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February 2019 Newsletter

CalMutuals JPRIMA Worker's Comp Declares Dividend

Your dedication to safety practices has just paid off. If you're one of the more than 80 CalMutuals members currently insured for workers' compensation through JPRIMA and TheZenith, you will receive a dividend of 10 percent of the 2016 policy premium paid. This is a remarkable achievement for CalMutuals JPRIMA in its first year of offering workers' compensation insurance.

CalMutuals JPRIMA and TheZenith are so pleased to be able to share this dividend with our members. We share your goal of helping to control the cost of workers' compensation insurance over time. Great outcomes do not occur by chance. A joint effort between our insureds, agents and CalMutuals JPRIMA is key to controlling the number and total costs of claims, which could ultimately impact both premium rates and dividend payments.

CalMutuals JPRIMA and TheZenith are committed to the California water industry. We know your business and employ talented insurance pros and leadership with deep roots in California water. For more information about CalMutuals JPRIMA Workers' Compensation Insurance, contact George Pappas at (512) 409-6627.

State Senator Susan Rubio Introduces SB775: Tax Exempt Status for Mutual Water Companies



SB775 introduced on February 22nd by State Senator Susan Rubio if enacted, will reconcile the California tax code with the Federal 501(c)(12) IRS tax-exemption designation for mutual water companies.

Without it, mutual water companies now eligible under Propositions 1 and 68, may be taxed for grants they receive. SB775 would also avert tax liability for mutuals from metered water sales and interest earned on reserve accounts. The California Franchise Tax Board estimated in 2018 that the correction in our tax status as tax-exempt mutual water companies to match the federal treatment will have a minimal state budget impact of about \$700,000.

CalMutuals Provides Guidance in Implementation of SB998 Customer Shut Offs



Executive Director Adán Ortega and General Counsel Jim Ciampa recently met with members of the Utility Finance Officers in Temecula, to provide an overview of SB998 and its requirements. The bill sponsored by Senator Dodd and signed into law by Governor Brown in September 2018 requires an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy in several languages on discontinuing water service to some residences for nonpayment.

This law prohibits residential service from being discontinued under specified circumstances. The law requires an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the law's provisions on and after February 1, 2020, and any other urban and community water system to comply with the law's provisions on and after April 1, 2020.

A policy template, drafted by CalMutuals General Counsel, is available to CalMutuals members upon request. Additional implementation assistance is forthcoming.

[Request the SB998 policy template](#)

Valencia Heights Funds Improvements Through \$2 Million in Low-Interest Loans



Learn more about Valencia Heights Water Company's newly completed project to replace its oldest remaining pump station at its Reservoir #2 site. VHWC tapped into \$2 million through a low-interest, 20-year loan via the Drinking Water State Revolving Fund.

While securing funding through the SRF can be challenging, VHWC General Manager David Michalko and his board found it worthwhile. Though the company could have funded the project on its own, the low-interest SRF loan allows the cost of infrastructure improvements to spread over a greater amount of time. That means less immediate impact to customers. But challenges did have to be overcome. For example, loan approval took more than two years to receive, and the application process itself brought additional costs in the form of money, time and effort. Meeting loan requirements, such as prevailing wage requirements, also added roughly 20 percent to the cost of the project overall. He's happy to answer any questions that other CalMutuals members have about the process should they be considering similar funding for projects. Just send him an [email](#).

The project replaced 1500 feet of 16-inch pipe, a 2400 GPM pump station, and a new reservoir inlet and outlet. Engineering firm Civiltec included a summary of the work and photos on its website.

[Visit the Civiltec project website](#)

State Beats Back Legal Challenge to 1,2,3-TCP MCL

The maximum contaminant level (MCL) set by the State Water Resources Control Board for 1,2,3-trichloropropane (TCP) will remain in place, after an industry group sued to have it withdrawn saying the board did not consider economic feasibility. The court's ruling in January 2019 denied the petition made by the Kern County Taxpayers Association and the California Manufacturers and Technology Association that the board did not properly assess the MCL's potential adverse economic impact on California businesses.

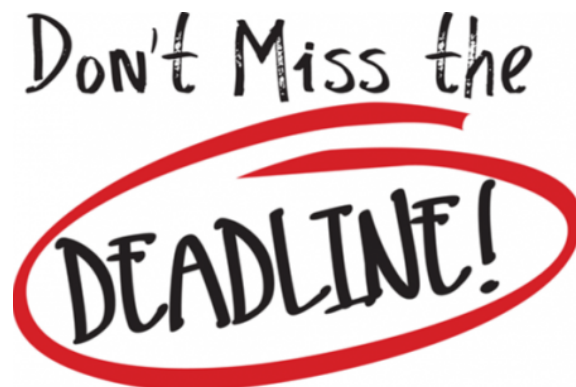
The court case was closely watched by public water suppliers who hope to recover the costs of responding to TCP contamination in groundwater, a carcinogen detected in hundreds of water wells in California. Attorney Todd Robins, whose law firm has represented about 40 cities, water districts, and water companies in cost-recovery cases, said it was an important ruling that will likely be appealed, but that the court's thoughtful and thorough ruling will likely withstand appellate review.

Current regulations require all public water systems in California to monitor for TCP in their water sources. If TCP is detected in drinking water served to customers above the MCL in a well, it triggers six months of monthly testing to determine if the average concentration violates the MCLA. If a well is out of compliance, quarterly public notification or well closure may be required, in some cases immediately.

TCP is expensive to remove and because it is not naturally occurring, it may be possible to identify the responsible party and recover costs. Learn more about the work that Todd Robins and his firm Robins Borghei LLP does to help water companies and others facing TCP contamination.

[Visit the Robins Borghei LLP website](#)

Submit Electronic Annual Reports by April 19



Taxes aren't the only thing due in mid-April. Get ready to submit your annual report on the operation of your public water system to the State Water Resources Control Board Division of Drinking Water. **The 2019 deadline is Friday, April 19.**

[Click here for more details](#)

Free & Discounted Employment Screening for CalMutuals Members

With incidents of employee fraud, theft, and workplace violence at historic levels, it is more important than ever for employers to screen applicants. CalMutuals, in partnership with OPENOnline is provides members with robust employment screening services.

FREE for CalMutuals members with less than 500 connections and members insured through CalMutuals JPRIMA for both Property & Casualty and Workers' Compensation. Discounted for all others by more than 25% for a cost of \$47 per screening.

[Submit a screening request](#)



Count on CalMutuals to alert members about free and low-cost workshops and trainings that help you work smarter. We've highlighted a handful of terrific upcoming workshops below and you'll find more at the [CalMutuals Calendar](#).

Water Rights Enforcement Policy Information Meetings

Meetings held by State Water Resources Control Board on proposed policy on water rights enforcement

Friday, Mar. 1, 1-4 p.m., Sacramento

Monday, Mar. 4, 1-4 p.m., webcast

Monday, Mar. 11, 3-6 p.m., Fresno

[Learn more](#)

Board Roles & Responsibilities

Free webinar presented by Rural Community Assistance Corporation

Tuesday, Mar. 5, 10 a.m.-12 p.m.

[Register Now](#)

March 2019 Drought & Climate Outlook

Free webinar presented by the California-Nevada Drought Early Warning System

Monday, Mar. 25, 11 a.m.-12 p.m. PST

[Register Now](#)

Financial Management and Rate Setting

Free in-person training in Ontario, California presented by Rural Community Assistance Corporation

Wednesday, Mar. 27, 8:30 a.m.-3:30 p.m.

[Register Now](#)

Wastewater Disinfection

Free webinar presented by Rural Community Assistance Corporation

Wednesday, Apr. 3, 10 a.m.-12 p.m.

[Register Now](#)

CalMutuals Calendar

JPRIMA Corner

Welcome to Our Newest Insureds/Members!

Indian Wells Valley Groundwater Authority

Del Norte Water Company

West Valley Clean Water Program Authority

Callayomi County Water District

What You Need to Know About Inverse Condemnation

Did you know that accidents involving breaks, leaks, backups, loss of pressure, releases and overflows could be characterized as a temporary taking of private property? It's not uncommon these days for property owners to sue water systems and others for liability for damage or injury due to inverse condemnation, or the taking of private property, even temporarily, for government use. Take a deep dive into the issues surrounding inverse condemnation lawsuits in this article written by our own Paul Fuller, the CalMutuals JPRIMA insurance administrator [link to PDF of article] or check out this video series on the topic:

<http://waterinsuranceauthority.com/leadership-videos/>

Bilingual Mobile App Helps Injured Employees With Workers' Comp Claims

Members with Workers' Compensation coverage through JPRIMA have one more reason for satisfaction. Coverage includes Zenith Connect, a mobile app designed to help injured employees navigate the workers' compensation process while recovering. Check out their brand new video about the mobile app.

Watch the video

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