

SWEETWATER AUTHORITY

Finance and Administration Committee

January 6, 2025



Consideration to Approve the FY 2024-25 ACWA/JPIA Auto and General Liability Program Insurance Premium

RECOMMENDATION

Staff recommends that the Governing Board approve the FY 2024-25 ACWA/JPIA Auto and General Liability Program Insurance Premium.

OVERVIEW

The annual auto and liability insurance plan renewal is due in the amount of \$450,932.04 for the policy year October 1, 2024 through October 1, 2025, and this amount is above the General Manager's approval limit. Staff seeks the Board's approval for the FY 2024-25 renewal of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) Auto and General Liability Program Insurance Premium.

The rates and calculations for the premiums are included in the attached invoice from ACWA/JPIA. The insurance market has seen hardening and reduced capacity. Even with these conditions, ACWA/JPIA stated its renewals are below most public entities' increases. ACWA/JPIA offers liability coverage through risk sharing pools for water agencies across California, and no-cost assistance with training, personnel policies and procedures, and developing job descriptions and employee handbooks.

The current and prior four years of premiums for the Authority were:

<u>Year</u>	<u>Premium</u>	<u>Increase</u>
2024-25	\$450,932	18%
2023-24	\$382,033	59%
2022-23	\$240,809	26%
2021-22	\$191,729	(19%)
2020-21	\$236,099	17%

FISCAL IMPACT

The FY 2024-25 Budget Operating Expense line item 10-10-320-5630 Administrative Services Safety - General and Property Insurance includes funding for the annual renewal with additional funds required available in other line items in the FY 2024-25 Budget Administrative Services Safety.

FY 2024-25 Budget - Auto and General Liability Insurance Program Premium	
Administrative Services Safety - General and Property Insurance budget planned for the premium	\$447,000.00
Available budget saving from other insurance premiums previously paid	3,026.90
Available funding from other line items in the Administrative Services Safety budget for the balance of the premium	<u>905.14</u>
ACWA/JPIA Auto and General Liability Program Insurance Premium	\$450,932.04

NEXT STEPS

1. Approve the FY 2024-25 ACWA/JPIA Auto and General Liability Program Insurance Premium.
2. Other direction as determined by the Governing Board.

Staff Contact:

Carlos Quintero, General Manager

Roberto Yano, Assistant General Manager

Rich Stevenson, Director of Finance

SUPPORTING INFORMATION

Attachments

1. ACWA JPIA - Auto and General Liability Program Invoice 10-1-24 to 10-1-2025

Strategic Plan

Governing Board Policy 517 – Financial Policies: Policy for the Procurement of Services (including Construction), Supplies, and Equipment

- Requirements for Comprehensive Procurement Procedures - Contract Approval Authority: Procurement of services, supplies, and equipment in an amount over \$75,000 requires approval by the Board, even if the Board has authorized funds for the procurement within the annual budget.

Strategic Plan Goal 3: Financial Viability (FV)

- Objective FV1 (2012): Implement short-term (i.e., annual) and long-term (i.e., five-year) financial plans that demonstrate continued financial sustainability for the Authority and cost-effective operations and guide rate setting decision making

Past Board Actions

June 12, 2024	The Governing Board Adopted Resolution 24-08 Approving a budget for FY 2024-25, and Adopted Resolution 24-09, Approving Updated Financial Policies (Board Policy 517).
October 25, 2023	The Governing Board approved the FY 2023-24 ACWA/JPIA Auto and General Liability Program Insurance Premium.