



Safety Committee Meeting

September 25, 2024

**NOTICE OF A REGULAR MEETING
OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S
SAFETY COMMITTEE
1966 Olivenhain Road, Encinitas, CA 92024
Tel: (760) 753-6466 • Fax: (760) 753-1578**

Pursuant to AB 3035, effective January 1, 2003, any person who requires a disability related modification or accommodation in order to participate in a public meeting shall make such a request in writing to the District for immediate consideration.

DATE: SEPTEMBER 25, 2024

TIME: 2:30 p.m.

PLACE: HYBRID REGULAR MEETING VIA ZOOM AND IN PERSON

The meeting is being held virtually as a convenience to the public. The meeting will not stop or suspend its in-person meeting should a technological interruption occur with respect to the Zoom or call-in options listed on the agenda.

For Zoom Participation:

www.zoom.us/join

Meeting ID: 822 4017 1825

Password: 017682

For Zoom Call-in Only:

Call: (669) 444-9171

Meeting ID: 822 4017 1825

Password: 017682

Public Participation/Comment: Members of the public can participate in the meeting by emailing your comments on an agenda item to the Safety/Risk Compliance Administrator at tschuetter@olivenhain.com or address the committee directly in real-time under the public comments section. If you do not receive a confirmation email that your comment has been received, please call (760) 632-4217 or address the committee under the public comments section to ensure that your comments are heard in real-time. The subject line of your email should clearly state the item number you are commenting on and should include your name and phone number. All comments will be emailed to the safety committee.

Note: Items On The Agenda May Be Taken Out Of Sequential Order As Their Priority Is Determined By The Committee

1. Call to Order

2. Roll Call (Board Members)
3. Adoption of Agenda
4. Public Comments
5. Consider Approval of the Minutes of the July 24, 2024, Regular Safety Committee Meeting
6. Consent Calendar

NOTE: ANY ITEM MAY BE REMOVED FROM THE CONSENT CALENDAR FOR DISCUSSION

- C-a. Consider Approval of the October/November/December 2024 Training Calendar
7. Consider an Informational Report on the “Safety Has No Quitting Time” (SHNQT) Program and the Recommendation Proposed by the Safety Sub-Committee of the Benchmark for Preventable Damage to District Vehicles and Vehicle Related Property Damage
8. Consider Review of Employee Injuries, Vehicle Accidents and Safety Reports (if Necessary)
9. Consider a Report on August and September Safety/Risk Compliance Activities
10. Consider Discussion of Proposed Suggestions/Updates to the 2024 Resolution Supporting the District’s Safety and Wellness Programs to be Presented to the Full Board of Directors on December 11, 2024
11. Consider Informational Report on Fiscal Year 2025 Property Insurance Coverage With the Association of California Water Agencies Joint Powers Insurance Authority
12. Consider the Safety Action-Items Assigned/Completed
13. Consider Future Agenda Items

14. Adjournment

Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER APPROVAL OF THE MINUTES OF THE JULY 24, 2024 REGULAR SAFETY COMMITTEE MEETING**

The Safety Committee will receive a draft copy of the meeting minutes. Following committee approval, the minutes will be posted on the District's website.



Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER APPROVAL OF THE OCTOBER/NOVEMBER/DECEMBER 2024
TRAINING CALENDAR**

Attached is the October/November/December training calendar.

Attachment: Schedule for Safety Training

**Olivenhain MWD
Training Calendar
October/November/December 2024**

October:

Tailgate Topics:

- Earthquake Readiness (SDRMA)
- Trenching Excavation (SDRMA)

November:

Tailgate Topics:

- Holiday Safety (SDRMA)
- Hazard Identification (OMWD)

December:

Tailgate Topics

- Ladder Safety (SDRMA)
- Holiday Tree Safety (OMWD)

Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER AN INFORMATIONAL REPORT ON THE “SAFETY HAS NO QUITTING TIME” (SHNQT) PROGRAM AND THE RECOMMENDATION PROPOSED BY THE SAFETY SUB-COMMITTEE OF THE BENCHMARK FOR PREVENTABLE DAMAGE TO DISTRICT VEHICLES AND VEHICLE RELATED PROPERTY DAMAGE**

Attached is the current report for the number of injuries for years 2020-2024; consecutive number of days since the last preventable injury; and the vehicle/property damage amounts for years 2020-2024.

On an annual basis, the committee discusses the ceiling dollar amount for the preventable vehicle and property incident damage goal. This amount is currently set at \$10,000 for the calendar year, as shown in Exhibit B.

The Safety Sub-Committee met on September 11, 2024 to discuss the benchmark and, after reviewing the 3 year loss average, recommended that the benchmark remain at \$10,000 for CY 2025.

Staff will be available to answer any questions.

Attachments: SHNQT Report; Vehicle/Property Damage



The Injury Incident Rate (IIR) for OMWD in **2023 was 3.2 recordable injuries** based on OSHA's IIR Formula:

(Number of injuries and illnesses X 200,000)/Employee hours worked including overtime = Injury Incidence rate)

OMWD Injury Rates (Based on the 3-year avg of 88 employees)
2021 - 3.7, 2022 - 2.1, 2023 - 3.2 **3-year avg = 3 injuries**

NAICS OSHA Recordable Injury Rates (Based on Code 22131)
2020 - 2.1, 2021 - 2.6, 2022 - 2.1 **3-year avg = 2.3 injuries**

The Survey of Occupational Injuries and Illnesses data for 2023 are scheduled to be released on Friday, November 8, 2024 at 10:00 A.M. Eastern Time.

The "Safety Has No Quitting Time" award is based on the last recorded 3-year average national incident rate for Water Supply and Irrigation Systems

The National Injury / Illness Rate can be found at the Bureau of Labor Statistics (www.BLS.gov). The North American Industry Classification System (NAICS) code as agreed by the Safety Committee for OMWD is 22131 - Water Supply & Irrigation Systems

Last Reportable / Preventable Lost-Time Injury was
September 13, 2022

INJURY AND LOST TIME COUNT AS OF
September 25, 2024

CONSECUTIVE NUMBER OF WORK DAYS WITHOUT
A PREVENTABLE LOST TIME (Days Away from Work) INJURY
743 Days

OMWD SAFETY RECOGNITION PROGRAM 2024

NUMBER OF PREVENTABLE INJURIES IN 2024 = 0
NUMBER OF PREVENTABLE LOST DAYS IN 2024 = 0
Recordable OSHA Injuries "OSHA 300 Log" in 2024 = 1
Recordable OSHA Lost Days "OSHA 300 Log" in 2024 = 0
CURRENT Injury Illness Rate (IIR) = 1.1

Year-to-Date 2024 Totals:

Preventable Vehicle Incident and/or Vehicle Related Property Damage in CY 2024 = **\$1,150.61** See Attached

- Estimated damages will also count in this total if decided not to repair the vehicle.
- This \$10,000 was determined by the number of miles and total number of vehicles driven by the District each year.

TOTAL PREVENTABLE DAMAGES

2020		
OMWD VEHICLE DAMAGED	OMWD VEHICLE DAMAGE \$ AMT	OTHER PROPERTY DMG \$ AMT
FEB - # 97	\$1,882.00	\$0.00
APR - HIT MAIL BOX	\$0.00	\$81.98
NOV - #39 BACKED INTO #91	\$466.00	\$0.00
Total	\$2,348.00	\$81.98

TOTAL PREVENTABLE VEHICLE INCIDENT AND/OR VEHICLE RELATED PROPERTY DAMAGE IN 2020

\$2,429.98

2021		
OMWD VEHICLE DAMAGED	OMWD VEHICLE DAMAGE \$ AMT	OTHER PROPERTY DMG \$ AMT
FEB - #26	\$515.50	\$0.00
MAR - #95 (DENTED TAILGATE)	\$2,377.24	\$0.00
DEC - #63	\$0.00	\$1,645.72
Total	\$2,892.74	\$1,645.72

TOTAL PREVENTABLE VEHICLE INCIDENT AND/OR VEHICLE RELATED PROPERTY DAMAGE IN 2021

\$4,538.46

2022		
OMWD VEHICLE DAMAGED	OMWD VEHICLE DAMAGE \$ AMT	OTHER PROPERTY DMG \$ AMT
DEC - #46 (LICENSE PLATE MOUNT - PRIUS)		\$68.00
Total	\$0.00	\$68.00

TOTAL PREVENTABLE VEHICLE INCIDENT AND/OR VEHICLE RELATED PROPERTY DAMAGE IN 2022

\$68.00

2023		
OMWD VEHICLE DAMAGED	OMWD VEHICLE DAMAGE \$ AMT	OTHER PROPERTY DMG \$ AMT
JUN - #112 (PASSENGER SIDE FENDER)	\$2,307.70	
NOV - BACKHOE HIT SUBSURFACE INSTALLATION		\$3,631.30
Total	\$2,307.70	\$3,631.30

TOTAL PREVENTABLE VEHICLE INCIDENT AND/OR VEHICLE RELATED PROPERTY DAMAGE IN 2023

\$5,939.00

2024		
OMWD VEHICLE DAMAGED	OMWD VEHICLE DAMAGE \$ AMT	OTHER PROPERTY DMG \$ AMT
APR - #115 BACKED INTO CONTRACTOR VEHICLE	\$0.00	\$1,150.61
Total	\$0.00	\$1,150.61

TOTAL PREVENTABLE VEHICLE INCIDENT AND/OR VEHICLE RELATED PROPERTY DAMAGE YEAR TO DATE

\$1,150.61

Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER REVIEW OF EMPLOYEE INJURIES, VEHICLE ACCIDENTS AND SAFETY REPORTS (IF NECESSARY)**

If necessary, the Safety Committee will review and discuss employee injuries, vehicle accidents and safety reports since the last committee meeting occurred.

The Safety Committee will determine if the situation was “preventable” or “non-preventable.” The committee may also develop recommendations regarding the incident.

PREVENTABLE: Could a reasonable prudent employee, or the District, in a like or similar situation, have been able to avoid or prevent the accident from occurring? If the answer is yes, the accident shall be defined as preventable.

Injuries:

- One item to discuss.

Vehicle related property damage:

- One item to discuss.

Staff will be available to answer any questions.

Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER A REPORT ON AUGUST AND SEPTEMBER SAFETY/RISK COMPLIANCE ACTIVITIES**

Attached is a list of safety/risk compliance activities for the months of August and September. Staff will be available to answer any questions.

Attachment: List of Safety / Risk Compliance Activities

Safety/Risk Compliance Activities August - September 2024

August:

- Held backhoe operator training for necessary employees.
- Facilitated on-site audiometric testing for employees in the hearing conservation program.
- Submitted the Department of Toxic Substance Control Electronic Verification Questionnaire for renewal of District Environmental Health Administration numbers.

General Duties

- Project Heartbeat – Automatic Emergency Defibrillator (AED) monthly Check List
- Facilitated tailgate training to all departments
- Member Area Communication System (MACS) Radio Test
- Completed fire extinguisher inspections
- Completed emergency shower/eye wash station inspections

September:

- Completed the San Deigo Air Pollution Control District Emissions inventory for Sin Puente Pumpstation.
- Completed the Department of Transportation Federal Motor Carrier Safety Administration Form MCS-150 Biennial Report.
- Attended a CalOSHA seminar on indoor heat illness prevention.

General Duties

- Project Heartbeat – Automatic Emergency Defibrillator (AED) Monthly Check List
- Facilitated tailgate training to all departments
- Member Area Communication System (MACS) Radio Test
- Completed fire extinguisher inspections
- Completed emergency shower/eye wash station inspections

Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER DISCUSSION OF PROPOSED SUGGESTIONS/UPDATES TO THE 2024 RESOLUTION SUPPORTING THE DISTRICT'S SAFETY AND WELLNESS PROGRAMS TO BE PRESENTED TO THE FULL BOARD OF DIRECTORS ON DECEMBER 11, 2024**

The District's Safety and Wellness Programs are reviewed each calendar year by the Safety Committee in order to discuss any suggestions or updates.

The attachments, see Exhibits A and B, explain the District's current Safety and Wellness Programs. Please review both Exhibits prior to the meeting in order to discuss and be prepared should you have any recommended changes or additions.

Following discussion at the meeting, the proposed Resolution along with Exhibits A and B will be presented to the full Board of Directors at the December 11, 2024 meeting.

Attachments:
Proposed Resolution
Exhibits A and B

RESOLUTION NO. 202~~43~~-##

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN
MUNICIPAL WATER DISTRICT SUPPORTING EMPLOYEE SAFETY AND
WELLNESS PROGRAMS

WHEREAS, the Board of Directors of Olivenhain Municipal Water District wishes to recognize its employees as its most valuable asset; and

WHEREAS, the Board wishes to promote safety awareness among employees and continue to recognize the significance of safe behavior; and

WHEREAS, the Board recognizes that implementing health promotion programs can reduce lifestyle related diseases among employees; and

WHEREAS, the Board believes that promoting healthy lifestyles can reduce illness and absences among employees and subsequently have a beneficial effect on the cost of sick leave and health insurance claims experience and premiums; and

WHEREAS, the Board wishes to encourage "employee ownership" of the Safety and Wellness Program and to create an atmosphere of success through teamwork; and

WHEREAS, the Board believes that providing safety and wellness incentives will encourage loss prevention efforts and result in savings on workers' compensation insurance and reduction in health insurance claims.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT DOES HEREBY FIND, RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Board shall continue to support the District's Safety and Wellness Program as managed by the Safety Committee (*Exhibit "A"*).

Section 2. The District is committed to continuing to fund the SHNQT (***Safety Has No Quitting Time***) employee recognition program for calendar year 202~~5~~⁴ (*Exhibit "B"*).

Section 3. The District remains committed to the "***Caught Being Safe***" (CBS) program, which will provide additional recognition of employees at the District's monthly Employee Forums (*Exhibit "B"*).

PASSED, ADOPTED AND APPROVED at a regular Board meeting of the Board of Directors of the Olivenhain Municipal Water District held on December 1~~1~~3, 202~~4~~3.

ATTEST:

Christy Guerin, President
Board of Directors
Olivenhain Municipal Water District

Kimberly A. Thorner, Assistant Secretary
General Manager
Olivenhain Municipal Water District

2025 SAFETY AND WELLNESS PROGRAM

Goal:

Emphasize the positive role safety has in the workplace by creating interactive safety and wellness programs for employees. Maintain a workplace wellness program to encourage employees to choose personal health goals and healthy lifestyles with their family members and doctors.

Elements:

- 1) Continue employee healthy lifestyle programs such as the *Health and Wellness Fair* and the *Healthy Heart Walk*.
- 2) Maintain the onsite Wellness Center (District's Gym) for use by employees and their families.
- 3) Promote employees' participation in the District's onsite gym.
 - If requested, obtain personal trainer(s) (yoga or fitness) to instruct classes on employees' time at employees' expense and allow employees to use their sick time for payment.
 - Provide authorized reimbursements not to exceed \$24.00/month for offsite employees who work-out at a non-District gym at least four (4) times a month and submit proof of attendance. (An offsite employee is an employee whose primary assignment is working at the Water Reclamation Facility, the Water Treatment Plant, or the Elfin Forest Recreational Reserve.)
- 4) Maintain the SHNQT (*Safety Has No Quitting Time*) employee recognition program and to keep the goal of zero lost time injuries each year.
 - Work with employee committees HR/Employee Association Team (HEART), Bargaining Unit Members Association (BUMA), District Employees Association (DEA), Safety Sub-committee, etc. to keep the program effective and avoid entitlement;
 - Retain Employee Volunteer Safety Sub-committee to get accurate employee feedback about safety promotions;
 - Work with the Employee Volunteer Safety Sub-committee to determine methods to maintain a safe and rewarding work environment.
- 5) Continue the "*Caught Being Safe*" program to recognize District employees at Employee Forums and acknowledge their safety practices.
- 6) Continue awareness campaigns and make sure that CPR and First Aid trainings are offered at least once per year.
- 7) Continue to promote *Injury Prevention Program* (IPP) with monthly Special District Risk Management Authority (SDRMA) and OMWD in-house tailgate trainings.



SAFETY HAS NO QUITTING TIME (SHNQT)

Employee Longevity Safety Recognition Program

The Board of Directors has approved a Safety Resolution supporting a recognition program for all employees. The program's objective is to encourage safe behaviors and training resulting in zero on the job, lost time, injuries and illnesses. An employee volunteer Sub-Committee works with the Safety/Risk Compliance Administrator to support the recognition program and assist with identifying various methods to achieve our safety goals.

The Safety Committee shall use the following guidelines when evaluating accidents for the purpose of the Employee Longevity Safety Recognition Program:

1. **Definitions:** See the District's Safety Manual for definitions of Preventable, Reasonable, Responsible Party, and Lost Time.
2. **Eligibility:** Only OMWD employees are eligible for recognition regarding preventable lost time injuries. OMWD employee and non-payroll positions (temps/interns) are eligible for recognition regarding vehicle incident and/or vehicle related property damage as seen below. Eligible personnel must have worked 1 day during the eligible period and must maintain their employment status on the day of recognition distribution.
3. **Specifics:** OSHA work-related injury and illness recordkeeping requirements are separate and distinct from the District's safety recognition program. It will take a majority vote of the Safety Committee (including agreement of Committee Board Member(s) present) to approve the determination that a specific recordable OSHA Form 300 injury/illness is non-preventable. Only OMWD employees will impact recognition status regarding preventable lost time injuries. OMWD employees, Board Members, and non-payroll positions (temps/interns) will impact the recognition status regarding vehicle incident and/or vehicle related property damage as seen below.
4. **Structure:** The annual Employee Longevity Safety Recognition Program is structured to recognize employees and the safety record on a continuous basis, with an opportunity to reach our safety goals in order to be eligible for the safety recognition. Every six months, the number of lost time hours will be determined and if the goal as identified below is achieved, employees will receive the safety recognition. If portions of the end-of-year goals are not achieved, there may be a pro-rated recognition. Should a preventable lost time injury occur, the next eligibility timeframe will begin the day after the incident.

The **Employee Longevity Safety Recognition** will be given to all eligible personnel after the end of the calendar year if:

1. The OMWD *Injury Incidence Rate (IIR)* is below the previous three-year average "*National incident rate for Water Supply and Irrigation Systems (22131)*" **The National Injury/Illness Rate can be found at www.BLS.gov (Bureau of Labor Statistics) AND**
2. Any preventable vehicle & property incident damage (District or public) is less than \$10,000. (Inclusive of materials, labor, tax, and parts costs when calculated.) Staff time is not included. Estimated damages also count towards this total even if it is decided not to completely repair the vehicle or property. Preventable vehicle & property damage involving Board Members, Non-Payroll Positions, and OMWD Employees will count towards the "Employee Longevity Safety Recognition Program."
 - o *This \$10,000 was determined by the number of miles and total number of vehicles driven by the District each year and was again approved by the Safety Committee in 99/20243. The value of the Longevity Safety Recognition is based on the approved annual budget by the Board of Directors. A safety recognition luncheon will be held yearly to present the safety recognition.*

Safety Recognition Goals CY 20254

Recognition Period	Goal	Recognition
January 1 to June 30	Less than 40 hours of lost time due to preventable injury/accident	\$50
January 1 to December 31	1) Keep less than 40 hours of lost time due to preventable injury/accident AND; 2) Keep IIR (Injury Incident Rate) below 3-year national average	\$50
	3) Keep preventable vehicle incident and/or vehicle related property damage below \$10,000	\$50
	4) Achieve 1,000 days of no preventable lost time injuries from 9/13/22	\$100

Preventable damage to any vehicle and/or property (District or public) in excess of \$10,000 will result in the loss of \$50 towards the January 1 to December 31 safety recognition. However, the other \$50 Longevity Safety Recognition portion will still be in effect. In addition, employees will be eligible for \$100 if the record of no preventable lost time injuries is continued. Thus, the maximum end-of-year recognition is \$200.

Caught Being Safe Program (CBS Program)

The Caught Being Safe program was developed to provide an opportunity to recognize those employees who consistently demonstrate a high regard for safety on the job. Employees are nominated by peers, Supervisors, Managers, or the Safety Administrator to receive a \$25 maximum/minimum value recognition at a monthly Employee Forum. All employees with a satisfactory or above performance rating and not currently on disciplinary action are eligible for a CBS award. A CBS award shall be approved by the General Manager.

Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Brian Sodeman, Customer Service/Public Affairs Supervisor
John Carnegie, Customer Services Manager
Via: Kimberly A. Thorner, General Manager
Subject: **CONSIDER INFORMATIONAL REPORT ON FISCAL YEAR 2025 PROPERTY INSURANCE COVERAGE WITH THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY**

Purpose

The purpose of this item is to provide the Safety Committee with an update on OMWD's FY 2025 property insurance coverage with ACWA JPIA.

Recommendation

Not applicable; this is an informational item only.

Alternative(s)

None.

Background

Prior to contracting with ACWA JPIA in 2023 for property insurance coverage, this coverage had been provided since 2013 through the WaterPlus program.

In 2019, OMWD hired Infrastructure Engineering Corporation (IEC) to provide an asset valuation for the purpose of determining the coverage amount for OMWD's property insurance. IEC conducted this assessment through review of facility drawings, review of construction contract costs for facilities, consultation with contractors and equipment manufacturers, site inspections of the facilities, and discussions with OMWD's staff and insurance broker.

The 2019 full replacement value is the cost to completely replace all facilities and was determined to be \$224,235,300. The partial replacement value factors in portions of the facility that would still be usable after a damage event and was determined to be \$141,244,100.

OMWD staff consulted with IEC and OMWD's insurance broker on what value was appropriate to insure by considering risk factors, potential federal aid, and replacement costs. A blanket limit of \$70,041,408 for property coverage was determined to provide adequate coverage, as it was determined that it was improbable that all OMWD facilities would need to be replaced within the coverage period. In addition, it was expected that an event that would cause damage beyond that amount would trigger federal and/or state disaster relief.

While the replacement costs for each facility were calculated for the purpose of determining OMWD's total value, the coverage of the facility was not limited by that amount. For example, if a facility had a covered loss event and the replacement costs exceeded the amount on OMWD's property schedule, the loss would still be covered so long as OMWD's total property claims for that coverage period didn't exceed the property coverage blanket amount of \$70,041,408.

At the May 2022 board meeting, the board instructed staff to obtain quotes from both independent carriers and risk-sharing pools for FY 24 insurance coverage, and to begin the eligibility assessment process with ACWA JPIA.

In November 2022, staff began compiling application documentation for six insurance programs – California Joint Powers Insurance Authority, Golden State Risk Management Authority, Special District Risk Management Authority, American Family's CalMutuals Joint Powers Risk and Insurance Management Authority, Association of California Water

Agencies Joint Powers Insurance Authority, and American Family's WaterPlus. By that time, the property total insured value had increased from the 2019 value to \$77,123,500, in consideration of factors such as inflation and improvements to facilities, such as district headquarters.

In May 2023, the board approved Resolution 2023-11 to enter ACWA JPIA's liability and property joint protection programs beginning July 1, 2023.

While the property insured value in the original JPIA application was \$77,123,500, ACWA JPIA assigned a total insured value of \$92,124,021 for FY 24 coverage. At that time, OMWD's deductible was \$10,000 and the premium for property, which includes auto and equipment coverage, was \$141,404.

Fiscal Impact

There are no costs directly associated with this informational report.

Updates to OMWD's property schedule and an increase in insurance rates, as discussed in the Discussion section, will yield a property insurance contribution of \$234,769 in FY 25, representing an increase of 66% versus FY 24's contribution of \$141,404.

In addition, OMWD's deductible increased from \$10,000 to \$25,000, representing an increase of 250% versus FY 24. The fiscal impact of this increase is dependent on the number of claims, with an increase of \$15,000 per claim. For reference, OMWD submitted multiple claims in FY 24, however, only one claim was approved by ACWA JPIA.

Discussion

ACWA JPIA approaches property insurance coverage differently than OMWD's prior insurance carrier. The previous carrier allowed OMWD to select a blanket coverage amount that applied to losses at any property listed on the property schedule. In contrast, ACWA JPIA assigns values not only to each property but to individual assets at that property (e.g., there is a value assigned to kitchen equipment at OMWD's headquarters), requires an annual review of these values, and requires that new assets are reported within 90 days of acquisition in order for coverage to apply.

Considering that the last property valuation was conducted in 2019 and in many cases did not identify individual assets, that material and construction costs have increased significantly since 2019, and that OMWD was new to ACWA JPIA, OMWD staff reached

out to ACWA JPIA staff in September 2023 to ensure that the property schedule was accurate and adequate in the event of loss.

Further, reservoir tanks were not insured under the previous insurance carrier's property policy, and OMWD staff asked ACWA JPIA for recommendation as to covering them. ACWA JPIA recommended adding nine tanks to OMWD's property schedule; however, two of those tanks are due to be decommissioned.

On December 4 and 5, 2023, OMWD staff accompanied ACWA JPIA's third-party appraiser, Centurisk, on an in-depth assessment of several properties throughout the district.

In January 2024, ACWA JPIA asked its members to provide an updated property schedule by late February in order to calculate contributions for the subsequent year's property coverage. Since the appraiser's results weren't ready at that time, ACWA JPIA advised that OMWD could use last year's values and apply an escalator. The total insured value was determined to be \$96,212,233.

On May 20, 2024, ACWA JPIA provided results of the appraisal. ACWA JPIA added 45 additional assets at six sites and advised that the total insured value increased to \$129,212,233.

Exceeding the \$100 million threshold for total insured value automatically increased OMWD's deductible to \$25,000.

Staff conducted a detailed review of the revised property schedule and identified several issues, including duplicate entries, non-existent property, excessive value estimates, math errors, etc. In addition, OMWD requested to add the seven tanks in operation to the schedule, per ACWA JPIA recommendation, with an impact of approximately \$25.5 million to total insured value. After these revisions, OMWD's FY 25 total insured value increased to \$140,202,417.

On July 16, 2024, ACWA JPIA sent OMWD the FY 25 property coverage invoice in the amount of \$234,769 and included a notification that the JPIA Executive Committee had adopted on June 21 a 15% increase in the Property Program rates effective for policy year July 1, 2024, through June 30, 2025. This increase was attributed to a hard market in obtaining excess insurance.

OMWD reviewed the listed values of the invoice and identified a \$200,000 discrepancy in the value of OMWD vehicles. This was due to ACWA JPIA erroneously duplicating a

district vehicle. Despite the error, ACWA JPIA would not reissue a revised invoice as they do not make corrections unless that value of the error is over \$1 million. The erroneous vehicle increased the premium by \$2,884.

OMWD had anticipated property coverage costs of \$170,000 in the FY 25 budget, estimating a 20% increase in contribution versus FY 24. However, the 15% increase in rate, addition of seven tanks, increase in other property values of over \$25 million, and erroneous inclusion of a phantom vehicle resulted in an extra \$64,769 in property insurance costs that were not anticipated in the FY 25 budget. The additional cost is within the General Manager’s signing authority per §§ 6.1.C and 6.4.I of the Administrative and Ethics Code, which grant signing authority up to \$75,000 for non-discretionary items, including insurance providers.

With property coverage costs now finalized for FY 25, staff anticipates that the cost for all FY 25 insurance coverages with ACWA JPIA will total \$586,412, broken down below. This is an increase of approximately 30.3% versus FY 24. Please note the \$340,238 premium for liability coverage is an estimate as ACWA JPIA’s liability coverage period begins October 1 of each year, and ACWA JPIA’s rates for the October 1, 2024 through September 30, 2025 are not yet known, such that staff assumed a 10% increase versus the current coverage period. Staff will be available to answer any questions.

Property:	\$234,769
Cyber Liability:	\$10,624
Excess Crime:	\$781
<u>Liability:</u>	<u>\$340,238</u>
Total	= \$586,412



Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER THE SAFETY ACTION-ITEMS ASSIGNED / COMPLETED**

Attached is the list of action items assigned and their current status.

Attachment: Safety Meeting Action Items

SAFETY MEETING ACTION ITEMS

Safety Meeting Date	Discussion/Agenda Item	Assigned To	Deadline/Timeline	Completed	Additional Comments
1/24/2024	(SHNQT) Revisit the dollar \$ amount for preventable damage to District vehicles/property; and the language for preventable accidents and/or vehicle incident damage annually in October or November.	Tim Schuette	9/25/2024	Annually	January 24, 2024, the Safety Committee agreed to keep the \$10,000 cap.
Standing Item	Caught Being Safe (CBS) Program.	Tim Schuette	Report at Meeting	As needed	None at this time.
10/29/2020	Conduct review for vegetation brush clearing requirements for fire mitigation around the DCMWTP with local fire department.	Tim Schuette	Ongoing	Annually	Ongoing, waiting on Fire Department and requesting environmental impact study info.
Ongoing	Safety Suggestions	Tim Schuette	Ongoing	As needed	No new suggestions.
5/22/2024	Review the draft Workplace Violence Prevention Plan (WVPP).	Tim Schuette	5/28/2025	Annually	Plan to be reviewed on an annual basis.

Memo

Date: September 25, 2024
To: Olivenhain Municipal Water District Safety Committee
From: Tim Schuette, Safety / Risk Compliance Administrator
Subject: **CONSIDER FUTURE AGENDA ITEMS**

This is an opportunity for anyone who may have an item for consideration at a future Safety Committee meeting. Note that the November 27, 2024 meeting has been canceled.

WE ARE NOW ADJOURNED

THE NEXT SAFETY COMMITTEE MEETING
WILL BE HELD ON **JANUARY 22, 2025**