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

GOALS/ACTION ITEMS OF THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY (CSJVRMA)
ADOPTED JANUARY 202~~2~~¹

LONG TERM/STANDING GOALS

Goal 1			
Educate member employees and elected personnel on the value and benefits of CSJVRMA membership.			
Why? Promote value and importance of the CSJVRMA throughout the member cities; member retention; utilization of CSJVRMA services and increased appreciation/support for city personnel.			
ACTION	TIMEFRAME	RESPONSIBILITY	STATUS
Continue to require Board and Alternate Board members to attend the CSJVRMA orientation in-person.	Ongoing	Administration	Due to COVID-19, staff is encouraging virtual attendance, and has held special sessions aside from the standard October, March, and June orientation trainings.
Encourage long-term Board members to attend orientation as a refresher course.	Annually in March, June, and July	Administration/Executive Committee	Staff sends invitations for each orientation session to the main contact at each city. Sent a special communication October 5, 2020, to all Board and Alternate Board Members encouraging attendance.
Assist member cities in mitigating the frequency and severity of claims.	Ongoing	All Staff	This is continual through the work of the Risk Control Manager, Litigation Manager, Workers' Compensation Program Manager, Risk Manager and Administrator.
Increase the number of onsite member visits by staff (Administrator, Risk Manager, and Risk Control Manager).	Ongoing	Assigned Staff	On hold due to COVID-19, however, the Risk Manager has completed Contractual Risk Transfer visits in-person upon request.

GOALS/ACTION ITEMS OF THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY (CSJVRMA)
ADOPTED JANUARY 202~~2~~¹

Provide ongoing training on emerging risks including, but not limited to mid-block cross walks; homeless shelters, and cybersecurity.	Ongoing	Risk Control	Due to COVID-19, current sessions are held virtually by Sedgwick Risk Control. Past sessions were held in-person. See CSJVRMA website to view training calendar.
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Goal 2 Provide quality coverage.			
ACTION	TIMEFRAME	RESPONSIBILITY	STATUS
Examine additional coverages, insurance needs, and programs that the CSJVRMA may want to include for the benefit of its members.	Annually in April	Memorandum of Coverage Subcommittee	Prior to April each year, staff solicits input from the members. The Memorandum of Coverage Subcommittee then meets each April to review coverages/programs and make a recommendation to the Executive Committee. The Cordico Wellness Application and Beazley Breach Response (Cyber) Endorsement are now available to all members at an additional cost. The MOC Subcommittee will be evaluating the addition of infrastructure to the pooled layer of coverage for fiscal year 2021/22.
Compile and suggest various deductible/rate options for the CSJVRMA concerning the upcoming AIP-Excess Property Renewal for the 2021/22 program year.		Administration and Financial Services Subcommittee	<u>Complete</u>

GOALS/ACTION ITEMS OF THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY (CSJVRMA)
ADOPTED JANUARY 202~~1~~⁴

Goal 3			
Implement long-term strategies to maintain and enhance CSJVRMA's financial viability.			
ACTION	TIMEFRAME	RESPONSIBILITY	STATUS
Evaluate the stability and financial position of Pooled Liability and Pooled Workers' Compensation Programs to include review of:			
<ul style="list-style-type: none"> Increasing the confidence level for unpaid claims in the Retro Adjustment Process 		Administration and Financial Services Subcommittee	Executive Committee action taken on 1/27/22 to increase confidence level for unpaid claims from 80% to 90% effective with the 2021/22 fiscal year. Remain at the 80% confidence level for unpaid claims liabilities; to be reevaluated by the Administration and Financial Services Subcommittee for a possible change in the fiscal year 2021/22.
<ul style="list-style-type: none"> Evaluating what other successful JPA's are doing. 		Administration and Financial Services Subcommittee	Staff will continue to network with other JPAs to evaluate their successes.
Evaluate target equity ratios to ensure current ratios are adequate to provide financial stability and to determine whether the current ratios adequately measure the financial viability of the JPA.		Administration and Financial Services Subcommittee	Executive Committee took action on 1/27/22 to increase the target equity ratio for the Pooled Liability Program to \$8 million and the Pooled Workers' Compensation Program Target Equity Ratio to \$15 million. Approve proposal from Bickmore Actuarial for the Actuarial Valuation of Target Funding Level study for both the Pooled Liability and Pooled Worker's Compensation Programs. Administration and Financial Services Subcommittee to review study for a recommendation to the

GOALS/ACTION ITEMS OF THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY (CSJVRMA)
ADOPTED JANUARY 2022~~1~~

			Executive Committee.
Evaluate the Liability and Workers' Compensation Program Contingency Funds to determine whether they should be dissolved and rolled into the annual retrospective adjustment process.		Executive Committee	Executive Committee took action on 1/27/22 to distribute the Contingency Fund balances to the members on the 2021/22 fourth quarter invoices. Cease the Pooled Liability and Pooled Workers' Compensation Program Contingency Funds effective June 30, 2021, and return fund balances to members. Staff to bring back proposal on refund distribution method.
Become financially self-sufficient by evaluating and making sound decisions to self-insure coverage when financially feasible to do so.	Annually	Executive Committee/Board	Programs are continually evaluated in order to meet this goal.

GOALS/ACTION ITEMS OF THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY (CSJVRMA)
ADOPTED JANUARY 202~~2~~⁴

Goal 4			
Provide an effective legislative advocacy program for the CSJVRMA as needed.			
ACTION	TIMEFRAME	RESPONSIBILITY	STATUS
Continue to ensure that Workers' Compensation and other advocacy legislation is reviewed and brought to the attention of the Executive Committee as necessary.	Ongoing	Sedgwick/AIMS	<ul style="list-style-type: none"> -The CSJVRMA Workers' Compensation Manager reports at least three times per year on any workers' compensation legislation. -AIMS provides the Board with an annual legislative advocacy report. - CSJVRMA is a member of the California Association of Joint Powers Authorities (CAJPA) which has a legislative advocacy group. CAJPA provides updates to staff and information is presented to the members as warranted.

GOALS/ACTION ITEMS OF THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY (CSJVRMA)
ADOPTED JANUARY 202~~2~~¹

ACTION ITEMS

Short-Term Action Items			
ACTION	TIMEFRAME	RESPONSIBILITY	STATUS
Enhance CSJVRMA’s Website by adding program information.	Continuous	Administration	Information regarding the following programs/services have been added to CSJVRMA’s website: Beazley Breach Response (BBR) Cyber Endorsement; Cordico Law Enforcement Wellness App; Employer Pull Notice Program through A-Check Global; Lexipol Law Enforcement manuals and daily training bulletins; and Managed Health Network (MHN) Training and Skill Development.
Record CSJVRMA orientation training as a webinar that would allow members to review by subject matter.		All Staff	
Include “101” CSJVRMA Program Training as apart of each Board meeting (one program per meeting).	Beginning with March 2020 Board meeting	Administration	On hold due to COVID-19.
Develop an updated penalty policy in regard to late submission of data.		Administration	Policy will be addressed at a future meeting.

GOALS/ACTION ITEMS OF THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY (CSJVRMA)
ADOPTED JANUARY 202~~2~~¹

Create an internal marketing brochure (trifold).		Administration	
Research whether there are any small cities in the central valley that are viable candidates for members.		Administration	
Continue to work with Lexipol to develop a reward system for member city police departments with up-to-date manuals and active participation in utilizing the Daily Training Bulletins.		Administration	Staff spoke with Lexipol representatives in November and they indicated they are close to having their reward system developed for implementation to the Police Departments.

Ongoing Action Items			
ACTION	TIMEFRAME	RESPONSIBILITY	STATUS
Actuarial study to determine member retained limits.	Every three years	Administration	Last report was completed on January 18, 2018
Schedule training sessions following each Board meeting.	Implemented with the March 2019 Board Meeting	Administration	-Workers' Compensation 101: March 2019 -Dangerous Conditions of Public Property: June 2019 -Risk control Services: October 2019 On hold due to COVID-19

February 24, 2022

PRESENTATIONS

SUBJECT: Presentation by Jeff Schobel on ResoluteGuard's Cyber Security Continuous Improvement Platform

BACKGROUND AND STATUS:

At the CSJVRMA 2022 Annual Workshop, CSJVRMA's property broker, Mr. Kevin Bibler, gave a presentation on cyber risk and the 2022/23 APIP cyber renewal. Cyber exposures are ever evolving, and Mr. Bibler advised public entities are one of the most targeted industries. Mr. Bibler also reported that certain system security standards will be required by the insurance marketplace to obtain a cyber quote/coverage for the 2022/23 renewal.

As an outcome of the discussion at the Annual Workshop, staff arranged for a presentation on ResoluteGuard's Cyber-Security Continuous Improvement Platform which performs internal and external security profile assessments to continuously improve an entity's cyber security posture. Mr. Jeff Schobel will be in attendance to present ResoluteGuard's Cyber Security Continuous Improvement Platform. Based on the collection of cyber applications last year, we know some of the CSJVRMA members do not meet the standard system requirements to obtain cyber coverage in 2022/23. In addition to the presentation, staff requested a proposal for ResoluteGuard's services for the Executive Committee's consideration.

The funds for these services are not in the current budget but the services may be necessary for some members prior to the end of this fiscal year to ensure members meet the standards to obtain cyber coverage. Should the Committee determine they want to accept ResoluteGuard's proposal, the CSJVRMA does have a \$50,000 budgeted contingency fund.

In addition to ResoluteGuard's proposal, attached is the Alliant Bulletin outlining the system security stands and guidelines for cyber quotes.

RECOMMENDATION:

Staff recommends the Executive Committee consider ResoluteGuard's proposal to assist members in meeting standard system requirements to obtain cyber coverage in 2022/23.

REFERENCE MATERIALS ATTACHED:

- ResoluteGuard Proposal for Cyber-Security Continuous Improvement Platform
- Alliant Bulletin – System Security Standards, Guidelines for Cyber Quotes

Agenda Item 6.A.

Cyber-Security Continuous Improvement Platform™ For CSJVRMA Insureds

ResoluteGuard's Cyber-Security Continuous Improvement Platform™, mapped to the **National Institute of Standards and Technology Cyber Security Framework (NIST-CSF)** performs automated internal and external security profile assessments to continuously improve your cyber security posture.

These comprehensive internal and external assessments are scheduled and performed every 90 days, and include change reports to track progress, any newly discovered vulnerabilities as well as all updated NIST identified controls.

This 90-day schedule provides the continuous improvement process critical for protecting against the ever-evolving cyber predator strategies and tactics, while providing administrative support for fact-based budgeting and resource allocation decision-making.

Key to the platform are the user-friendly remedial action worksheets and reports, customized to each person's administrative and/or technical role, which align an across organization effort for a continuation of uninterrupted service.

These user-friendly remedial action worksheets and reports are updated every 90 days to include newly identified vulnerabilities, with all actions reprioritized by risk of occurrence and loss.

Templated Policies and guidance are provided for documenting the Best Practice Procedures important to support maintenance activities and to provide evidence of compliance for auditing purposes.

With cyber-attacks on the rise, insurance companies are requiring more detailed questionnaires to ascertain an insureds cyber security risk profile and determine corresponding cyber insurance costs and coverage limit quotes.

The **ResoluteGuard's Customized Cyber-insurance Action Plan (CAP)** option maps assessment findings to automate fact-based response submissions to these insurance questionnaires to *optimize* an insureds security posture to help qualify for the best cyber insurance coverage costs and terms:

ResoluteGuard introduced this **CAP** module due to over-riding demand as many public entities lack the resources to properly address these insurance questionnaire submissions as renewal periods come due, potentially positioning them for a premium increase, dramatic deductible increases, and greatly reduced maximum coverage terms.

ResoluteGuard's Cyber-Security Continuous Improvement Platform™ and Cyber-insurance Action Plan Module (CAP) provide the continuous and timely framework to support CSJVRMA's efforts to manage cyber security claims and settlements.

Description of Services

NIST-CSF Based Comprehensive Internal/External Assessment and Improvement

Conduct web Meetings with administrative and technical personnel to review reports, remedial action worksheets, templated best practices Policies and procedures, and to schedule initial assessment.

- Analyze submitted insurance renewal questionnaire
- Discuss assessment information requirements
- Screenshare with Technical staff to implement scanning software
- Share best practices for optimal scanning results

Cyber-insurance Action Plan (CAP) and Assessments Results

Web Meeting to review CAP and Assessment Result to provides fact-based recommendations and responses to Insurance Questionnaire Requirements

- User-friendly Step by Step Action Plans prioritized by risk of loss occurrence
- User Assignment /Help/Support Documentation /Align Policy and Solution Activities
 - Network Security Summary
 - Create Inventory Management Summary
 - Establish Network Documentation
 - Server and workstation Aging Report
 - Includes: Discovery Tasks, User Information, Disc Capacity, and more

Policies and Procedures- Per insurance and NIST Requirements

- Prioritize Policy Action Plan for Documenting Best Practices
- Support for modifying policy templates
- Align Policy creation and Solution Activities

Each Subsequent 90 Day Comprehensive Internal/External Assessment

Cyber Action Plan (CAP) and Assessment Results

Web Meeting to review updated CAP and Assessment Results

Step by Step Action Plans re-prioritized by risk of loss occurrence

- User Assignment
- Help/Support Documentation
- Re-align Policy and Solution Activities

Review Assessment Reports

- Re-prioritize remedial action plan by risk of potential loss occurrence
- Review Change and Progress Reports

Network Security Summary

- Updated Inventory Management Summary
- Updated Network Documentation
- Server Aging Report
- Workstation Aging Report
- Includes: Discovery Tasks, User Information, Disc Capacity, and more
- Review Change and Progress

Policies and Procedures- Review progress and reprioritize additional activities

- Per insurance and NIST-CSF Requirement
- Support for modifying policy templates
- Align Policy Creation and Solution Activities

NIST CSF Compliance- Fill out additional questionnaires/worksheets toward full NIST-CSF Compliance

FEES

First 12-month period Annual Fee: \$4500 (up to 250 endpoints)
Each addt'l. Network- \$1150

Subsequent 12-month period Annual Fee: \$2500 (up to 250 endpoints)
Each addt'l. Network- \$1150

Each additional 250 endpoints \$1150

Based upon the number of administrative employees per CSJVRMA insured, the estimated Fee for the First 12-month period is as follows:

No. of Insureds	Devices	Total Fee
45	1-250	\$202,500
5	251-500	\$28,250
3	501-750	\$20,400
1	1000-1250	\$9,100
54		\$260,250

*Estimated Fee per Insured is \$4819

CSJVRMA Kick-Off

1. Conduct a meeting with Jeanette Workman and Team
2. CSJVRMA & **ResoluteGuard** email review to introduce partnership to insureds.
3. Review Co-Branded Landing Page and brochure
4. Schedule Webinar for insureds
5. Obtain contact list for ResoluteGuard follow-up

Member Insured Engagement

1. Conduct ResoluteGuard Presentation- Learn more about present cybersecurity posture and initiatives
2. Obtain signed agreement to Get Started
3. Schedule and conduct Onboarding
4. Conduct Assessment and review Cyber-insurance Action Plan (CAP)
5. Review User-friendly Reports and schedule subsequent meetings to review Action Plan

System Security Standards Guidelines for Cyber Quotes

Bulletin #2 | January 2022

As the cyber insurance market continues to harden, we have updated this summary of system security standards needed by the marketplace to obtain a quote. Please note that each underwriter has its own nuances; however, this list captures the general marketplace.

- MFA 100% implemented for remote access and privileged user accounts.
 - Minimum: MFA implemented for access to email (e.g. enforced via Office 365. Note, if using O365, enabling Advanced Threat Protection is also a required minimum standard)
 - Minimum: MFA enforced for access to “privileged user accounts” (i.e. those that grant access to key engineering systems & infrastructure, and/or those that grant access to sensitive personally identifiable information such as SSN, Health data etc.).
 - Note: if 100% implementation is not yet possible, a ‘conditional access policy’ that defines User Groups by the systems and data that they have access to, and the mitigating security measures in place, can provide helpful additional context to include with your application.
- End-point protection, detection, and response product implemented across enterprise.
 - Minimum: an End-Point Protection (EPP) solution in place
 - Preferred: an End-Point Detection & Response (EDR) solution in place
- If Remote Desktop Protocol connection enabled, the following are implemented:
 - Minimum: MFA-enabled VPN is used for access to any Remote Access software
 - Network level authentication enabled
 - Remote Desktop Protocol Honey Pots
- Backups
 - Minimum: regular backups are (i) in place, (ii) successful recovery is tested, and (iii) backups are stored separately (i.e. ‘segregated’) from the primary network
 - Tested at least twice per year
 - Ability to bring up within 24-72 hours – less time for critical operations (4 hours)
 - Protected with antivirus or monitored on a continuous basis
 - Encryption
- Planning & Policies
 - Minimum: Tested (rehearsed) Incident Response, Disaster Recovery & Business Continuity plans are in place
 - Incident Response Plan
 - Disaster Recovery Plan
 - Business Continuity Plan
- Training
 - Minimum: training and regular simulated phishing exercises for all users
 - Social Engineering Training
 - Phishing Training
 - General Cyber security training
 - Training of account team staff on fraudulent transactions
- Patching
 - Minimum: Critical & high severity patches installed within 30 or fewer days, optimally within 1-7 days
 - Plan or adequate measures in place to protect end of life software

(i) Please note this list is context-dependent, if an underwriter views a client as potentially higher risk (e.g. due to previous incidents/losses) then they may look for more beyond the ‘minimums’

(ii) If the market continues to harden, underwriters ‘minimum’ expectations may increase in future

(iii) Different insurance carriers may have different expectations of ‘minimums’, this is our current best understanding

For more detailed information please see the following document from Beazley Ins. Co.

Alliant note and disclaimer: This document is designed to provide general information and guidance. Please note that prior to implementation your legal counsel should review all details or policy information. Alliant Insurance Services does not provide legal advice or legal opinions. If a legal opinion is needed, please seek the services of your own legal advisor or ask Alliant Insurance Services for a referral. This document is provided on an “as is” basis without any warranty of any kind. Alliant Insurance Services disclaims any liability for any loss or damage from reliance on this document.

Protecting your organization against ransomware

Minimum protection

- **Deploy and maintain a well configured and centrally managed End-Point Protection (EPP) solution:** A robust EPP/anti-virus solution is a basic component of any security program.
- **Email tagging:** Tag emails from external senders to alert employees of emails originating from outside the organization.
- **Email content and delivery:** Enforce strict Sender Policy Framework (SPF) checks for all inbound email messages, verifying the validity of sending organizations. Filter all inbound messages for malicious content including executables, macro-enabled documents and links to malicious sites.
- **Office 365 add-ons and configuration:** Enable two-factor authentication (2FA) on Office 365 and use Office 365 Advanced Threat Protection.
- **Macros:** Disable macros from automatically running. Ideally disable them from running at all if your business does not need them.
- **Patching:** Conduct regular vulnerability scans and rapidly patch critical vulnerabilities across endpoints and servers – especially externally facing systems.
- **Remote Access:** Do not expose Remote Desktop Protocol (RDP) directly to the Internet. Use Remote Desktop Gateway (RDG) or secure RDP behind a multi-factor authentication-enabled VPN.
- **Media usage controls:** Put in place controls on the insertion and/or use of media which does not carry appropriate authentication/media identifiers.
- **Well-defined and rehearsed incident response process:** Helps mitigate losses and rapidly restore business operations after a ransomware attack.
- **Back-up key systems and databases:** Ensure regular back-ups which are verified and stored safely offline.
- **Educate your users:** Most attacks rely on users making mistakes, train your users to identify phishing emails with malicious links or attachments. Regular phishing exercises are a great way to do this.
- **Firewalls:** Use network and host-based firewalls with well considered rule-sets, for example, disallow inbound connections by default.

Stronger protection

- **Establish a secure baseline configuration:** Malware relies on finding gaps to exploit. A baseline configuration for servers, end-points and network devices that conforms to technical standards such as Center for Internet Security (CIS) benchmarks can help plug those gaps.
- **Filter web browsing traffic:** Web filtering solutions will help prevent users from accessing malicious websites.
- **Use of protective DNS:** Helps deny access to known malicious domains on the Internet.
- **Manage access effectively:** Ransomware doesn't have to go viral in your organization. Put in place appropriate measures for general user and system access across the organization: privileged access for critical assets (servers, end-points, applications, databases, etc.) and enforce multi-factor authentication (MFA) where appropriate (remote access/VPN, externally facing applications, etc.)
- **Regular testing of back-ups:** Reduces downtime and data loss in the case of restoring from back-ups after a ransomware attack.
- **Disconnect back-ups from organization's network:** Prevents back-ups from being accessed and encrypted by ransomware in case of a successful attack on an organization's main network.
- **Separately stored, unique back-up credentials:** Prevents bad actors from accessing and encrypting back-up data.

Best protection

- **End-point detection and response (EDR) tools:** EDR solutions monitor servers, laptops, desktops and managed mobile devices for signs of malicious or unusual user behavior/activity. These tools also enable near immediate response by trained security experts. When effectively deployed and monitored, EDR tools are one of the best defenses against ransomware and other malware attacks.
- **Intelligent email evaluation:** Automatically detonate and evaluate inbound attachments in a sandbox environment to determine if malicious prior to user delivery.
- **Centralized log monitoring:** Centralized collection and monitoring of logs, ideally using a Security Information and Event Management (SIEM) system, identifies threats which breach your internal defenses.
- **Subscription to external threat intelligence services:** Provides access to external services that can provide details of developing attacker tactics, techniques and procedures. They also provide access to databases of known bad websites, mail attachments, etc.
- **Encrypted back-ups:** Prevents use of back-up data by bad actors.
- **Network segregation:** control access and/or traffic flow within the network environment. A well-configured firewall rule set will ensure that only the required traffic can flow from one segment to another. Furthermore, segregate end of life/support systems/software as a priority.
- **Web isolation:** Use of a web-isolation and containment technology to create a secure Internet browsing experience for your users.
- **Application permissions:** Only permit applications trusted by your organization to run on devices.



Lodestone Security can help you make impactful changes to your security posture to either prevent breaches before they occur or prevent recurrences. For additional information:

James Habben – Director, Business Development
info@lodestonesecurity.com



KPMG offers a wide range of services to help organizations defend against and respond to ransomware attacks. To discuss how they can help please contact:

Matthew Martindale – Partner, Cyber Security
cyber@kpmg.co.uk



February 24, 2022

POOLED LIABILITY PROGRAM

SUBJECT: Report by Claims Administrator (AIMS)

BACKGROUND AND STATUS:

Attached is the monthly liability claims status report for January 2022. The report provides information regarding the number of new claims filed, the number of closed claims, a comparison with the claims data for the same period in the prior year, and a year-to-date summary of the entire program. The report also provides the top four claims by number reported and the top four claims by incurred amount.

Mr. Ken Wilkerson, Acclamation Insurance Management Services (AIMS), will be in attendance to discuss recent liability claims and answer any questions from the Executive Committee.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- CSJVRMA Monthly Liability Claim Report for January 2022

Agenda Item 7.A.1.

CSJVRMA MONTHLY LIABILITY CLAIM REPORT

To: CSJVRMA Executive Board
 From: Amanda Connelly, Data Delivery Services - Specialist
 Subject: CSJVRMA Monthly Liability Claim Report
 Date: January 2022

The following information will provide each Board Member with a summary of the CSJVRMA Liability Claim Program. The following statistical information was produced from data provided from our Claim Information System.

2022	Previous Month December 2021	Current Month January 2022	Current Quarter October - December 2021	Year to Date January 2022
New Claims	64	56	170	56
Closed Claims	64	38	158	38
Variance	0	18	12	18
Closing Percentage	100.00%	67.86%	92.94%	67.86%

2021	Previous Month December 2020	Current Month January 2021	Current Quarter October - December 2020	Year to Date January 2021
New Claims	22	44	112	44
Closed Claims	56	38	217	38
Variance	-34	6	-105	6
Closing Percentage	254.55%	86.36%	193.75%	86.36%

Top (4) Claims by Number Reported	Previous Month December 2021	Current Month January 2022	Current Quarter October - December 2021	Year to Date January 2022
	Hazardous Conditions	Hazardous Conditions	Tree Limb Fell	Hazardous Conditions
	General Liability	Water/Damage/Flood	Hazardous Conditions	Water/Damage/Flood
	Hit Parked Car	Loss/Dmg Prop	Tree Caused Damage	Loss/Dmg Prop
	Hit Pedestrian	Water Not Flood	General Liability	Water Not Flood

Top (4) Claims by Incurred Amount	Previous Month December 2021	Current Month January 2022	Current Quarter October - December 2021	Year to Date January 2022
	Hit Parked Car	Water/Damage/Flood	Hazardous Conditions	Water/Damage/Flood
	Water/Damage/Flood	Loss/Dmg Prop	Water/Damage/Flood	Loss/Dmg Prop
	Hazardous Conditions	Hazardous Conditions	Tree Limb Fell	Hazardous Conditions
	General Liability	Water Not Flood	General Liability	Water Not Flood

Program Summary for 2022

January 2022

New Claims Received Year to Date	56
Total Open Inventory	535
Incurred Life of Program	\$194,159,148.16
Current Reserves on all Open Claims	\$54,742,195.05

February 24, 2022

POOLED LIABILITY PROGRAM

SUBJECT: Report on Coverage Denials by Legal Counsel

BACKGROUND AND STATUS:

Since the date of the last Executive Committee Meeting, October 28, 2021, one denial of coverage was issued by General/Coverage Counsel.

Counsel issued a denial of coverage in the case of Leer v. City of Escalon. In that case, plaintiffs allege claims for damages for Breach of Contract, Promissory Estoppel, Intentional Interference with Prospective Economic Advantage, Conversion, and Fraud regarding a commercial property purchase agreement for the purchase of four parcels owned by the City of Escalon. Plaintiffs were the purchasers of the property.

Damages alleged by plaintiffs are all based on losses sustained by plaintiffs arising out of the performance of the contracts between the parties, and the losses sustained by plaintiffs in the construction of a residential development of the real property. The claims alleged by plaintiffs do not seek recovery of bodily injury, personal injury, or property damage. The damages all consist of contractual, economic damages, or punitive damages. The MOC does not provide coverage for these claims.

In addition, the claims are subject to various coverage exclusions. The claims alleged by plaintiffs arise out from the contracts related to the sale and development of the City's property. These claims subject to the coverage exclusion related to the actions arising out of failure to perform contractual obligations.

The MOC provisions also exclude coverage for punitive damages, or damages arising out of a court order for specific sum of money because any item of property was not lawfully acquired, claims for damages caused by intentional conduct which is done with malice, or conscious disregard for the rights of others, and claims arising out of or in connection with land use regulation or land use planning, including zoning, enforcement of building codes and/or regulations. The claims set forth in the complaint are subject to these exclusions.

Mr. John Lavra, General/Coverage Counsel, will be available at the meeting to review and answer questions.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

None

February 24, 2022

POOLED WORKERS' COMPENSATION PROGRAM

SUBJECT: Report by Claims Administrator (AIMS)

BACKGROUND AND STATUS:

Attached are the claims activity status report for January 2022. The status report provides information regarding the number of open claims, the number of claims that were closed, and a comparison with claims data from the same period in the prior year. The report also includes information regarding the bill review savings. Ms. Jennifer White, AIMS, will be in attendance to answer any questions.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- Workers' Compensation Report for January 2022

MEMORANDUM

To: CENTRAL SAN JOAQUIN VALLEY RISK MGMT AUTHORITY
From: Amanda Connelly, Data Delivery Services Specialist
Date: 02/09/2022
Subject: WORKERS' COMPENSATION REPORT FOR JANUARY 2022

CLAIMS ACTIVITY

OPEN CLAIMS	<u>2021</u>	<u>2022</u>	<u>% Change</u>
Medical Only	33	74	+124%
Indemnity	59	27	-54%
Total Claims	92	101	+10%
CLOSED CLAIMS			
Medical Only	18	44	+144%
Indemnity	89	30	-66%
Total Closures	107	74	-31%
Closing Ratio (%)	116%	73%	
Closing Ratio (YTD %)	116%	73%	

BILL REVIEW SAVINGS: (01/01/2022-01/31/2022)

Total Charges	\$2,481,952.39
Review Reductions	\$ 348,896.23
Legal/Other Bills	\$ 3,215.40
PPO Reductions	\$ 76,562.70
HS/Negotiated Reductions	\$1,332,605.34
Total Payments	\$ 720,672.72

OMFS Fees	\$ 10,281.19
PPO Fees	\$ 14,922.42
HS/Negotiated Fees	\$ 77,828.94
Total Fee's	\$ 103,032.55

Total Number of Bills Reviewed	1,579
Percent of Savings	71%
Net Savings	67%

February 24, 2022

ADMINISTRATIVE MATTERS

SUBJECT: Renewal Proposal from James Marta & Company LLP. for Financial Auditing Services

BACKGROUND AND STATUS:

The CSJVRMA’s contract with James Marta & Company LLP, for financial auditing services expired upon completion of the June 30, 2021, audit. James Marta & Company has performed the financial audit for the CSJVRMA for three years beginning June 30, 2019. The last request for proposal (RFP) issued for financial auditing services was in 2019 following the expiration of the contract with the prior audit firm, Sampson, Sampson & Patterson, LLP.

The fee schedule for the past three years with James Marta & Company is outlined below:

Year Ended	Annual Fee	% Increase
June 30, 2019	\$24,460	
June 30, 2020	\$25,100	2.62%
June 30, 2021	\$25,700	2.39%

The original contract included an option to extend services for an additional three fiscal years at \$25,700 each year ending June 30, 2022, 2023, 2024. Staff contacted James Marta & Company to request a written three-year extension for the Executive Committee’s consideration and was informed they could not honor the \$25,700 extension price included in the current contract. The additional three years would increase to \$28,270; \$2,580 per year more than the option in the original contract. Mr. Jesse Deol explained the increase in cost due to the actual annual business expenses for the CSJVRMA audit were higher than projected and costs associated with increased staffing difficulty in the current labor market.

The addendum to extend the audit contract provides the following cost for services of the next three fiscal years, should the Committee choose to continue with James Marta & Company and not issue an RFP.

Year Ended	Annual Fee	% Increase
June 30, 2022	\$28,270	10.00%
June 30, 2023	\$28,270	0%
June 30, 2024	\$28,270	0%

Included in the agenda is the letter from James Marta & Company LLP, to extend the financial audit services contract.

February 24, 2022

RECOMMENDATION:

Staff recommends the Executive Committee 1) issue an RFP for financial auditing services; or 2) enter into an extended three-year agreement with James Marta & Company LLP at the amended fees.

REFERENCE MATERIALS ATTACHED:

- Letter from James Marta & Company LLP, Addendum to Extend Audit Contract for Financial Audit Services dated February 14, 2022



James Marta & Company
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

February 14, 2022

Jeanette Workman
Administrator
Central San Joaquin Valley Risk Management Authority
c/o Sedgwick
1750 Creekside Oaks Drive, Suite 200

RE: Addendum to extend audit contract

The following addendum extends our contract for audit services for the 2022, 2023 and 2024 fiscal years dated September 13, 2019.

The contract term is here-by extended to the 2022, 2023 and 2024 fiscal years.
The contract fee for the extended year shall be 2022: \$28,280, 2023: \$28,280 and 2024: \$28,280.

Thank you for the opportunity to work with you and your programs. We look forward to working together.

Sincerely,

James P. Marta CPA, CGMA, ARPM
Principal
James Marta & Company
Certified Public Accountants

Accepted: Acknowledged and agreed on behalf of Central San Joaquin Valley Risk Management Authority.

Authorized Signature: _____

Name: _____

Title: _____

Date: _____

February 24, 2022

FINANCIAL MATTERS

SUBJECT: Approval of Sidewalk Reimbursement for the 2022/23 Program Year

BACKGROUND AND STATUS:

Sidewalk hazards are a significant loss driver for the Pooled Liability Program. The Executive Committee and Board have approved budgeting \$54,000 over the past six years (from 2016/17 to 2021/22) to fund a sidewalk program. The program reimburses members up to \$1,000 for expenditures associated with finding and mitigating sidewalk hazards. The sidewalk expenditures include sidewalk inspection, sidewalk removal and replacement, sidewalk repair supplies, contracted repairs, sidewalk grinder repair or purchase, and fixing the sidewalks as part of a larger street replacement project. City labor and use of city equipment are not eligible for reimbursement. The cities can utilize any sidewalk repair vendor; however, staff negotiated a pricing discount of 5% if Precision Concrete Cutting (PCC) is utilized for sidewalk-related services. Over the past six years, there have been fifteen different CSJVRMA cities that have contracted with Precision Concrete Cutting for sidewalk repairs.

Below is a chart reflecting the usage of the program.

Program Year	# of Cities out of 54 Requesting Reimbursement	%	Total Amount Reimbursed	# of Cities That Would Not Have Undertaken Project Without the Reimbursement
2016/17	32	59%	\$30,399	5
2017/18	32	59%	\$31,405	12
2018/19	31	57%	\$30,262	12
2019/20	30	56%	\$28,289	11
2020/21	36	67%	\$35,334	11
2021/22*	10	19%	\$9,988	2

*Partial Year

Member cities are eliminating sidewalk hazards, and many cities are spending much more than \$1,000 on sidewalk hazard mitigation. The \$1,000 reimbursement is acting an incentive for further sidewalk hazard mitigation activities. Staff provides regular reminders to the members regarding the sidewalk program, in addition to a reminder at each Board meeting.

Cities can be reimbursed up to a total of \$1,000; expenditures eligible for reimbursement are expenses related to sidewalk mitigation such as inspection, mapping, and hazard removal. The amount of the reimbursement cannot exceed the cost of the item/service purchased, expenses must be incurred between July 1st and June 30th, and the requests for reimbursement with supporting documentation for the expense must be received within 30 days of the program year closing (July 31st).

**CSJVRMA
EXECUTIVE COMMITTEE MEETING**

February 24, 2022

RECOMMENDATION:

Staff recommends the Executive Committee approve budgeting \$54,000 for the Sidewalk Reimbursement 2022/23 Program Year.

REFERENCE MATERIALS ATTACHED:

- CSJVRMA Sidewalk Liability Reimbursement Program Six-Year Usage Report 2006 to 2022



CSJVRMA
Sidewalk Liability Reimbursement Program
Six Year Usage Report 2016 – 2022

Member Usage by Program Year and Type of Work Performed

City	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Angels Camp	Remove/Replace	Remove/Replace		Remove/Replace		
Arvin						
Atwater				Remove/Replace	Repair Supplies	
Avenal		Remove/Replace				
Ceres					Repair Supplies	
Chowchilla						
Clovis	Sidewalk Grinder Parts	Inspect	Sidewalk Grinder	Sidewalk Grinder Vacuum	Sidewalk Grinder Repair	
Corcoran		Remove/Replace	Remove/Replace		Repair by Other	
Delano			Remove/Replace			
Dinuba	Remove/Replace	Repair Supplies	Remove/Replace	Remove/Replace	Repair Supplies	Remove/Replace
Dos Palos	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	
Escalon	Repair by Precision	Repair by Precision	Repair by Precision	Remove/Replace	Remove/Replace	
Exeter		Repair by Precision		Remove/Replace	Repair by Precision	
Farmersville	Repair Supplies	Remove/Replace	Sidewalk Float/Vibrator	Repair Supplies	Rebuild Sidewalk/Street	
Firebaugh	Remove/Replace	Repair by Precision	Repair by Precision	Repair by Precision	Repair by Precision	Repair by Precision
Fowler	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	Repair Supplies	
Gustine			Remove/Replace	Remove/Replace	Remove and Replace	
Hughson	Repair by Precision	Remove/Replace	Repair by Precision	Remove/Replace	Repair by Precision	Remove/Replace



CSJVRMA
Sidewalk Liability Reimbursement Program
Six Year Usage Report 2016 – 2022

City	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Huron	Repair Supplies	Repair Supplies	Repair Supplies	Repair Supplies	Repair Supplies	
Kerman	Rebuild Sidewalk/Street	Rebuild Sidewalk/Street	Remove/Replace	Repair Supplies	Repair Supplies	
Kingsburg	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	Repair by Precision	
Lathrop	Repair by Precision				Repair by Precision	
Lemoore	Remove/Replace	Rebuild Sidewalk/Street	Remove/Replace	Remove/Replace	Remove/Replace	
Lindsay						
Livingston	Remove/Replace	Remove/Replace	Remove/Replace			
Los Banos	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace
Madera	Remove/Replace	Repair Supplies	Repair Supplies	Repair Supplies	Remove/Replace	Sidewalk Inspection
Maricopa						
McFarland						
Mendota	Remove/Replace	Remove/Replace		Repair Supplies	Repair Supplies	
Merced	Sidewalk Grinder Parts	Sidewalk Grinder Parts	Sidewalk Grinder Parts	Sidewalk Grinder Parts	Sidewalk Grinder Parts	Purchased Sidewalk Grinder
Newman	Repair by Precision	Remove/Replace		Repair by Precision	Repair by Precision	Repair by Precision
Oakdale	Repair by Precision	Repair by Precision			Rebuild Sidewalk/Street	
Orange Cove		Sidewalk Grinder Parts			Remove/Replace	
Parlier						
Patterson		Remove/Replace				
Porterville						



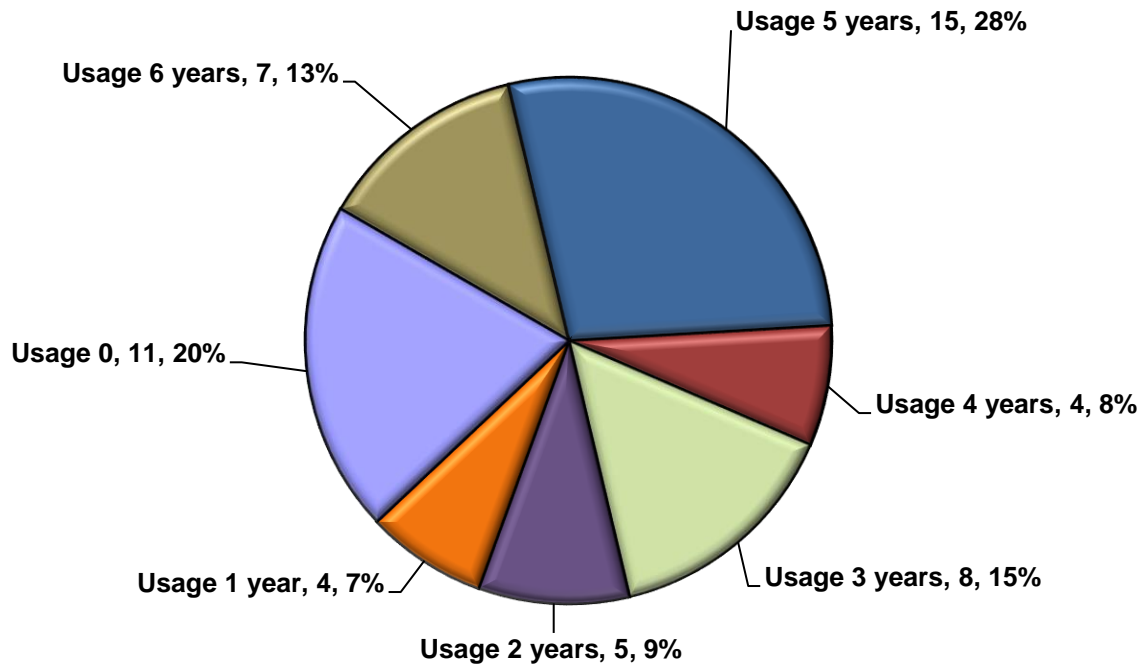
CSJVRMA
Sidewalk Liability Reimbursement Program
Six Year Usage Report 2016 – 2022

City	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Reedley	Repair by Precision	Repair by Precision	Repair by Precision	Repair by Precision	Repair by Precision	
Ripon	Repair by Precision	Remove/Replace	Rebuild Sidewalk/Street	Remove/Replace	Repair by Other	
Riverbank			Repair by Precision	Repair by Precision	Repair by Precision	
San Joaquin	Repair supplies	Repair supplies	Repair Supplies	Remove/Replace	Repair Supplies	
Sanger			Repair by Precision		Repair by Precision	
Selma	Remove/Replace	Remove/Replace		Repair by Precision	Repair by Precision	Repair by Precision
Shafter	Rebuild Sidewalk/Street		Rebuild Sidewalk/Street			
Sonora						
Sutter Creek						
Taft						
Tehachapi	Inspect	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace
Tracy	Repair by Precision	Repair by Precision	Repair by Precision			Repair Supplies
Tulare	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	Remove/Replace	
Turlock	Repair by Precision		Repair by Precision	Repair by Precision	Repair by Precision	
Wasco	Inspect		Repair by Bowman Asphalt		Rebuild Sidewalk/Street	
Waterford	Remove/Replace		Rebuild Sidewalk/Street	Rebuild Sidewalk/Street	Rebuild Sidewalk/Street	
Woodlake						
Total Member Usage:	32	32	31	30	36	10



CSJVRMA
Sidewalk Liability Reimbursement Program
Six Year Usage Report 2016 – 2022

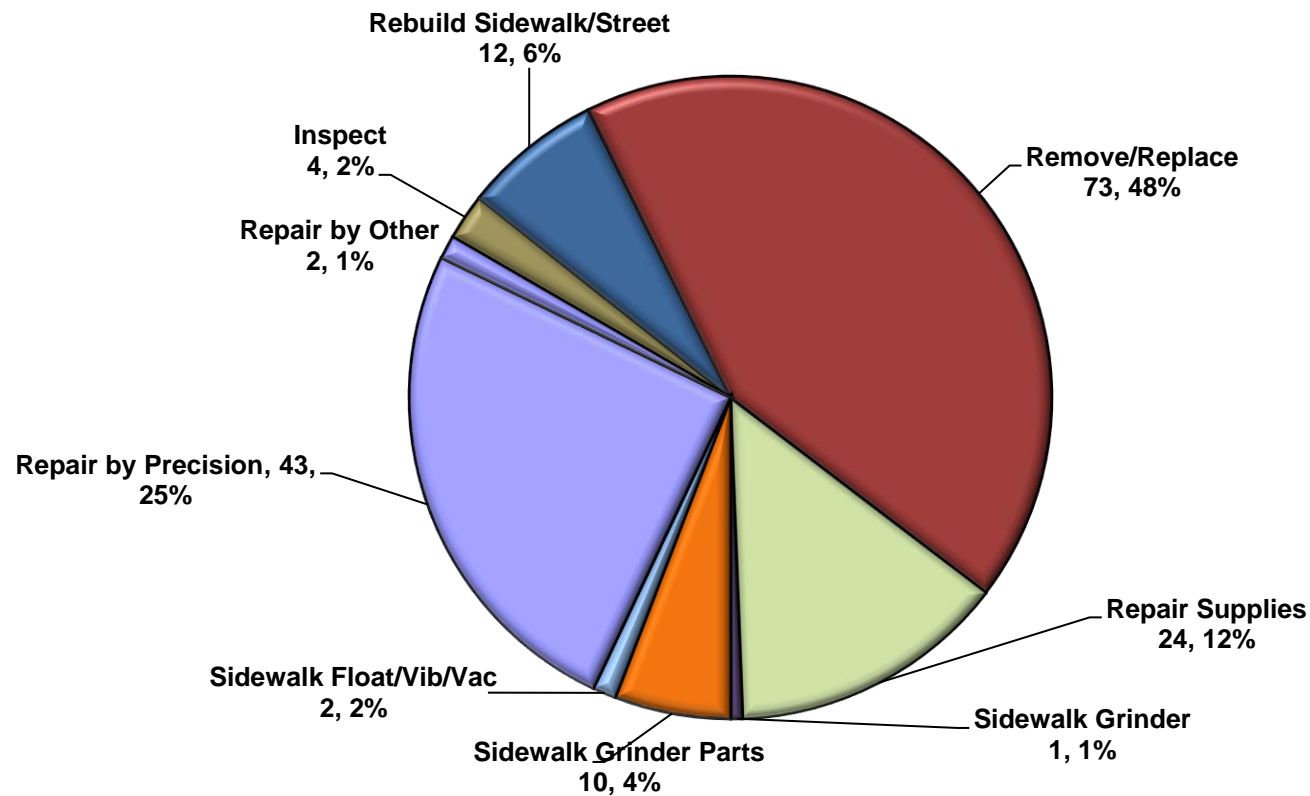
Years of Usage – Total Member Percentage





CSJVRMA Sidewalk Liability Reimbursement Program Six Year Usage Report 2016 – 2022

Type of Work Performed – Total Member Percentage



February 24, 2022

POOLED PROPERTY PROGRAM

SUBJECT: Amendments to the 2021/22 Pooled Property Program Memorandum of Coverage

BACKGROUND AND STATUS:

Through CSJVRMA's Property Program, members can attach directly to the excess layer of coverage through the Alliant Property Insurance Program (APIP) or participate in the Pooled Property Program with lower deductible options. Effective July 1, 2021, the deductible through APIP increased from \$25,000 to \$100,000, resulting in an unexpected and automatic deductible increase for the non-pooled members. As a result, a \$25,000 deductible option was added to the Pooled Property Program.

The 2021/22 Pooled Property Program Memorandum of Coverage, when adopted, did not include the new \$25,000 deductible option or the deductible changes made by various members effective July 1, 2021. An amended Memorandum is attached for the Executive Committee's review and approval.

RECOMMENDATION:

Staff recommends the Executive Committee approve the Amended Pooled Property Program Memorandum of Coverage for the 2021/22 program year.

REFERENCE MATERIALS ATTACHED:

- Amended Pooled Property Program Memorandum of Coverage for the 2021/22 Program Year



**POOLED PROPERTY PROGRAM
MEMORANDUM OF COVERAGE
2021/22 PROGRAM YEAR**

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MEMORANDUM OF COVERAGE

POOLED PROPERTY PROGRAM

COVERAGE DECLARATIONS

MEMORANDUM NO. CSJVRMA 2021-P

NAMED MEMBER CITY: Member Cities of the Central San Joaquin Valley Risk Management Authority, as per Endorsement No. 1
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

PROPERTY COVERED: Schedule of Covered Property on file with the Central San Joaquin Valley Risk Management Authority

MEMORANDUM PERIOD: From 7/1/2021 to 7/1/2022
12:01 a.m. Pacific Standard Time

LIMITS OF COVERAGE: \$100,000

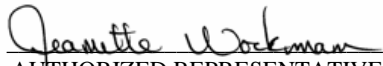
DEDUCTIBLE: \$5,000, \$10,000, or \$25,000 per loss

COVERAGE: The terms and conditions of the excess insurance carriers issued to the Central San Joaquin Valley Risk Management Authority are incorporated into this policy.

FORM AND ENDORSEMENTS: Form No. CSJVRMA 2021-P and
Endorsements No. 1 and 2 Forming Part of the Memorandum
at Inception

It is agreed that this Declarations and the Memorandum of Coverage, together with the terms of any endorsements, the JPA Agreement, Bylaws, Master Plan Document, or other relevant policies, constitute the entire coverage agreement. This **Memorandum of Coverage** shall be controlling with regards to any inconsistencies.

ON BEHALF OF THE CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT
AUTHORITY


AUTHORIZED REPRESENTATIVE

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY
POOLED PROPERTY PROGRAM

MEMORANDUM OF COVERAGE

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**MEMORANDUM OF COVERAGE FOR THE
CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY**

(Hereinafter referred to as the **Memorandum of Coverage**)

POOLED PROPERTY PROGRAM

This **Memorandum of Coverage** is the coverage document between Member City and the **Authority**. The terms of this **Memorandum of Coverage** may not be changed or waived except by amendment made a part of this **Memorandum of Coverage**.

Throughout this Memorandum of Coverage, words and phrases that appear in bold have special meaning. They are defined in Section G, Definitions and/or in other Governing Documents of the Authority and the purchased insurance policy.

A. COVERAGE AGREEMENT

1. The **Authority** will reimburse the **Member City** named on the Declarations for **losses** to property that is, insured by the terms and conditions of the **purchased insurance**, less any applicable **Member City** deductible.
2. This **Memorandum of Coverage** does not apply to **loss** arising from or related to **cyber liability**.
3. Except as set forth herein to the contrary, the **Memorandum of Coverage** incorporates the terms, provisions, and conditions of the **purchased insurance** with regard to the portion of any loss which is the subject of this Memorandum.

B. LIMIT OF LIABILITY

The limit of liability of the **Authority** for each loss shall be the amount of the deductible under the **purchased** insurance less the applicable **Member City** deductible under this coverage, but in no event more than the amount stated on the Declarations.

C. DEDUCTIBLE

The **Authority's** liability under Section B above shall be reduced by any applicable **Member City** deductible amounts.

D. CONDITIONS

1. The **Authority** shall have the same rights as provided to the insurer by the **purchased insurance**.
2. If there is **insurance** other than the **purchased insurance** applicable to the **loss** incurred, such **insurance**, unless it specifically states that it is excess of this coverage, shall reduce the liability of the **Authority** by the amount that **insurance** is liable for such **loss**.
3. Appraisals must be submitted for existing structures and construction or square footage price must be submitted on structures added for coverage within one year of construction. If there is no appraisal or construction or square footage price on file with the **Authority** for the property which is the subject of the loss, there is no coverage under the Pooled Property Program.

E. COVERAGE PERIOD

This coverage applies to **losses** occurring during the coverage period defined in the Declarations.

F. DEFINITIONS

In addition to the definitions provided in the **Authority's** Bylaws and the **purchased insurance policy**, the following additional definitions apply to the **Master Plan Document** and the **Memorandum of Coverage** for this PPP:

1. **Loss** shall have the same meaning as in the **purchased insurance**.
2. **Purchased insurance** shall mean **insurance** purchased by the **Authority** for the benefit of the **Authority** and the **Member Cities** and specifically identified in the Declarations.
3. **Authority** means the Central San Joaquin Valley Risk Management Authority.
4. **Cyber Liability** means **loss** arising from or related to electronic media and storage devices, including, but not limited to, alteration, corruption, destruction, deletion or damage to data or data storage devices, transmission or failure to prevent transmission of malicious code or virus, cyber extortion, data protection, business interruption loss, privacy notification costs, penalties for regulatory defense or other penalties, or any other damage or **loss** arising out of or related to the acquisition, storage, use, misuse, disclosure, or transmission of electronic data of any kind.
5. **Infrastructure** means items such as tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights and traffic signals and other items determined infrastructure by the **purchased insurance**.

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MEMORANDUM OF COVERAGE

**POOLED PROPERTY PROGRAM
ENDORSEMENT NO. 1**

This endorsement, effective 12:01 a.m. 7/1/2021, forms a part of Memorandum No. CSJVRMA 2021-P.

It is understood that the named **Member City** of the Declarations is completed as follows:

Central San Joaquin Valley Risk Management Authority,

City of Angels Camp	City of Kerman	City of Reedley
City of Arvin	City of Kingsburg	City of Ripon
City of Atwater	City of Lathrop	City of Riverbank
City of Ceres	City of Lemoore Lathrop	City of San Joaquin Riverbank
City of Chowchilla	City of Lindsay	City of Selma Joaquin
City of Clovis	City of Livingston	City of Shafter Elma
City of Corcoran	City of Los Banos	City of Sonora Shafter
City of Dos Palos	City of Madera	City of Sutter Creek Sonora
City of Exeter	City of Maricopa	City of Taft
City of Farmersville	City of McFarland Maricopa	City of Tehachapi Sutter Creek
City of Firebaugh	City of Mendota McFarland	City of Wasco Tehachapi
City of Fowler	City of Newman Mendota	City of Woodlake Caseo
City of Gustine	City of Oakdale Newman	City of Woodlake
City of Hughson	City of Parlier	
City of Huron	City of Patterson	

Effective Date: July 1, 2021

Endorsement No.: 1

AUTHORIZED REPRESENTATIVE

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MEMORANDUM OF COVERAGE

**POOLED PROPERTY PROGRAM
ENDORSEMENT NO. 2**

This endorsement, effective 12:01 a.m. 7/1/2021, forms a part of Memorandum No. CSJVRMA 2021-P.

It is understood that the deductible for the named **Member City** Parties listed in Endorsement No. 1 are as follows:

\$5,000 Deductible

City of Angels Camp	City of Kerman	City of Reedley
City of Arvin	City of Kingsburg	City of Ripon
City of Ceres	City of Lathrop	City of Riverbank
City of Chowchilla	City of Lindsay	City of San Joaquin
City of Clovis	City of Livingston	City of Selma
City of Corcoran	City of Los Banos	City of Shafter
City of Dos Palos	City of Madera	City of Sonora
City of Farmersville	City of Maricopa	City of Sutter Creek
City of Firebaugh	City of McFarland	City of Tehachapi
City of Fowler	City of Mendota	City of Wasco
City of Gustine	City of Newman	City of Woodlake
City of Hughson	City of Parlier	
City of Huron	City of Patterson	
City of Angels Camp	City of Madera	
City of Arvin	City of Maricopa	
City of Ceres	City of McFarland	
City of Chowchilla	City of Mendota	
City of Clovis	City of Newman	
City of Corcoran	City of Parlier	
City of Dos Palo	City of Patterson	
City of Farmersville	City of Reedley	

City of Firebaugh	City of Ripon
City of Fowler	City of Riverbank
City of Gustine	City of San Joaquin
City of Hughson	City of Selma
City of Huron	City of Shafter
City of Kerman	City of Sonora
City of Kingsburg	City of Sutter Creek
City of Lathrop	City of Tehachapi
City of Lindsay	City of Wasco
City of Livingston	City of Woodlake
City of Los Banos	

\$10,000 Deductible

City of Taft	
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\$25,000 Deductible

City of Atwater	City of Lemoore
City of Exeter	City of Oakdale

Effective Date: July 1, 2021

Endorsement No.: 2

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AUTHORIZED REPRESENTATIVE