Finance & Audit Committee Meeting



ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

Thursday
September 24, 2026
1:00 PM

Chair: J Bruce Rupp, Humboldt Bay Municipal Water District

Vice Chair: Chris Kapheim, Kings River Conservation District

Jennifer Bryant, Helix Water District

Edward Lyons, Cachuma Operation and Maintenance Board

Brett Miller, San Benito County Water District

Cindy Saks, San Bernardino Valley Municipal Water District

Jim Smith, Wheeler Ridge-Maricopa Water Storage District

Taylor White, Kern County Water Agency

FINANCE AND AUDIT COMMITTEE MEETING

AGENDA

ACWA JPIA
Executive Conference Room
2100 Professional Drive
Roseville, CA 95661

Thursday, September 24, 2026 – 1:00 PM

Zoom Link Meeting ID: 230 407 0027; Password: 5742; Telephone No.: 1 (669) 900-6833

This meeting shall consist of a simultaneous Zoom teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661, and the following remote sites:

- Bryant – 7811 University Avenue, La Mesa
- Smith – 12109 Highway 166, Bakersfield
- White – 3200 Rio Mirada Drive, Bakersfield

WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS

PLEDGE OF ALLEGIANCE

ANNOUNCE RECORDING OF MEETING This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

PUBLIC COMMENT Members of the public will be allowed to address the Finance and Audit Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chair know.

HYBRID PARTICIPATION GUIDELINES (See last page of the packet)

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter			Page #
	I.	**CONSENT AGENDA**	
		A. Approve an Excused Absence for Any Committee Member	
	*	B. Approve the Minutes of the March 26, 2026, Meeting	4
	II.	**ADMINISTRATION**	
		A. Report on Meetings Attended on Behalf of the JPIA	

Presenter			Page#
		III. FINANCIALS	
Beatty/ Steele	*	A. California Water Insurance Fund (CWIF) Update	**10**
deBernardi	*	B. Review and Provide Recommendation Regarding the Investment Policy	**17**
deBernardi	*	C. 2025-26 Budget to Actual Review	**34**
deBernardi	*	D. Review and Provide Recommendation Regarding Approval of the Catastrophic (CAT) Funds Policy (Strategic Plan Deliverable)	**40**
Steele/ Green	*	E. Review and Provide Recommendation on Annual Comprehensive Financial Report (ACFR) for the Nine-Month Period Ended June 30, 2026	**48**
deBernardi	*	F. Financial Auditor Request for Proposals	**138**
		IV. STAFF UPDATES	
Steele	*	A. Finance Department Update	**139**
		V. UPCOMING MEETING	
Rupp		A. Request for Future Agenda Items	
Rupp	*	B. Review Availability of Committee Members for the Next Finance and Audit Committee Meeting on March 30, 2027, at 1:00 PM	**140**

ADJOURN

*Related items enclosed.

Americans with Disabilities Act – *The JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Jillian Sciancalepore, Administrative Assistant III, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-JPIA. The JPIA's normal business hours are Monday – Friday, 7:30 AM to 4:30 PM (Government Code Section 54954.2, subdivision (a)(1)).*

Written materials relating to an item on this Agenda that are distributed to the JPIA's Finance and Audit Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-JPIA. The JPIA's normal business hours are Monday – Friday, 7:30 AM to 4:30 PM.

Unapproved Minutes

FINANCE AND AUDIT COMMITTEE MEETING

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661
(800) 231-5742

March 26, 2026

MEMBERS PRESENT

Chair: J Bruce Rupp, Humboldt Bay Municipal Water District
Vice Chair: Chris Kapheim, Kings River Conservation District
Jennifer Bryant, Helix Water District *(via Zoom)*
Kurtis Crawford, Yuba Water Agency
Edward Lyons, Cachuma Operation and Maintenance Board
Brett Miller, San Benito County Water District
Jim Smith, Wheeler Ridge-Maricopa Water Storage *(via Zoom)*
Taylor White, Kern County Water Agency *(via Zoom)*

MEMBERS ABSENT

Cindy Saks, San Bernardino Valley Municipal Water District

STAFF PRESENT

Chief Executive Officer: Adrienne Beatty
Erin Bowles, Workers' Compensation Claims Manager
Chimene Camacho, Senior Executive Assistant to the CEO
David deBernardi, Director of Finance
Tyler Dietz, Cost Estimator / Valuation Consultant
Kyle Hutchings, Senior Accountant *(via Zoom)*
Jennifer Jobe, Deputy Executive Officer
Joe Rumenapp, Information Technology Manager
Jillian Sciancalepore, Administrative Assistant III *(Recording Secretary)*
Judy Shiu, Liability & Property Claims Manager
Heidi Singer, Accountant II
Dan Steele, Finance Manager
Kayla Villa, Litigation Manager
Mike Whitright, Network/System Administrator

OTHERS IN ATTENDANCE

Carol Lee Gonzales-Brady, Rancho California Water District *(via Zoom; left @ 2:14 PM)*
Brent Hastey, Reclamation District 784
Szu Pei Lu-Yang, Rowland Water District *(via Zoom)*
Melody McDonald, San Bernardino Valley Water Conservation District *(via Zoom)*
Kellie Murphy, Johnson Schachter & Lewis, A Professional Law Corporation, Interim General Counsel

Scott Ratterman, Calaveras County Water District
Randall Reed, Cucamonga Valley Water District
David Wheaton, Citrus Heights Water District
Bob Green, Gilbert CPAs

WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS

Chair Rupp welcomed everyone in attendance and called the meeting to order at 1:00 PM. He announced there was a quorum. He requested that the Finance and Audit Committee, the Executive Committee, staff, and others in attendance introduce themselves.

PLEDGE OF ALLEGIANCE

Chair Rupp led the Pledge of Allegiance.

ANNOUNCEMENT OF RECORDING OF MEETING

Chair Rupp announced that the meeting would be recorded to assist in preparation of minutes. Recordings are kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

PUBLIC COMMENT

Chair Rupp noted that, as the agenda stated, members of the public would be allowed to address the Finance and Audit Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcome. None were noted.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Rupp asked for any additions to, or deletions from, the agenda. None were noted.

I. CONSENT AGENDA

Chair Rupp called for approval of the Consent Agenda:

> M/S/C (Miller/Lyons) (Bryant-Yes; Crawford-Yes; Lyons - Yes; Miller-Yes; Smith-Yes; White-Yes; Kapheim-Yes; Rupp-Yes): That the Finance and Audit Committee approve the minutes of the September 29, 2025, meeting, as presented; and approve an excused absence for any Committee member.

II. ADMINISTRATION

Report on Meetings Attended on Behalf of the JPIA
None.

Presentation of Government Finance Officers Association (GFOA) Award
Chair Rupp presented the Finance Team with the GFOA Award for the year ending September 30, 2024.

III. FINANCIALS

Review and Provide Recommendation on Annual Comprehensive Financial Report (ACFR) for Year Ended September 30, 2025

Bob Green of Gilbert CPAs presented an overview of the audit process, which consisted of three phases: planning, testing, and final review. The planning phase involved reviewing financial statements and establishing the audit approach. The testing phase included extensive testing of balances and internal controls. The final review phase encompassed a thorough evaluation of audit procedures and results. Mr. Green praised the Finance team's professionalism and responsiveness, noting over 450 documents were exchanged during the audit, which reflects the effectiveness of JPIA's internal controls and financial reporting practices. An unmodified opinion was issued, and no material misstatements, fraud, or compliance issues were found. The audit process concluded smoothly with draft reports ready for final approval. Lastly, Mr. Green informed the Committee that upcoming GASB standards (104 and 103) will slightly adjust disclosures and presentation for the fiscal year ending June 30, 2026, but with no material accounting changes.

Mr. Steele reviewed the Statement of Net Position, which reflects the financial position of the JPIA at a specific point in time, detailing assets, liabilities, and net position. A key highlight was a significant increase in capital assets, largely due to the acquisition of the new building. The net OPEB asset decreased mostly due to retirements impacting actuarial assumptions, though the plan remains 151% funded. Pension expenses showed favorable results driven by CalPERS' 11.6% investment rate of return and $2.3 billion in strong investment income, reducing liabilities despite increasing actuarial demands. Overall, JPIA's net position decreased by approximately $5.9 million for a total net position of approximately $123 million, year ended September 30, 2025.

> M/S/C (Miller/Smith) (Bryant-Yes; Crawford-Yes; Lyons - Yes; Miller-Yes; Smith-Yes; White-Yes; Kapheim-Yes; Rupp-Yes): That the Finance and Audit Committee recommend that the Executive Committee approve the 2024-25 Audited Financial Statements, as presented, and submit for final approval by the Board of Directors at the subsequent ACWA JPIA Spring Membership Summit in Sacramento, CA – May 2026.

Review and Provide Recommendation on the Proposed Operating Budget for Fiscal Year 2026-27

Mr. deBernardi reminded the Committee that the proposed Operating Budget presented is for the fiscal year ending June 30, 2027, versus September 30, 2027, which improves financial forecasting and aligns budgeting with operational cycles. He reported to the Committee that the most significant changes in the G&A Budget for the fiscal year are seen in capital depreciation – reflecting partial year occupancy of the new building – expected to increase further once fully operational; staffing costs reflecting a 4% possible aggregate salary increase effective in October; an addition of a new Member Services Manager position to fill organizational gaps; and facilities costs related to operating two buildings.

Additionally, Mr. deBernardi explained that the budget for Computer Equipment Software and Office Furniture increased, mainly due to the purchase of new claims software with improved functionality, replacing a less effective legacy system. A new $100,000 Member Safety and Loss Control Incentive Award was added to promote member safety initiatives relative to theft issues increasing in frequency for Central Valley members, recommended by the Risk Management Committee and approved by the Executive Committee in January 2026. Overall, these changes result in a 6.6% increase in the operating budget.

> M/S/C (Lyons/Miller) (Bryant-Yes; Crawford-Yes; Lyons - Yes; Miller-Yes; Smith-Yes; White-Yes; Kapheim-Yes; Rupp-Yes): That the Finance and Audit Committee recommend that the Executive Committee approve the proposed Operating Budget for the fiscal year ending June 30, 2027, as presented, and submit for final approval by the Board of Directors at the subsequent ACWA JPIA Spring Membership Summit in Sacramento, CA – May 2026.

Retrospective Contribution Adjustment Process Update

Mr. Steele reviewed with the Committee that Retrospective Contribution Adjustments (RCA) reflect the difference between collected contributions and actual costs for each pooled program year; unfavorable retros increase liabilities, while favorable ones create refunds. With this being the first year that the 2019-20 program year has been included in the RCA, it shows an unfavorable retro of about $13 million, while the Rate Stabilization Fund balance is $5.3 million, insufficient to cover all liabilities. However, a $21 million dividend declared from CWIF last year has helped soften recent retros, improving fund health. Still, staff recommended holding back some retros to allow the fund to absorb fluctuations, reducing immediate member assessments.

Mr. Steele informed the Committee that some members have balances below the current negative 40% threshold of their basic liability contributions and will be asked to make partial payments to bring balances up to that threshold. Staff will meet individually with members to explain balances and coordinate reasonable payment plans, including interest charges, recognizing varied member financial situations. Approximately 30 members were below the negative 40% threshold at the last calculation, with 146 members currently below zero, indicating the scope of balances to be addressed as the threshold tightens.

Review and Provide Recommendation on Comprehensive Plan to Stabilize the Rate Stabilization Fund

Mr. deBernardi reviewed with the Committee the purpose of the Rate Stabilization Fund (RSF) and emphasized a strategic move to tighten fund balances and enhance fiscal stability by gradually eliminating negative member balances. The plan is to gradually increase the minimum RSF balance allowed from negative 40% to zero over several years in 10% increments, spreading out member financial impact. Simultaneously, the upper limit is proposed to increase from 70% to 80%, expanding the fund's capacity for positive balances. The negative 40% threshold was originally designed as a buffer

allowing member leeway, but recent trends show increased claims and more frequent negative years. Moving to zero reduces the pool's exposure to unpaid amounts and lost investment income on negative balances.

> M/S/C (Kapheim/Crawford) (Bryant-Yes; Crawford-Yes; Lyons - Yes; Miller-Yes; Smith-Yes; White-Yes; Kapheim-Yes; Rupp-Yes): That the Finance and Audit Committee recommend that the Executive Committee approve incrementally increasing the floor for RSF member balances from negative 40% to zero and increase the ceiling for RSF member balances from 70% to 80%.

Review and Provide Recommendation on Revision to Calculation of Program Funding for the Liability Program

Mr. deBernardi informed the Committee that each year, the Finance Department collects estimated payroll data from Liability Program members for early-year billing before actual figures are known, and later reconciles these estimates against actual payrolls after the program year ends, adjusting member contributions through their Rate Stabilization Funds – a time-consuming process for staff and members. Transitioning to billing based on the prior year's actual payroll would streamline operations, reduce staff workload, and improve efficiency. Members would also benefit from fewer information requests, less risk of inaccurate estimates, more consistent exposure bases, and the removal of payroll reconciliation from the Retrospective Contribution Process, resulting in simplified management and more stable RSF balances.

> M/S/C (Miller/Smith) (Bryant-Yes; Crawford-Yes; Lyons - Yes; Miller-Yes; Smith-Yes; White-Yes; Kapheim-Yes; Rupp-Yes): That the Finance and Audit Committee recommend that the Executive Committee approve revising the calculation of program funding for the Liability Program to use an exposure base of prior year's actual payroll.

California Water Insurance Fund (CWIF) Update

Ms. Beatty informed the Committee that CWIF is exceeding its 7% benchmark, with the rate of return since inception currently at approximately 8.11%. In addition, as of December 31, the market value of CWIF exceeded the book value by nearly $20 million.

Vice Chair Ratterman informed the Committee that during the September 2025 meeting, CWIF Officers were reelected, and the reinsurance agreements for the Workers' Compensation and Liability Programs were reviewed and approved. During the December 2025 meeting, the Investment Policy Statement, the transition of the fiscal year-end to June 30, and a $3.55 million dividend were approved. The CWIF Board will meet next in May 2026.

IV. STAFF UPDATES

Director of Finance Update

Mr. deBernardi and Mr. Steele presented to the Committee that the Finance staff has been advancing automation and payment innovations to improve efficiency and reduce

administrative burdens. The department is implementing a vendor-supported ACH payment system to simplify member payments and reduce manual processing. Integration with accounting and IDMS software will enable automatic posting of payments, saving significant staff time, especially for cash receipts. In addition, staff is exploring third-party claim payment automation to reduce manual check issuance and improve timeliness, including potential revenue-sharing virtual card programs for large vendors, which could offset vendor costs, making the service financially neutral.

Lastly, Mr. deBernardi informed the Committee that the upcoming fiscal year shift will require an additional audit to be presented at the next Committee meeting, increasing the workload on the finance department. Staff is preparing to manage this change efficiently to maintain audit quality and compliance.

V. UPCOMING MEETINGS

The Finance & Audit Committee is scheduled to meet next on Thursday, September 24, 2026, at 1:00 PM.

The Finance and Audit Committee meeting adjourned at 2:42 PM.

ACWA JPIA
California Water Insurance Fund (CWIF) Update
September 24, 2026

BACKGROUND
At the November 26, 2018, meeting, the Board of Directors approved a resolution to proceed with forming a captive insurance company. The California Water Insurance Fund (CWIF) is a private company wholly owned by the JPIA, domiciled in the State of Utah. In addition to paid-in equity, the JPIA cedes losses at the primary level for the Liability and Workers' Compensation Programs. CWIF also provides a layer of reinsurance for JPIA's Liability Program at the $10M excess of the $10M layer. As of January 1, 2027, CWIF will also be providing a Stop Loss Policy to the Anthem PPO Medical Program with a specific stop loss deductible of $2 million and a $5 million annual aggregate limit of liability.

CURRENT SITUATION

Paid in Equity	$95.9 million
Prepaid Claims and Expenses	126.4 million
Realized Investment Income	54.0 million
Dividends Paid to JPIA	(39.2 million)
Book Value 6/30/2026	$237.1 million
Market Value 6/30/2026	$267.4 million
Unrealized Gain	**$30.3 million**
Rate of Return since inception (As of June 30, 2026)	**8.74%**
Blended Benchmark	*9.21%*

As of June 30, 2026, the book value of the CWIF mixed-asset portfolio was $237,132,497 compared to the fair market value of $267,418,408. The rate of return since inception is approximately 8.74%, compared with CAMP's rate of return of 3.78% for the same period.

The President of the California Water Insurance Fund, Adrienne Beatty, will update the Committee on the program's status, along with the content/actions taken at the Board of Directors' meetings held in May and June 2026.

RECOMMENDATION
None, information only.

Prepared by: Dan Steele, Finance Manager Date prepared: August 26, 2026

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUNE 30, 2026

ALL PROGRAMS

		LIABILITY	WORKERS' COMP	EMPLOYEE BENEFITS	Total
1	**REVENUE**				
2	Deposit Premiums Earned (SIR)	$ 161,407,013	$ 57,527,085	$ 0	$ 218,934,098
3	Deposit Premiums Earned (10x10)	13,405,484	0	0	13,405,484
4	Realized Investment Income (Loss)	28,685,574	10,858,374	14,485,938	54,029,886
5	**Total Revenue**	203,498,071	68,385,459	14,485,938	286,369,468
6	**EXPENSES**				
7	Paid Claims	67,301,328	20,023,286	0	87,324,614
8	General/Administrative	9,818,043	8,512,678	1,295	18,332,017
9	Dividends paid to JPIA	22,163,233	7,400,120	9,680,147	39,243,499
10	**Total Expenses**	99,282,604	35,936,084	9,681,443	144,900,130
11	Paid in capital	24,537,651	11,371,863	60,000,000	95,909,514
12	**Book balance**	$ 128,753,118	$ 43,821,238	$ 64,804,495	$ 237,378,852

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUNE 30, 2026

*LIABILITY PROGRAM

	Policy Year 10/1/19-20	Policy Year 10/1/20-21	Policy Year 10/1/21-22	Policy Year 10/1/22-23	Policy Year 10/1/23-24	Policy Year 10/1/24-25	Policy Year 10/1/25-26	Total
REVENUE								
Deposit Premiums Earned (SIR)	$ 19,400,000	$ 21,054,700	$ 20,422,300	$ 20,078,087	$ 24,489,275	$ 27,050,474	$ 28,912,177	$ 161,407,013
Deposit Premiums Earned (10x10)	0	1,386,700	1,421,146	2,080,898	2,524,000	2,865,942	3,126,798	13,405,484
Realized Investment Income (Loss)	2,731,032	7,533,026	5,747,177	5,316,694	5,427,532	1,171,998	758,115	28,685,574
Total Revenue	22,131,032	29,974,426	27,590,623	27,475,679	32,440,807	31,088,414	32,797,090	203,498,071
EXPENSES								
Paid Claims	16,300,000	11,300,347	11,893,361	11,241,455	12,180,312	4,372,691	13,162	67,301,328
General/Administrative	3,108,584	3,182,059	3,526,947	453	0	0	0	9,818,043
Dividends paid to JPIA	2,811,601	6,205,427	4,454,952	5,836,761	2,854,491	0	0	22,163,233
Total Expenses	22,220,185	20,687,833	19,875,260	17,078,670	15,034,803	4,372,691	13,162	99,282,604
Paid in capital	22,249,990	0	0	310,900	0	1,976,761	0	24,537,651
Book balance	$ 22,160,837	$ 9,286,593	$ 7,715,363	$ 10,707,910	$ 17,406,004	$ 28,692,484	$ 32,783,928	$ 128,753,118

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUNE 30, 2026

WORKERS COMPENSATION PROGRAM

	Policy Year 7/1/20-21	Policy Year 7/1/21-22	Policy Year 7/1/22-23	Policy Year 7/1/23-24	Policy Year 7/1/24-25	Policy Year 7/1/25-26	Total
REVENUE							
Deposit Premiums Earned	$ 13,426,250	$ 13,377,935	$ 8,804,600	$ 8,469,500	$ 8,570,400	$ 4,878,400	$ 57,527,085
Deposit Premiums Earned (10x10)	0	0	0	0	0	0	0
Realized Investment Income (Loss)	4,590,686	3,287,325	1,854,902	674,274	335,752	115,434	10,858,374
Total Revenue	18,016,936	16,665,260	10,659,502	9,143,774	8,906,152	4,993,834	68,385,459
EXPENSES							
Paid Claims	6,340,477	3,741,815	3,489,635	3,301,415	2,710,602	439,342	20,023,286
General/Administrative	4,055,625	4,457,009	45	0	0	0	8,512,678
Dividends paid to JPIA	3,776,755	2,338,462	1,061,160	223,743	0	0	7,400,120
Total Expenses	14,172,856	10,537,286	4,550,840	3,525,158	2,710,602	439,342	35,936,084
Paid in capital	0	14,700,000	(222,445)	0	(3,105,692)	0	11,371,863
Book balance	$ 3,844,080	$ 20,827,974	$ 5,886,217	$ 5,618,616	$ 3,089,858	$ 4,554,492	$ 43,821,238

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH JUNE 30, 2026

EMPLOYEE BENEFITS PROGRAM

	Policy Year 2022	Policy Year 2023	Policy Year 2024	Policy Year 2025	Policy Year 2026	Total
REVENUE						
Deposit Premiums Earned	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Deposit Premiums Earned (10x10)	0	0	0	0	0	0
Realized Investment Income (Loss)	(169,034)	1,176,711	8,861,240	2,758,964	1,858,057	14,485,938
Total Revenue	(169,034)	1,176,711	8,861,240	2,758,964	1,858,057	14,485,938
EXPENSES						
Paid Claims	0	0	0	0	0	0
General/Administrative	0	1,295	0	0	0	1,295
Dividends paid to JPIA	620,864	0	2,921,412	6,137,871	0	9,680,147
Total Expenses	620,864	1,295	2,921,412	6,137,871	0	9,681,443
Paid in capital	60,000,000	0	0	0	0	60,000,000
Book balance	$ 59,210,102	$ 1,175,416	$ 5,939,828	$ (3,378,907)	$ 1,858,057	$ 64,804,495

CWIF

California Water Insurance Fund

CWIF exists for the sole purpose of advancing and supporting the insurance and risk management needs and insurance-related support programs of the ACWA JPIA.

Shareholder and Board of Directors Meeting

AGENDA

Holland & Hart
222 South Main Street, Suite 2200
Salt Lake City, Utah 84101

Friday, May 29, 2026 – 9:00 AM MT

Presenter			Page #
Beatty	*	1. Shareholder Approval and Ratification of Newly Elected Board Members	**3**
Morris	*	2. Approve the Minutes of the December 1, 2025, Meeting	**4**
Nash		3. Captive 101 Orientation	**7**
Beatty	*	4. Program Status	**10**
deBernardi	*	5. Review Dividend Policy	**18**
deBernardi	*	6. Review and Take Action on Dividend	**22**
deBernardi	*	7. Review and Take Action on Investment Policy Statement Revisions	**23**
PFM	*	8. PFM Investment Portfolio Update	**30**
deBernardi	*	9. Review and Take Action on Audited Financial Statements Year Ending September 30, 2025	**47**
All	*	10. Consideration of CWIF Stop Loss Policy for JPIA Medical Program	**82**
Morris	*	11. Discuss Next Meeting Date on June 26, 2026	**108**

ADJOURN

**Related items enclosed.*

CWIF

California Water Insurance Fund

CWIF exists for the sole purpose of advancing and supporting the insurance and risk management needs and insurance-related support programs of the ACWA JPIA.

Board of Directors Meeting

AGENDA

ACWA JPIA
2100 Professional Drive
Roseville, California 95661

Friday, June 26, 2026 – 10:30 AM

Presenter			Page #
Morris	*	1. Approve the Minutes of the May 29, 2026, Meeting	**3**
Beatty	*	2. Approve the Workers' Compensation Reinsurance Agreement for the 2026-27 Policy Year	**5**
Morris		3. Discuss Availability for Next Meeting on September 25, 2026	

ADJOURN

**Related items enclosed.*

ACWA JPIA
Investment Policy
September 24, 2026

BACKGROUND
The current Investment Policy was approved by the Board of Directors in December 2025. Every year, according to the JPIA Bylaws, the Investment Policy must be approved by the Board of Directors.

CURRENT SITUATION
After review by staff and the JPIA's Investment Advisor, PFM, there is a proposed change summarized in an attached memo.

RECOMMENDATION
That the Finance and Audit Committee recommend that the Executive Committee approve the changes to the Investment Policy, as presented, and submit for final approval by the Board of Directors at the ACWA JPIA Fall Membership Summit in Anaheim, CA – November 30, 2026.

Prepared by: David deBernardi, Director of Finance Date prepared: August 28, 2026

pfm asset management

August 27, 2026

Memorandum

To: David deBernardi, Director of Finance
Dan Steele, Finance Manager
Association of California Water Agencies Joint Powers Insurance Authority

From: Michael Kronbetter, Relationship Manager
PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.

RE: ACWA JPIA 2026 Investment Policy Review

PFMAM has completed its review of the Investment Policy for the Association of California Water Agencies Joint Powers Insurance Authority, last approved December 2025. The Policy remains in compliance with the statutes of California Government Code (Code) that regulate the investment of public funds for local agencies. However, we do summarize below changes made to Code, effective January 1, 2026, and include a redlined draft of Policy that incorporates applicable changes for the Authority to consider.

SB 595 and 858 amended Section 53601 of Code with the following updates:

- The maximum maturity for eligible commercial paper was extended from 270 to 397 days. *See redlines recommended in Part 7 of "PERMISSIBLE INVESTMENTS" and summary chart in "LIMITATIONS/DIVERSIFICATION."*
- Local agencies with at least $100 million in investment assets are permitted to invest a maximum of 40% of its portfolio in commercial paper until January 1, 2031, then reverts to a maximum of 25%. *No change recommended to existing language in Part 7 of "PERMISSIBLE INVESTMENTS" and footnote of summary chart in "LIMITATIONS/DIVERSIFICATION."*
- In periods of low interest rates, Code had authorized local agencies to invest in U.S. government securities that could result in zero-interest accrual if held to maturity until January 1, 2026. This provision was extended to January 1, 2031. *No change recommended to existing language in "PROHIBITED INVESTMENTS" section of Policy.*

In addition, **SB 827** revises Code Section 53238 to establish additional fiscal and financial training requirements for certain local agency officials. **SB 852** adds public officials who manage public investments to the list of individuals required to electronically file statements of economic interest with the Fair Political Practices Commission. PFMAM encourages ACWA JPIA to understand these requirements, as applicable, but does not recommend how these administrative matters should be implemented as they extend beyond the scope of investments.

Please let us know if you may wish to schedule a call to discuss our review or to answer any questions you may have. Thank you.

PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc.

Investment observations based on Association of California Water Agencies Joint Powers Insurance Authority Investment Policy Statement as of 08/27/2026. Investment observations are for informational purposes only and are not intended to provide specific advice or any specific recommendations.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

ASSOCIATION OF CALIFORNIA WATER AGENCIES

JOINT POWERS INSURANCE AUTHORITY

INVESTMENT POLICY

Revised: 0~~9~~8/202~~6~~5 - Approved: ~~12/2025~~

INVESTMENT POLICY

OBJECTIVE

The objectives of the Investment Policy of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA or Authority) are as follows, in order of priority.

(1) Safeguard the principal of the funds under its control by maintaining an appropriate risk level.
(2) Meet the liquidity needs of the Authority.
(3) Achieve an optimum rate of return (defined as income plus realized and unrealized capital gains and losses) on available assets (not required for current operating needs), commensurate with an appropriate level of risk.

SCOPE

Except for funds held in the JPIA's working bank accounts used for the daily operations, funds with the California Water Insurance Fund, and any retirement funds held in a trust, it is intended that this policy cover investment funds and activities of the Authority.

DELEGATION OF AUTHORITY

Section 53600, et seq. of the Government Code provide legal authorization and reporting requirements for the investment of funds of local agencies when applicable. All investments of the JPIA shall conform to the restrictions of these laws. In accordance with Section 53607 the authority to invest or reinvest the funds of the Authority is delegated to the Treasurer of the JPIA for a one-year period. Each year the Authority's Board of Directors meets at the ACWA Spring and Fall Conference and therein delegates its authority to invest funds to the Authority's Treasurer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

PRUDENCE

All participants in the investment process shall recognize that the investment portfolio is subject to the prudent investor standard as set forth by California Government Code and to public review and evaluation and shall seek to act responsibly as fiduciaries of the public trust. The prudent investor standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Authority, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like, aims, to safeguard the principal and maintain the liquidity needs of the Authority.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Chief Executive Officer any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Authority.

PERMISSIBLE INVESTMENTS

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. See table on page 6 for further limits.

The classes of investments that most adequately meet the criteria for purchases are listed as follows.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category. No more than 50% of the Authority's investment portfolio may be invested in any one federal agency.

3. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a NRSRO.

   There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

5. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a NRSRO.

There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

6. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category as provided for by a NRSRO.

   Purchases of Bankers' Acceptances may not exceed 180 days' maturity or 20% of the Authority's investment portfolio.

7. Commercial paper rated in the highest letter and number rating as provided for by an NRSRO. The entity that issues the commercial paper shall meet all of the conditions in either paragraph (a) or (b):

   a. The entity meets the following criteria:

      (i) Is organized and operating in the United States as a general corporation.

      (ii) Has total assets in excess of five hundred million dollars ($500,000,000).

      (iii) Has debt other than commercial paper that, if any, is rated in a rating category "A," its equivalent or higher by an NRSRO.

   b. The entity meets the following criteria:

      (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

      (ii) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

      (iii) Has commercial paper that is rated in a rating category "A-1" or higher, or the equivalent, by an NRSRO.

   Purchases of eligible commercial paper may not exceed ~~270~~ 397 days' maturity.

   Purchases of commercial paper may not exceed 40% of the Authority's investment portfolio (The limit is 25% if the Authority has less than $100 million of investment assets).

8. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term corporate notes shall be rated in a rating category "A", its equivalent, or better by an NRSRO.

   Purchase of medium-term corporate notes may not exceed 30% of the Authority's investment portfolio.

9. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a federally- or state-licensed branch of a foreign bank; provided that the senior

debt obligations of the issuing institution are rated in a rating category "A", its equivalent, or better by an NRSRO.

Purchase of negotiable certificates of deposit may not exceed 30% of the Authority's investment portfolio.

10. FDIC insured or fully collateralized time certificates of deposit (Time CDs) in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in as specified under Government Code Section 53630 et seq. The Treasurer, at their discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance.

11. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

    a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.

    b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o) Government Code Section 53601, inclusive.

    c. The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

    The purchase price of shares shall not exceed 50% of the investment portfolio of the Authority.

12. State of California's Local Agency Investment Fund (LAIF). Investment in LAIF may not exceed the lesser of the limit established by LAIF or 50% of the portfolio and should be reviewed periodically. (Government Code § 16429.1)

13. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of $500,000,000.

    The purchase price of shares shall not exceed 20% of the investment portfolio of the Authority.

14. Repurchase Agreements used solely as short-term investments not to exceed 92 days.

    The Authority may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

    The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in this section, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed, 102% of the total dollar value of the money invested by the Authority for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day.

    Market value must be calculated each time there is a substitution of collateral.

    The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

    The Authority will have properly executed SIFMA agreement with each counter party with which it enters into Repurchase Agreements.

    Purchases of repurchase agreements shall not exceed 20% of the investment portfolio of the Authority.

15. Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AAA", its equivalent, or better by an NRSRO.

    Purchases of supranationals shall not exceed 20% of the investment portfolio of the Authority.

16. Asset-Backed Securities. Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds. For securities eligible for investment under this subdivision not issued or guaranteed by the issuers in subsections 1 and 2 above the following limitations apply:

a. The security shall be rated in a rating category "AA" or its equivalent or better by at least one NRSRO and have a maximum remaining maturity of five years or less.

b. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's total portfolio.

17. Placement Service Deposits. Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall meet all of the requirements of Government Code Section 53601.8. Purchases of Placement Service CDs may not exceed 50% of the Authority's total portfolio.

The JPIA shall also have the option of depositing funds with banks, savings and loans, and credit unions (Government Code §53620 et seq.) as a means to complement the investment program when appropriate. The financial institutions shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisorial agency of its record of meeting the credit needs of California’s communities as required by (Government Code § 53635.2). All bank deposits must be collateralized as specified under Government Code Section 53630 et seq. The Treasurer, at their discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance.

LIMITATIONS/DIVERSIFICATION

Below is a table summarizing the maximum percentage and minimum credit quality required for each permissible investment type. Percent limitations shown are based on book value at time of purchase. Percentages may change after purchase as a result of withdrawals from the portfolio. Credit quality refers to the credit rating at the time the security is purchased. If an investment’s credit rating falls below the minimum rating, the Treasurer will perform a timely review and decide whether to sell or hold the investment.

The average life of the total portfolio at any time shall not exceed four years. The maximum maturity, measured from settlement date, for all investments, unless otherwise noted, is 5 years. U.S. Treasuries and Federal Agencies with maturities longer than 5 years may be purchased for specific purposes with the prior approval by the Executive Committee at least 90 days in advance of the purchase. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment.

No more than 5% of the portfolio will be invested in any one issuer excluding U.S. Treasuries, Federal Agencies, supranationals, and investment pools (LAIF, LGIPs, and money market funds).

INVESTMENT TYPE	% OF INVESTMENT PORTFOLIO	% OF ISSUER REGARDLESS OF SECTOR	MAXIMUM MATURITY	MINIMUM RATING CATEGORY
US TREASURY	100%	100%	5 YEARS	
FEDERAL AGENCY	100%	50%	5 YEARS	
CALIFORNIA STATE OBLIGATIONS	100%	5%	5 YEARS	A
CALIFORNIA LOCAL GOVERNMENT OBLIGATIONS	100%	5%	5 YEARS	A
OTHER STATE OBLIGATIONS	100%	5%	5 YEARS	A
BANKERS' ACCEPTANCES	20%	5%	180 DAYS	Highest by NRSRO
COMMERCIAL PAPER	40%/25%*	5%	~~270~~ 397 DAYS	Highest by NRSRO
MEDIUM TERM NOTES	30%	5%	5 YEARS	A
NEGOTIABLE CD'S	30%	5%	5 YEARS	A
TIME CDS	30%	FDIC/NCUA LIMITS	5 YEARS	BANKS/S&I/CU INSURED
LGIP	50%	N/A	-	AAAm
LAIF	50%	N/A	DAILY	N/A
MONEY MARKET FUNDS	20%	20%	-	TREASURY/ AGENCY ONLY
REPURCHASE AGREEMENTS	20%	20%	92 DAYS	Primary Dealer
SUPRANATIONALS	20%	20%	5 YEARS	AAA
ASSET-BACKED SECURITIES	20%	5%	5 YEARS	AA
PLACEMENT SERVICE DEPOSITS	50%	N/A	5 YEARS	FDIC/NCUA INSURED

* The limit is 25% if the Authority has less than $100 million of investment assets

INVESTMENT POOLS

Prior to investing in any pooled investment program and at least annually thereafter, the Authority shall perform a review of the investment policy and portfolio of any investment pools in which the Authority invests, including LAIF and LGIPs. In addition, the Treasurer shall maintain on file a copy of the pool's current disclosure document describing the program.

PROHIBITED INVESTMENTS

The Authority shall not invest in inverse floaters, range notes, mortgage derived interest-only strips, or in any security that could result in zero earnings accrual if held to maturity, except as authorized by Code Section 53601.6, and any investment not expressly authorized in the Government Code.

The Authority is prohibited from investing in securities unless specifically permitted by this Investment Policy.

TRADING

The Authority shall not make investments for the purpose of trading or speculation as the dominant criterion such as anticipation of appreciation of capital value through changes in market rates.

BORROWING

Any borrowing in the amount of one hundred thousand dollars or more shall be considered and deliberated as a separate item of business on the agenda of the JPIA's Executive Committee. Borrowing does not include bank overdrafts.

INTERNAL CONTROLS

The Treasurer shall establish and maintain a system of internal controls designed to ensure that the assets of the Authority are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management. The internal controls should include references to safekeeping, master repo agreements, wire transfer agreements, banking service contracts, collateral/depository agreements, and other investment related activities as applicable.

Accordingly, the Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures**.**

COLLATERALIZATION

Collateralization for repurchase agreements and non-negotiable Certificates of Deposit shall be required in accordance with state law.

SAFEKEEPING/CUSTODY

Investment securities are to be purchased when possible in book-entry form in the Authority's name. All deliverable securities owned by the Authority shall be held in safekeeping by a third party bank trust department acting as agent for the Authority under the terms of a written custody agreement executed by the bank and the Authority. All investment transactions require the bank to provide a safekeeping receipt or acknowledgment generated from the trade. All security transactions, including collateral for repurchase agreements, entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. The safekeeping institution is required to provide a listing all securities held in safekeeping with current market data and other information on a monthly basis.

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The Executive Committee authorized Term and non-negotiable instruments, such as certificates of deposit, to be held by the Treasurer, or in safekeeping as the Treasurer deems appropriate.

PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the Authority. The Authority shall establish a performance benchmark. Benchmarks may change over time based on changes in market conditions, investment preferences, or cash flow requirements.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

If an investment advisor is authorized to initiate investment transactions on the Authority's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to Authority upon request.

For any investment transactions conducted by the Treasurer, a list will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of $10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the Authority's investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted.

For all investment transactions, the Authority or its investment advisor shall seek a minimum of three bids/offers from brokers and dealers on the Authority's or investment advisor's list of approved broker/dealers.

ADVISORS

The JPIA's Executive Committee shall pre-approve investment advisors given the authority to manage all or part of the JPIA investment portfolio prior to establishing a relationship.

REPORTING/REVIEW

The Treasurer shall render a monthly list of investment transactions to the Chief Executive Officer, the JPIA's Executive, and Finance & Audit Committees as required by the California Government Code §53607 when investment authority has been delegated by the Executive Committee. The Treasurer shall render a quarterly report incorporating the following:

(1) For each investment, the report will describe the type of investment, issuer, date of maturity, par and dollar amount invested, yield to maturity, credit quality, duration and current market value as of the date of the report. Any managed funds shall be described in the quarterly report.

(2) The quarterly report shall state compliance of the portfolio to the statement of the investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the Authority to meet its expenditure requirements for the next six months, or provide an explanation as why sufficient money shall, or shall not, be available.

The Treasurer shall review the Authority's portfolio for compliance at least annually. The Treasurer shall establish procedures to report to the Finance Committee incidences of noncompliance through the review of the portfolio.

REVIEW OF INVESTMENT PORTFOLIO

It is the intent of the JPIA that the Policy will be followed at all times. Because some securities may not comply with this Investment Policy's requirements subsequent to the date of purchase, the Treasurer shall at least annually review the portfolio to identify those securities that do not comply. If a non-compliance issue has been identified it shall be taken to the JPIA's Finance or Executive Committee at the next scheduled meeting. The Committee will determine if any action is needed. Investments or securities found not to be in compliance with this Investment Policy do not necessarily require immediate action.

INVESTMENT POLICY ADOPTION

The Treasurer shall render annually a statement of investment policy to the JPIA's Executive Committee for consideration and approval.

Glossary

Asset-backed securities (ABS) are securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Bankers' Acceptances are short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. An acceptance is a high-grade negotiable instrument.

Broker-Dealer is a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Certificates of Deposit

1. **Negotiable Certificates of Deposit** are large-denomination CDs issued in $1 million increments. These securities have average trades in the secondary market of $5 million to $10 million. They are issued at face value and typically pay interest at maturity, if maturing in less than 12 months. CDs that mature beyond this range pay interest semi-annually. Negotiable CDs are issued by U.S. banks (domestic CDs), U.S. branches of foreign banks (Yankee CDs), and thrifts. There is an active secondary market for negotiable domestic and Yankee CDs. However, the negotiable thrift CD secondary market is limited. Yields on CDs exceed those on U.S. treasuries and agencies of similar maturities. This higher yield compensates the investor for accepting the risk of reduced liquidity and the risk that the issuing bank might fail. State law does not require the collateralization of negotiable CDs.

2. **Non-negotiable Certificates of Deposit** are time deposits with financial institutions that earn interest at a specified rate for a specified term. Liquidation of the CD prior to maturity incurs a penalty. There is no secondary market for those instruments, therefore, they are not liquid. They are classified as public deposits and financial institutions are required to collateralize them. Collateral may be waived for the portion of the deposits that are covered by FDIC insurance.

Collateral is securities, evidence of deposits, or other property that a borrower pledges to secure repayment of a loan. It also refers to securities pledged by a bank to secure deposits. In California, repurchase agreements, reverse repurchase agreements, and public deposits must be collateralized.

Commercial Paper is a short term, unsecured, promissory note issued by a corporation to raise working capital.

Delivery versus Payment (DVP) is a settlement system in which the transfer of securities and associated payment occur simultaneously. This ensures that the final transfer of the security occurs, if and only if, the final transfer of the associated payment (or other assets) occurs.

Federal Agency Obligations are issued by U.S. Government Agencies or Government Sponsored Enterprises (GSE). Although they were created or sponsored by the U.S. Government, most Agencies and GSEs are not guaranteed by the United States Government. Examples of these securities are notes, bonds, bills and discount notes issued by Fannie Mae (FNMA), Freddie Mac (FHLMC), the Federal Home Loan Bank system (FHLB), and Federal Farm Credit Bank (FFCB). The Agency market is a very large and liquid market, with billions traded every day.

Issuer means any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Liquidity refers to the ease and speed with which an asset can be converted into cash without loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

Local Agency Investment Fund (LAIF) is a special fund in the State Treasury that local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is $5,000, in multiples of $1,000 above that, with a maximum of $75 million for any California public agency. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the agency's LAIF account. The State keeps an amount for reasonable costs of making the investments, not to exceed one-quarter of one per cent of the earnings.

Local Government Investment Pool (LGIP) is a collection of funds from various governmental entities invested in a common portfolio. Each investor earns interest proportional to their investment in the overall pool.

Market Value is the price at which a security is trading and could presumably be purchased or sold.

Maturity is the date upon which the principal or stated value of an investment becomes due and payable.

Medium-Term Notes are debt obligations issued by corporations and banks, usually in the form of unsecured promissory notes. These are negotiable instruments that can be bought and sold in a large and active secondary market. For the purposes of California Government Code, the term “Medium Term” refers to a maximum remaining maturity of five years or less. They can be issued with fixed or floating-rate coupons, and with or without early call features, although the vast majority are fixed-rate and non-callable. Corporate notes have greater risk than Treasuries or Agencies because they rely on the ability of the issuer to make payment of principal and interest.

Money Market Fund is a type of safe investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must maintain a stable net asset value (NAV) of $1 per share.

Municipal Obligations are debt instruments issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency registered with the U.S. Securities and Exchange Commission (SEC) that that provides ratings that indicate the agency’s opinion of the relative credit quality of securities. The three largest NRSROs are S&P’s Global, Moody’s Investors Service, and Fitch Ratings.

Principal describes the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Repurchase Agreements are short-term investment transactions. Banks buy temporarily idle funds from a customer by selling him U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date at an agreed upon interest rate. Repurchase Agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal Funds and the maturity of the Repo. Repurchase Agreements must be collateralized.

Supranationals are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

U.S. Treasury Issues are direct obligations of the United States Government. They are highly liquid and are considered the safest investment security. U.S. Treasury issues include:

1. **Treasury Bills** that are non-interest-bearing discount securities issued by the U.S. Treasury to finance the national debt. Bills are currently issued in one, three, six, and twelve month maturities.

2. **Treasury Notes** that have original maturities of one to ten years.

3. **Treasury Bonds** that have original maturities of greater than 10 years.

Yield to Maturity is the rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.

ACWA JPIA
2025-26 Budget to Actual Review
September 24, 2026

BACKGROUND
The 2025-26 Budget was approved by the JPIA Board of Directors in the Spring of 2025. This period covers from October 1, 2025, through June 30, 2026. The JPIA changed its fiscal year from 9/30 to 6/30 in March 2026.

CURRENT SITUATION
Staff will provide an update on budget vs. actual for the nine months ended June 30, 2026.

RECOMMENDATION
None, information only.

Prepared by: David deBernardi, Director of Finance Date prepared: September 1, 2026

G&A Budget-to-Actual

Nine months ended June 30, 2026 | Nine-month transition year

Annual Budget	9-Month Prorated Budget	Actual Expenses	Variance
$15.945M	**$11.959M**	**$12.590M**	**+$632K**

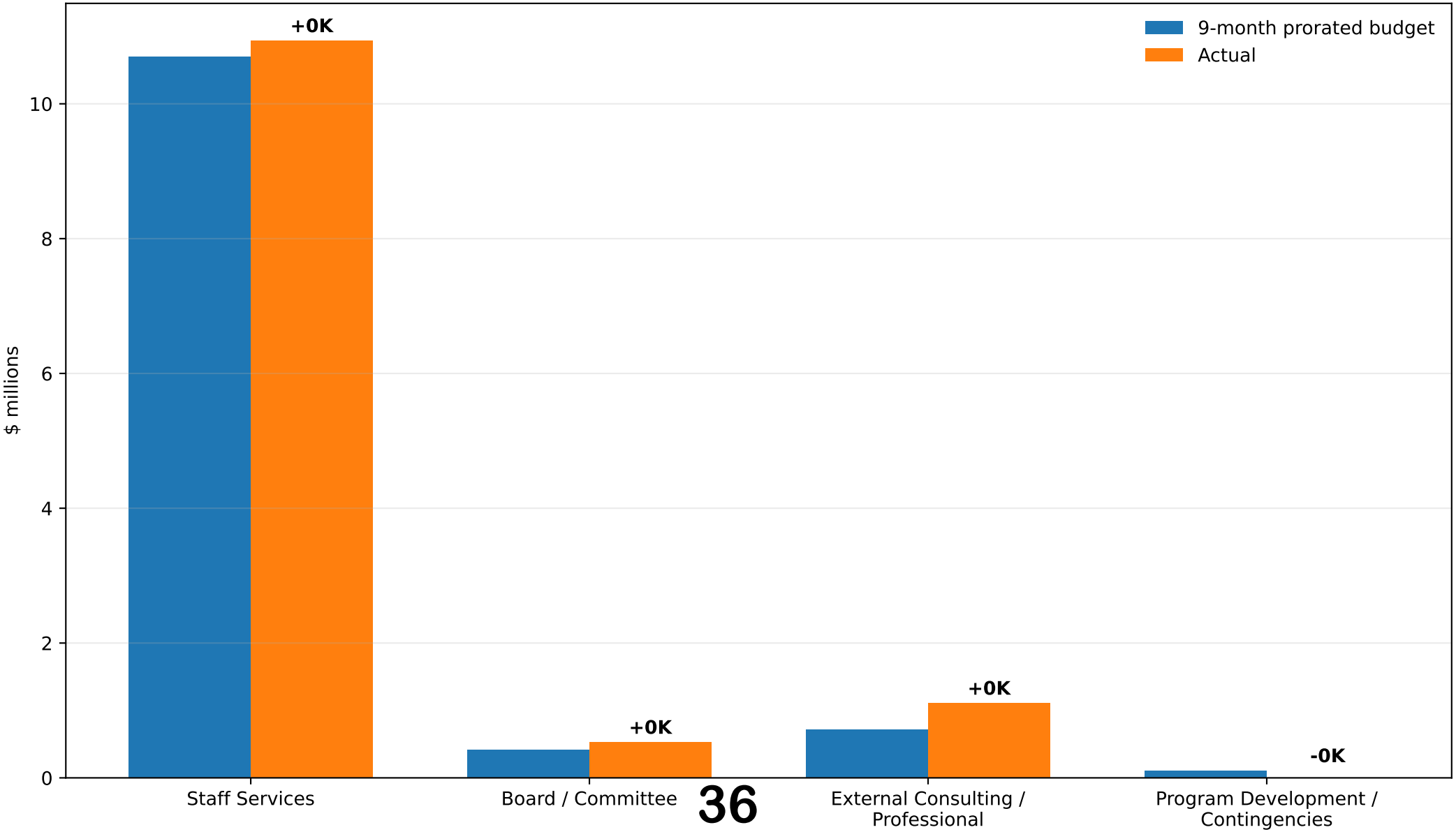
Key message

The $632K unfavorable variance is concentrated in a small number of items.

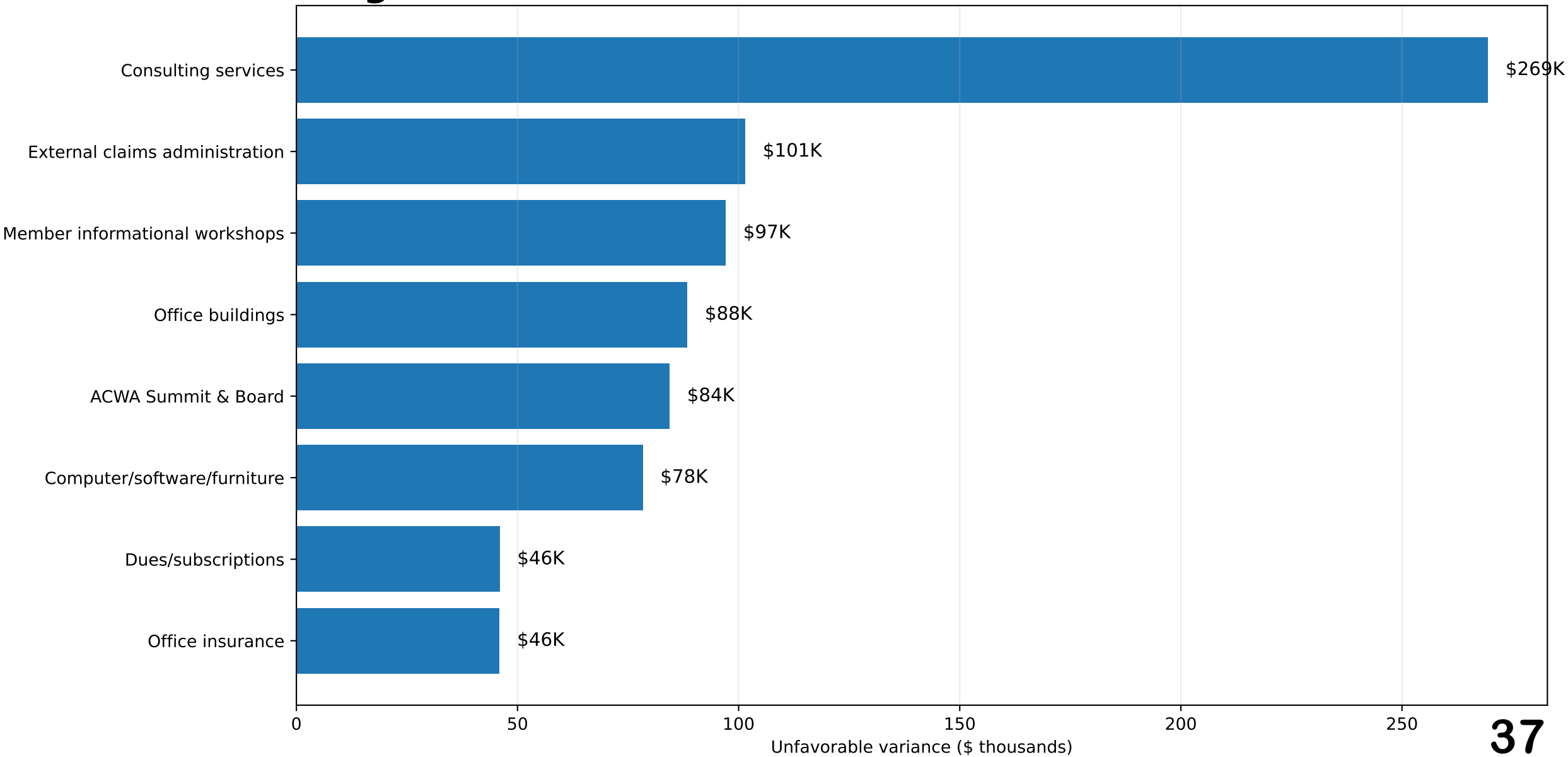
Many reflect timing / transition-year effects or identifiable one-time and unbudgeted costs.

The $632K variance equals 4.0% of the full-year budget.

Where the G&A variance is concentrated



Largest unfavorable individual variances



How to interpret the $632K variance

Timing / transition-year effects

- Telephone: annual cost paid in October
- Office insurance: 21 months of coverage paid
- Claims administration: 12 months expensed
- Financial audit: full audit paid in 9 months
- Executive Committee: 2 Summits in 9 months

One-time / unbudgeted items

- $244K infrared / boiler inspections
- $35K Umelle
- $27K Propellint
- $17K medical claims audit
- $10K forensic employee analysis

Offsets / favorable items

- Salaries: $59K favorable
- Benefits: $16K favorable
- Training: $33K favorable
- Staff travel: $14K favorable
- RAS travel: $15K favorable
- Contingencies: $113K favorable

The nine-month transition year makes straight-line prorating an imperfect measure of performance.

	ACWA/JPIA STAFF SERVICES	BUDGET FYE 9/30/26	ACTUAL FYE 6/30/26	Prorated Budget	Over (Under)
1	Staff Salaries & Temporary Services	$ 8,590,000	$ 6,383,375	$ 6,442,500	$ (59,125)
2	Staff Employee Benefits	3,010,000	2,241,736	2,257,500	(15,764)
3	Office Buildings	200,000	238,354	150,000	88,354
4	Postage and Freight	54,000	44,088	40,500	3,588
5	Telephone Service	66,000	72,124	49,500	22,624
6	Outside Printing	22,000	9,835	16,500	(6,665)
7	JPIA Office Insurance	28,000	66,905	21,000	45,905
8	General Office Supplies	45,000	20,847	33,750	(12,903)
9	Computer Equipment, Software and Office Furniture	1,260,000	1,023,284	945,000	78,284
10	Dues, Subscriptions, & Misc. Publications	100,000	120,922	75,000	45,922
11	Staff Education/Training Seminars & Coursework	240,000	146,645	180,000	(33,355)
12	Depreciation on Capital Assets	190,000	135,576	142,500	(6,924)
13	Staff Travel Related Expenses	143,000	93,431	107,250	(13,819)
14	Staff RAS Travel-Related Expenses	75,000	41,510	56,250	(14,740)
15	Member Informational Workshops	135,000	198,285	101,250	97,035
16	Lending Library	1,000	248	750	(503)
17	Member Safety & Loss Control Incentive Awards	110,000	105,749	82,500	23,249
18	**Total ACWA/JPIA Staff Services**	14,269,000	10,942,913	10,701,750	241,163
	COMMITTEES & BOARD OF DIRECTORS' SERVICES				
19	Executive Committee Member Expenses	300,000	265,297	225,000	40,297
20	Finance/Audit Committee & Sub-Committee Expenses	33,000	11,552	24,750	(13,198)
21	Semi-Annual ACWA Summit. & Board of Directors' Expense	230,000	256,841	172,500	84,341
22	**Total Committees & Board of Directors' Services**	563,000	533,690	422,250	111,440
	EXTERNAL CONSULTING AND PROFESSIONAL SERVICES				
23	Insurance Program Actuarial Analysis	21,000	15,968	15,750	218
24	Consulting Services	145,000	378,156	108,750	269,406
25	Occu-Med	110,000	81,091	82,500	(1,409)
26	Target Safety	157,000	118,254	117,750	504
27	General Legal/Attorney Services	20,000	13,856	15,000	(1,144)
28	Specific Claims & Coverage Related Legal Fees	50,000	3,750	37,500	(33,750)
29	External Claims Administration	370,000	378,963	277,500	101,463
30	ACWA JPIA Financial Audit	70,000	74,950	52,500	22,450
31	Insurance Programs Claims Audits	-	17,170	-	17,170
32	Personnel Consulting Services	20,000	31,700	15,000	16,700
33	**Total External Consulting / Professional Services**	963,000	1,113,857	722,250	391,607
				-	
34	**PROGRAM DEVELOPMENT / CONTINGENCIES**	150,000	-	112,500	(112,500)
				-	
35	**TOTAL GENERAL & ADMINISTRATIVE EXPENSES**	$ 15,945,000	12,590,461	11,958,750	631,711

ACWA JPIA
Approval of the Catastrophic (CAT) Funds Policy
(Strategic Plan Deliverable)
September 24, 2026

BACKGROUND
This proposed CAT Funds Policy advances the Strategic Plan's Goal II: Pool Stability Growth, Strategic Objective 3, "Fully fund reserve funds prior to releasing dividends," and provides a governance framework that supports the Year 1 deliverable to develop a CAT Fund actuarial analysis requirements policy.

The JPIA has collected special funds known as Catastrophic (CAT) Funds from its members for well over 15 years. In earlier years, money for the CAT Funds was collected directly from members as part of the annual billing. Over time, management elected to stop collecting CAT Funds as part of the annual billing and to use members' rate stabilization funds to fund their CAT Funds. CAT Funds are tracked by each individual member, with each having a proportionate share of the goal. The purpose of these funds was to serve as a buffer for members if the JPIA experienced adverse claims in a self-funded program year. The concept here was to shield the JPIA membership from large, unexpected bills resulting from a program year being significantly underfunded. The deployment of CAT Funds requires Executive Committee approval. CAT Funds are separately maintained for Liability, Property, and Workers' Compensation Programs.

The current CAT Fund goals are:

Program	CAT Fund Goal
Liability	$29,000,000
Workers' Compensation	$12,000,000
Property	$14,000,000
Total	**$55,000,000**

CURRENT SITUATION
As per the aforementioned 2026-2030 Strategic Plan Goal II, Objective 3, staff is proposing the attached policy for review and approval. This policy outlines the current process for the purpose, funding, and use of the CAT Funds. The intent of this policy is to formally document the process and use of CAT Funds in JPIA's operations. There are no changes from current practices in the proposed policy.

RECOMMENDATION
That the Finance and Audit Committee recommend to the Executive Committee to approve the attached Catastrophic (CAT) Funds Policy.

Prepared by: David deBernardi, Director of Finance Date prepared: August 26, 2026

Catastrophic (CAT) Funds Policy

1. Purpose

The purpose of this Catastrophic (CAT) Funds Policy ("Policy") is to establish a consistent and financially prudent framework for the establishment, funding, use, maintenance, and review of Catastrophic Funds maintained by the ACWA Joint Powers Insurance Authority ("JPIA").

CAT Funds are established to provide financial protection to the JPIA's self-insured programs in the event of unusually adverse loss experience that results in a program year being significantly underfunded.

The JPIA maintains separate CAT Funds for the following self-insured programs:

- Liability Program
- Workers' Compensation Program
- Property Program

Each program operates independently and is financially responsible for its own costs, revenues, reserves, and CAT Fund.

2. Policy Objectives

The objectives of the CAT Funds are to:

1. Provide a source of funding for unusually adverse program years in which collected program contributions are materially insufficient to cover program costs.
2. Maintain the financial stability and long-term sustainability of each self-insured program.
3. Establish clearly defined CAT Fund targets based on the JPIA's independent actuarial analysis.
4. Maintain appropriate member-level accounting of CAT Fund balances.
5. Ensure CAT Funds are used only for their intended purpose and with appropriate governance oversight.

3. Separate Program Structure

Each self-insured program shall be financially independent for purposes of this Policy.

The Liability, Workers' Compensation, and Property Programs shall each maintain a separate CAT Fund. Funds attributable to one program shall not be used to fund another program.

The financial resources of one program, including its CAT Fund, shall not be used to offset losses, expenses, or funding deficiencies of another program except as otherwise specifically authorized by the JPIA Executive Committee. Authorized transfers between programs will require member-level accounting to remain intact.

4. CAT Fund Goals

Each program shall maintain a CAT Fund goal established to provide an appropriate level of financial protection against unusually adverse loss experience.

CAT Fund goals shall be based upon estimated program losses and other relevant actuarial considerations, including the JPIA's third-party actuarial analysis at a 99% confidence level.

The CAT Fund goals represent the aggregate target for the applicable program and are not intended to represent a guaranteed maximum loss or a guarantee that the CAT Fund will be sufficient to fund every adverse program year.

5. Review of CAT Fund Goals

The JPIA shall review the CAT Fund goals at least every three years.

The review shall be conducted in conjunction with recent actuarial reports and shall consider, as appropriate:

- Changes in the estimated loss distribution of each program;
- Changes in program size and exposure;
- Historical loss experience;
- Changes in actuarial assumptions or methodologies;
- Changes in the JPIA's financial condition;
- Changes in the risk profile of the membership; and
- Other factors that may affect the appropriate level of catastrophic funding.

Following the review, JPIA staff shall determine whether revisions to the CAT Fund goals are warranted and shall present any recommended changes to the Finance and Audit Committee and/or other appropriate governing body for approval.

6. Member CAT Fund Accounts

CAT Funds shall be tracked on a member-by-member basis within each applicable program.

Each member shall have a proportionate share of the applicable program's CAT Fund goal. A member's CAT Fund balance shall be maintained separately for each program.

A member's CAT Fund account shall reflect amounts allocated or transferred to the CAT Fund on behalf of that member, as well as any amounts utilized from the member's CAT Fund account pursuant to this Policy.

The methodology used to determine each member's proportionate share of a program's CAT Fund goal shall be established by the JPIA and applied consistently among members.

7. Funding of CAT Funds

CAT Funds shall be funded through amounts collected from members in excess of the amounts required to fund the applicable self-insured program for a given program year.

When a program year produces funds in excess of the amount needed to fund the program's costs and required financial obligations, such excess funds may be transferred to the applicable member's CAT Fund account, subject to the member's CAT Fund goal.

CAT Fund funding shall continue until the member has reached its proportionate share of the applicable program's CAT Fund goal.

Once a member has reached its CAT Fund goal for a program, additional amounts collected in excess of program costs may become eligible for consideration for return pursuant to the provisions of this Policy.

8. Use of CAT Funds

CAT Funds are intended to provide financial support during unusually adverse program years in which the applicable program experiences losses materially greater than originally anticipated.

CAT Funds may be considered for use when a program year is significantly underfunded, generally when actual losses or projected losses are in excess of approximately 150% of the original actuarial estimate for the applicable program year.

The 150% threshold is intended to serve as a general indicator of an unusually adverse program year and shall not be interpreted as an automatic trigger for the use of CAT Funds.

The determination to use CAT Funds shall consider the overall financial condition of the applicable program, including available reserves, current and projected losses, expected future funding requirements, and other relevant financial considerations.

9. Authorization for Use of CAT Funds

CAT Funds shall not be used automatically when a program experiences adverse loss development.

Use of CAT Funds requires approval by the JPIA Executive Committee.

Staff shall provide the Executive Committee with appropriate information supporting the proposed use of CAT Funds, which may include:

- The applicable program and program year;
- Original actuarial loss estimates;
- Actual and projected losses;
- The extent of the funding deficiency;
- Available program reserves and other financial resources;
- The amount of CAT Funds proposed to be utilized; and
- The anticipated impact on the financial condition of the program and its CAT Fund.

The Executive Committee may approve, modify, or reject a proposed use of CAT Funds based on the circumstances of the applicable program.

10. Member Allocation Following CAT Fund Use

When CAT Funds are utilized, the amount utilized shall be accounted for at the member level consistent with the member-by-member structure of the CAT Fund.

The JPIA shall maintain records sufficient to identify the impact of CAT Fund utilization on each member's CAT Fund position and the applicable program's overall CAT Fund balance.

The Executive Committee may consider the appropriate allocation of CAT Fund utilization among members based on the established member allocation methodology.

11. Program Year Review and Potential Return of Excess Funds

For purposes of determining whether excess funds may be returned to members, the JPIA shall review program years that are at least **five years old or older**.

The five-year period is intended to provide sufficient time for the majority of claims and related program costs associated with a program year to develop before determining whether funds associated with that year remain necessary.

For each eligible program year, the JPIA shall compare the revenues collected from each member for the applicable program year with the member's proportionate share of the costs associated with that program year.

The review shall consider the final or substantially developed loss experience for the program year and any other relevant financial obligations or adjustments, such as whether or not there are any open claims, reserves, and/or incurred but not reported funds allocated to each program year.

12. Eligibility for Return of Excess Funds

A member shall not be eligible to receive a return of excess funds from a program year unless the member has satisfied its applicable CAT Fund goals.

In general, a member must have fully funded its proportionate share of the CAT Fund goals for the applicable programs and years before excess amounts may be considered for return. In addition, there may be other financial benchmarks requiring goal satisfaction before funds are eligible for return, as per JPIA's various financial funds and policies for financial stability.

Amounts that remain necessary to satisfy a member's CAT Fund goal shall remain in the CAT Fund and shall not be eligible for return.

Satisfaction of the CAT Fund goal does not create an automatic right or entitlement to a refund. Any return of excess funds shall remain subject to the JPIA's review of the financial condition of the applicable program, applicable years, and any required approval under JPIA policies and governing authority.

13. Determination of Potential Returns

When a program year is eligible for review, JPIA staff shall determine whether excess funds may be available for return based on:

1. The revenues collected from the member for the applicable program year;
2. The member's proportionate share of the costs associated with that program year;
3. The member's balance in their Rate Stabilization Fund (RSF) and applicable RSF goal;
4. The member's CAT Fund balance and applicable CAT Fund goal; and
5. The overall financial requirements of the JPIA.

Any proposed return of funds shall be reviewed by staff and presented to the Finance and Audit and Executive Committees for consideration of approval.

14. No Guarantee of Refund

The establishment of a CAT Fund account or the accumulation of funds in excess of a member's CAT Fund goal does not guarantee that a member will receive a refund.

The JPIA shall retain sufficient funds to protect the financial stability of each self-insured program and to meet known and reasonably anticipated obligations.

Any determination to return funds shall take into consideration the long-term financial condition of the applicable program, the financial condition of other programs the member participates in, and the JPIA's responsibility to maintain adequate resources to pay claims and other obligations.

15. Investment and Accounting

CAT Funds shall be accounted for in accordance with the JPIA's established accounting policies and applicable governmental accounting requirements.

CAT Fund balances shall be separately identifiable by program and member for transparency, financial reporting, and administrative purposes.

CAT Fund assets shall be managed and invested in accordance with the JPIA's applicable investment policies.

16. Reporting

JPIA staff shall periodically report CAT Fund balances and the status of each program's CAT Fund goal to the Finance and Audit and Executive Committees.

Reporting shall include, as appropriate:

- Total CAT Fund balance by program;
- Progress toward the established CAT Fund goal;
- Member-level funding status;
- Significant changes in CAT Fund balances;
- CAT Fund utilization during the reporting period; and
- Recommended changes to CAT Fund goals when warranted.

17. Policy Review

This Policy shall be reviewed periodically by JPIA staff and, at a minimum, in conjunction with the required three-year review of CAT Fund goals.

Any material changes to the Policy shall be presented to the Finance and Audit and Executive Committees for consideration of approval.

18. Authority

The Finance and Audit and Executive Committees shall oversee the implementation and periodic review of this Policy.

The JPIA Executive Committee shall retain ultimate authority over the financial policies and operations of the JPIA, including any matters requiring approval under the JPIA's governing documents or other adopted policies.

19. Effective Date

This Policy shall become effective upon approval by the Executive Committee and shall remain in effect until amended or rescinded.

Appendix A – Current CAT Fund Goals

Program	Aggregate CAT Fund Goal
Liability	$29,000,000
Workers' Compensation	$12,000,000
Property	$14,000,000
Total	**$55,000,000**

The CAT Fund goals contained in this Appendix shall be reviewed at least every three years in accordance with Section 5 of this Policy.

ACWA JPIA
Annual Comprehensive Financial Report (ACFR)
for the Nine-Month Period Ended June 30, 2026

September 24, 2026

BACKGROUND

Every fiscal year, the JPIA provides for an independent audit of the annual financial statements. Gilbert CPAs executed a successful audit covering the nine-month period from October 1, 2025, through June 30, 2026.

CURRENT SITUATION

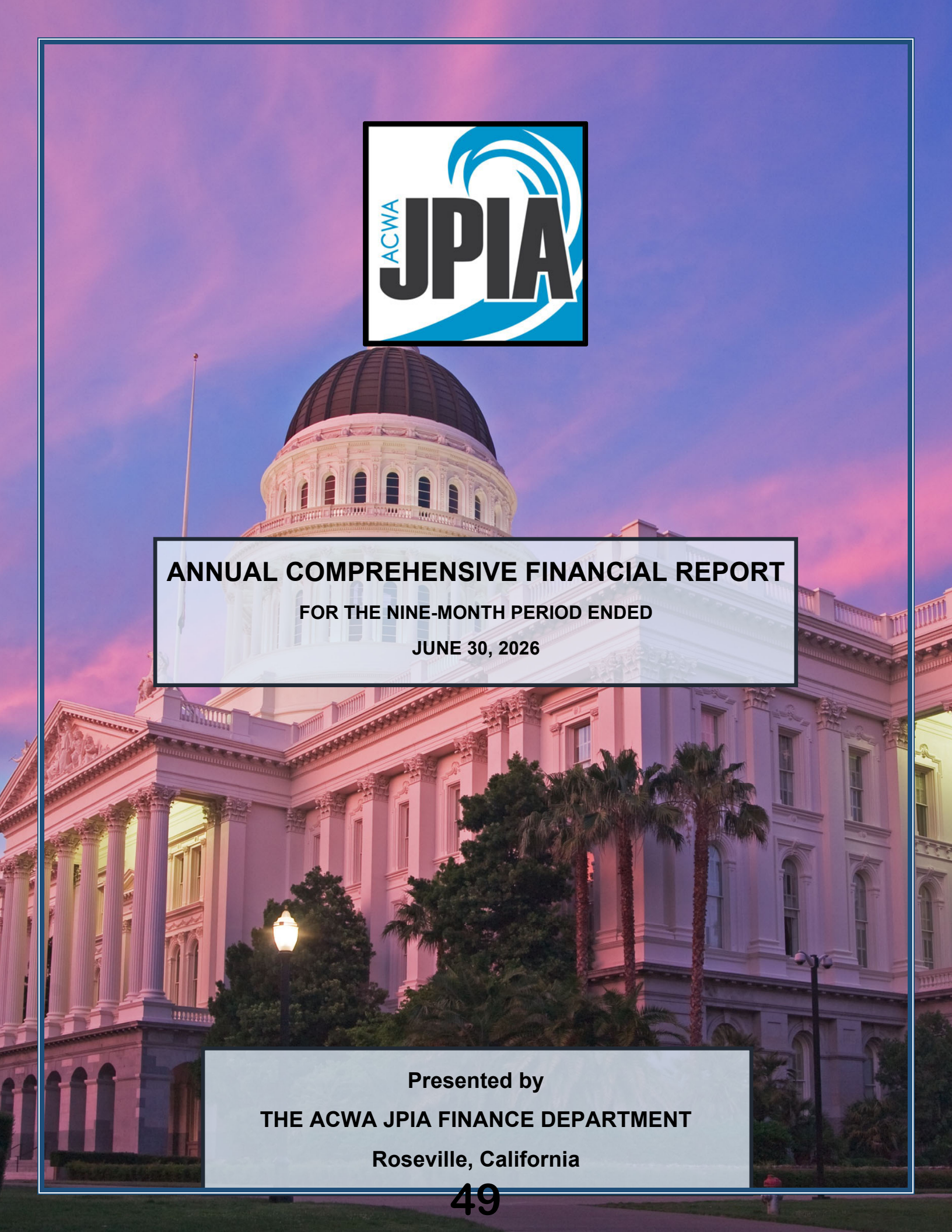
Gilbert CPAs issued an unmodified opinion that states that the financial statements present fairly and accurately, in all material respects, the financial position of ACWA JPIA as of June 30, 2026, and the results of its operations and cash flows for the year finalized in conformity with generally accepted accounting principles (GAAP) in the United States of America.

JPIA prepared an Annual Comprehensive Financial Report (ACFR) in accordance with the Government Finance Officers Association (GFOA) standards. Consequently, the ACFR includes additional reports and schedules therein to meet these lofty standards.

RECOMMENDATION

That the Finance and Audit Committee recommend that the Executive Committee approve the 2025-26 Audited Financial Statements, as presented, and submit for final approval by the Board of Directors at the ACWA JPIA Fall Membership Summit in Anaheim, CA – November 30, 2026.

Prepared by: Dan Steele, Finance Manager Date prepared: August 26, 2026



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE NINE-MONTH PERIOD ENDED

JUNE 30, 2026

Presented by

THE ACWA JPIA FINANCE DEPARTMENT

Roseville, California

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

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August 25, 2026

Members, Board of Directors
Association of California Water Agencies
Joint Powers Insurance Authority

To the Board of Directors and Member Agencies:

The Annual Comprehensive Financial Report (ACFR) of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA) for the nine-month period ended June 30, 2026, is respectfully submitted. The JPIA Finance Department prepared this report.

Management is responsible for the accuracy, completeness, and fair presentation of the accompanying financial statements and disclosures. To meet that responsibility, management maintains internal controls designed to provide reasonable assurance that JPIA assets are safeguarded, financial transactions are properly authorized and recorded, and the financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. Because internal controls have inherent limitations and their costs must be weighed against expected benefits, they provide reasonable, rather than absolute, assurance.

In management's opinion, the accompanying financial statements present, in all material respects, JPIA's financial position as of June 30, 2026, and the changes in its financial position and cash flows, where applicable, for the nine-month period then ended.

Gilbert CPAs, an independent certified public accounting firm, audited JPIA's financial statements and issued an unmodified opinion. The Independent Auditor's Report appears first in the Financial Section of this ACFR.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report. MD&A provides a narrative overview and analysis of the JPIA's financial position, results of operations, and significant financial matters and should be read in conjunction with this letter and the accompanying financial statements.

ACWA JPIA Profile

The Association of California Water Agencies Joint Powers Insurance Authority is a California public entity formed in 1979 by 83 California water agencies. ACWA JPIA is a

member-owned, member-governed risk-sharing pool that provides stable, cost-effective insurance coverage and related services to California public water agencies.

JPIA administers risk-sharing programs for property, liability, workers' compensation, and employee benefits, as well as other risk-financing and risk-management needs of its members. In addition to claims administration, the JPIA provides loss prevention, safety, regulatory compliance, training, and personnel-related services intended to reduce losses and support effective member operations.

As of June 30, 2026, ACWA JPIA served 399 member agencies. Each member agency appoints a representative from its governing board to serve on the JPIA Board of Directors. The Board provides overall governance and direction for JPIA programs and operations.

The Executive Committee consists of eight directors elected by the Board of Directors and the Vice President of the Association of California Water Agencies, who serves as an ex officio member. For financial reporting purposes, JPIA's financial statements include its insurance and employee benefits programs, risk-sharing pools, governing bodies, committees, and staff.

Economic and Market Conditions

Economic conditions during and immediately following the nine-month period were mixed. Inflation, labor costs, energy prices, construction costs, medical costs, and financial-market conditions remain important considerations for JPIA and its member agencies. These factors can affect claims severity, risk-transfer costs, investment income, and future member contribution requirements.

Insurance market conditions continued to require careful attention. Liability insurance remained under pressure from claims severity, litigation costs, and social inflation. Property insurance costs remained sensitive to catastrophe exposure, reinsurance pricing, and available capacity, particularly for California risks.

To support long-term program funding, the JPIA approved a 5% rate increase for the 2025–26 Liability Program year and a 10% rate increase for the 2025–26 Property Program year. Workers' Compensation Program rates were maintained at prior-year levels based on favorable loss experience. Employee Benefits Program contribution rates were adjusted for the 2026 program year, with 10% aggregate increases in medical rates and 3% increases in self-insured dental plans. Vision rates remained unchanged, though from the previous year.

Management will continue to monitor claims experience, actuarial projections, investment performance, reinsurance and excess insurance costs, and economic conditions when establishing future program rates and member contributions.

Long-Term Financial Planning

ACWA JPIA conducts ongoing strategic, long-term financial planning to support the sustainability of its insurance and employee benefits programs. Planning activities include actuarial analyses, program funding reviews, strategic planning, committee engagement, and evaluation of member needs, organizational priorities, and long-term financial objectives.

During 2026, senior management and the Executive Committee held a strategic planning session to identify and prioritize long-term organizational objectives. Management will continue to incorporate these priorities into operational planning, financial planning, and program development.

The Executive Committee approved increasing the Employee Benefits Program Reserve target from $34 million to $39 million, based on the most recent actuarial analysis. As of June 30, 2026, the Employee Benefits Reserve Fund exceeded its approved target. Management intends to incorporate the approved funding strategy into future program budgets and rates to prudently manage excess reserves while maintaining the target and supporting rate stability.

JPIA also maintains funding policies and reserve targets for its Liability, Workers' Compensation, and Property Programs. These policies are intended to support the management of adverse loss development, catastrophic events, and other significant financial uncertainties. Management will continue to evaluate reserve targets, claims experience, actuarial assumptions, investment performance, risk-transfer costs, and changes in program exposures.

Capital Assets and Captive Insurance

The JPIA owns its current administrative office building in Roseville, California, and acquired a second office building during the prior fiscal year. Management expects the transition to the new facility to occur over multiple years to support continuity of operations and orderly planning for staff, records, technology, and member services.

Management is evaluating future alternatives for the current building, including continued ownership, leasing, sale, or other disposition. No final decision had been made as of the report date.

JPIA also owns the California Water Insurance Fund (CWIF), a Utah-domiciled captive insurance company formed in 2018 to support the financing and management of selected retained risks. CWIF provides the JPIA with an additional risk-financing mechanism and supports long-term financial flexibility. Management will continue to evaluate captive capitalization, liquidity, investment performance, retained-risk exposures, and commercial risk-transfer conditions.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada previously awarded the JPIA a Certificate of Achievement for Excellence in Financial Reporting. The JPIA believes this ACFR continues to meet the program's requirements and intends to submit it for consideration for another Certificate.

JPIA also holds the California Association of Joint Powers Authorities' Accreditation with Excellence through May 2027. In addition, JPIA earned the Association of Governmental Risk Pools Recognition in 2024, which is granted for a three-year period. These recognitions reflect JPIA's continuing commitment to sound governance, financial stewardship, responsible claims administration, and effective risk management.

The preparation of this ACFR would not have been possible without the dedication and professionalism of the JPIA Finance Department and the contributions of staff throughout the organization. We also thank the Finance & Audit Committee, Executive Committee, Board of Directors, alternate directors, and committee members for their leadership, guidance, and continued commitment to the JPIA and its member agencies.

Respectfully Submitted,



Adrienne Beatty
Chief Executive Officer



David deBernardi
Director of Finance

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

EXECUTIVE COMMITTEE

Name	Office	District
Melody A. McDonald	President	San Bernardino Valley WCD
J. Bruce Rupp	Vice-President	Humboldt Bay Municipal WD
Carol Lee Gonzales-Brady	Director	Rancho California WD
Brent Hastey	Director	Reclamation District 784
Chris Kapheim	Director	Kings River CD
Szu Pei Lu-Yang	Director	Rowland WD
Scott Ratterman	Director	Calaveras County WD
Randall Reed	Director	Cucamonga Valley WD
David Wheaton	Director	Citrus Heights WD
Adrienne Beatty	Chief Executive Officer	ACWA JPIA

Office Address

2100 Professional Drive
Roseville, California 95661

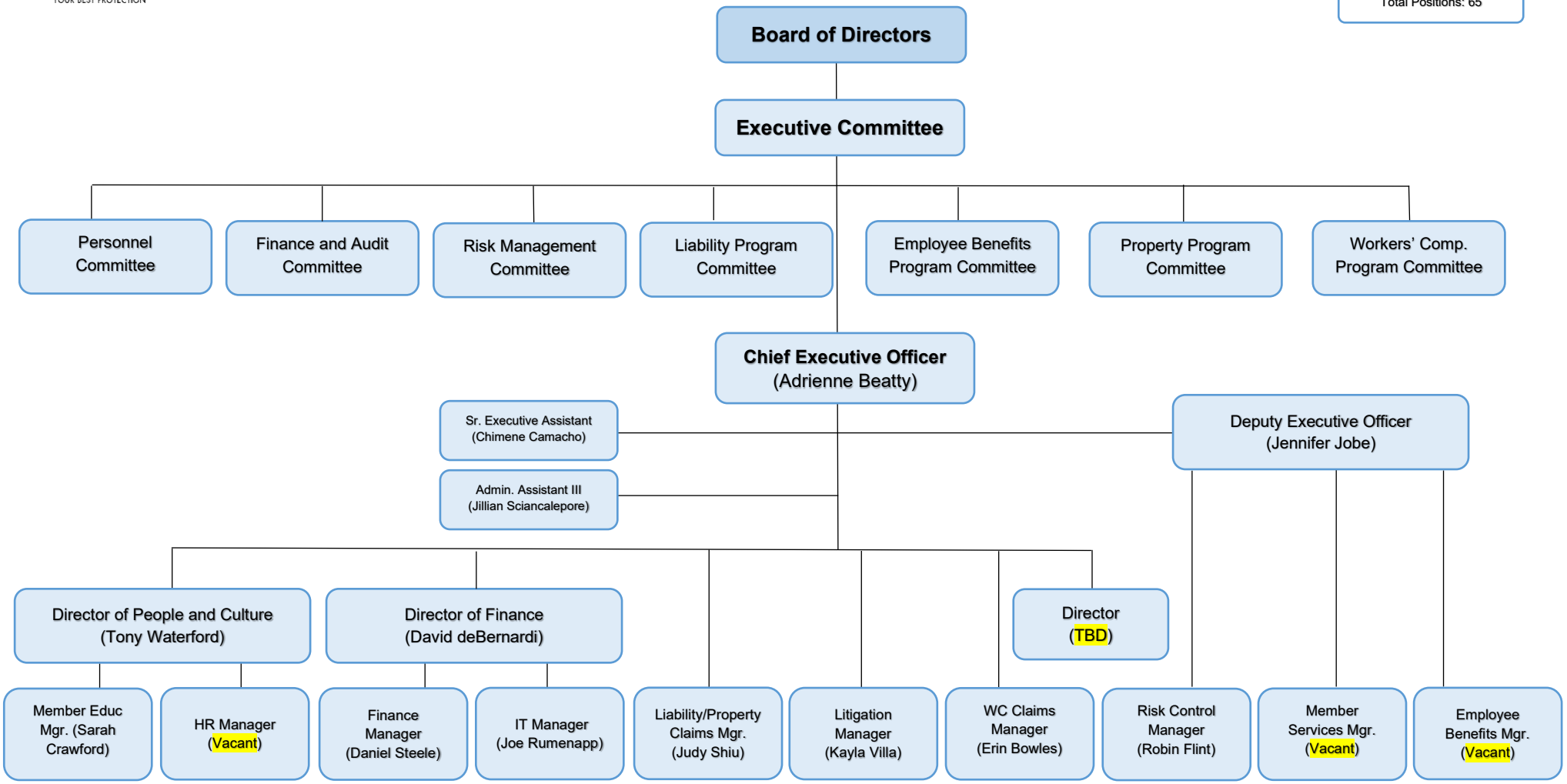
Report Prepared by the
JPIA Finance Department

David deBernardi, CPA, Director of Finance
Dan Steele, AAiP, Finance Manager
Kyle Hutchings, AAiP, Senior Accountant
Dalisay Matias, Accountant III
Cynthia Buschmann, Accountant III
Olivia Sayad, Accountant II

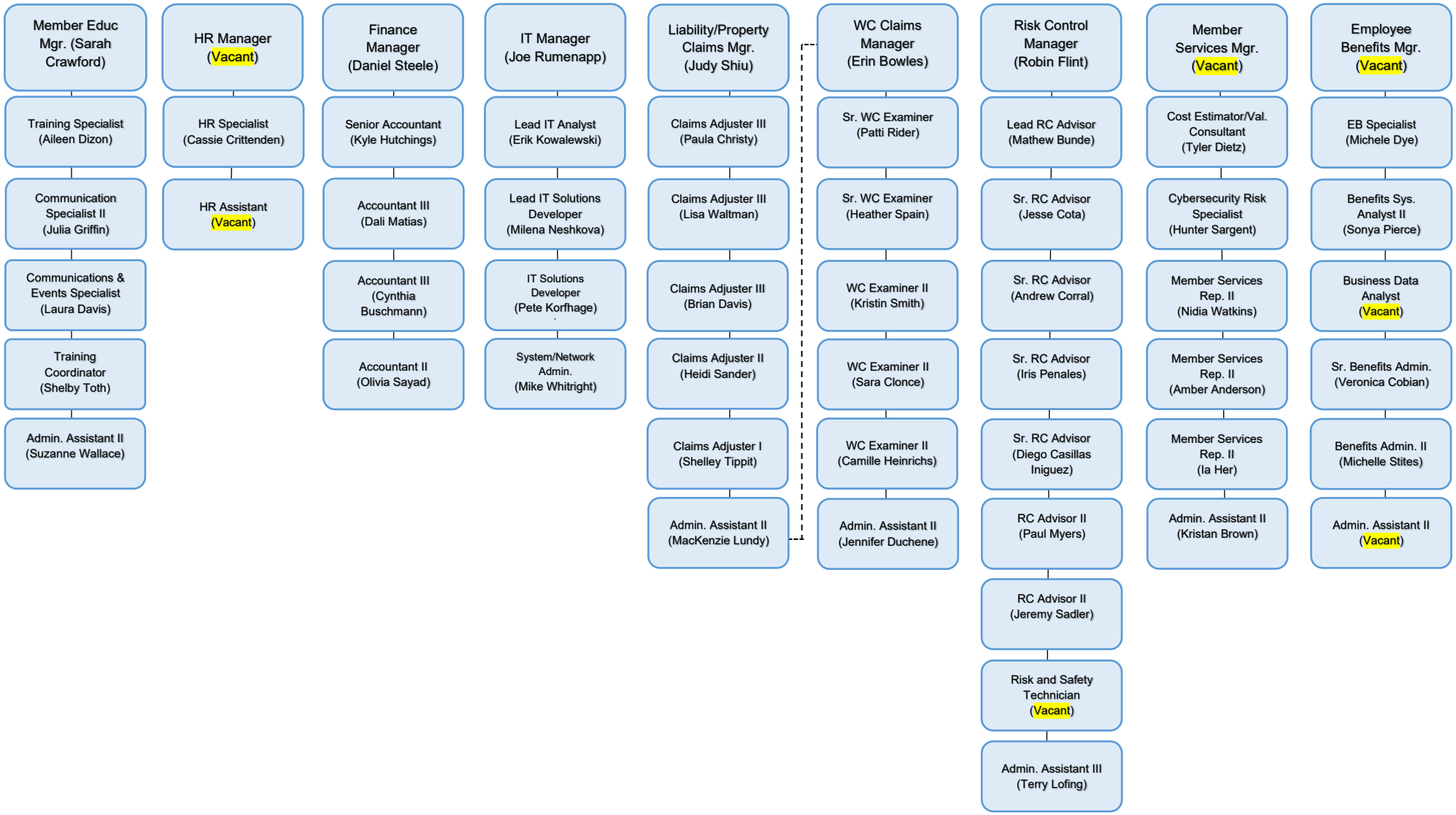
Organizational Chart

Full time employees: 57

Total Positions: 65



Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Association of California Water Agencies Joint Powers Insurance Authority

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

CAJPA
California Association of Joint Powers Authorities

Trusted Leadership for California's Public Risk Sharing Pools

It is the purpose of this organization to give professional recognition to properly qualified self-insurance pools.

THEREFORE, the Board of Directors of the California Association of Joint Powers Authorities, has conferred upon

Association of California Water Agencies JPIA

This

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation.



Accreditation Period: May 19, 2024 – May 19, 2027

Marinda Griese
President

David deBernardi
Chair, Accreditation Committee

James P. Marta
Accreditation Program Manager

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Association of California Water Agencies
Joint Power Insurance Authority
Roseville, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) as of and for the nine-month period ended June 30, 2026, and the related notes to the financial statements, which collectively comprise ACWA JPIA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACWA JPIA as of June 30, 2026, and the changes in financial position and its cash flows for the nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ACWA JPIA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ACWA JPIA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

DRAFT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACWA JPIA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACWA JPIA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, reconciliation of claims liabilities by type of contract, ten-year claims development information, schedule of OPEB contributions, schedule of changes in the net OPEB asset and related ratios, schedule of the proportionate share of the net pension liability (NPL), and schedule of contributions to the defined benefit pension plan on pages 16-39 and 66-74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during

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our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise ACWA JPIA's basic financial statements. The accompanying schedule of revenues, expenses, and change in net position by program, CWIF schedule of net position, and CWIF schedule of cash flows (collectively, supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2026, on our consideration of ACWA JPIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ACWA JPIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ACWA JPIA's internal control over financial reporting and compliance.

GILBERT CPAs
Sacramento, California

September 24, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

On behalf of management at the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA), this section provides readers with a summary and analysis of JPIA's financial activities for the nine-month period ended June 30, 2026. It is recommended that readers review the contents of this report in conjunction with the supplementary details provided in the letter of transmittal, located on page 3 of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

The JPIA operates as an enterprise fund and utilizes an accrual basis of accounting. The report includes the basic financial statements for the JPIA in accordance with Generally Accepted Accounting Principles (GAAP). The Statement of Net Position presents a snapshot of JPIA's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2026. The Statement of Revenues, Expenses, and Changes in Net Position reports revenues and expenses for the fiscal year and the resulting changes in net position. The Statement of Cash Flows reports changes in net position and income accounts that affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. The Notes to the Financial Statements provide additional information to enhance and complement the reader's understanding of the financial statements.

Comparative financial data is presented alongside current-period figures, where applicable, to highlight changes during the nine-month period from September 30, 2025, through June 30, 2026. Future Annual Comprehensive Financial Reports (ACFRs) will resume the customary year-over-year, twelve-month comparative analysis to explain material variances.

FISCAL YEAR CHANGE

ACWA JPIA changed its fiscal year start date from October 1 to July 1, effective for the fiscal nine-month period 2025–2026. The change was primarily intended to better align JPIA's fiscal year with that of CalPERS. This alignment allows completed CalPERS pension reporting, which is generally available early in the calendar year, to be incorporated into JPIA's financial reporting for the applicable fiscal year.

As a result, JPIA can obtain the pension information necessary to finalize its Annual Comprehensive Financial Report (ACFR) on a timelier basis, rather than waiting several additional months for the required data. The fiscal year change also shortens the period between the fiscal year-end and the presentation of budget-to-actual variance information to the Board of Directors.

JPIA'S CAPTIVE

In September 2019, the Executive Committee authorized the establishment of the California Water Insurance Fund (CWIF), a captive insurance company organized to support JPIA's risk-financing and insurance program. CWIF is domiciled in the State of Utah and is subject to regulatory oversight by the Utah Insurance Department.

Following its formation and regulatory approval, CWIF commenced operations as an integral part of the JPIA's overall approach to managing member risk exposures and insurance costs. Utah maintains a dedicated captive insurance regulatory program within the Utah Insurance Department.

CWIF provides the JPIA with an additional mechanism to finance and transfer risk cost-effectively, while seeking to maximize the value of premium dollars contributed by its members. Through the captive structure, the JPIA can more closely align its risk-financing strategy with the specific needs, loss experience, and long-term objectives of its membership. This approach is intended to enhance flexibility in the placement and management of insurance coverage, support prudent retention of risk when appropriate, and promote the efficient use of resources dedicated to member protection and risk management.

CWIF is governed by a board that includes representatives of the JPIA Executive Committee, at-large members, and Utah legal counsel. This governance structure provides oversight of the captive's strategic direction, financial condition, regulatory compliance, and insurance-related activities.

Because CWIF's activities are closely aligned with, and primarily benefit, the JPIA and its members, its financial information is presented as a blended component unit in JPIA's financial statements. Blended component-unit reporting incorporates the component unit's financial activity with that of the primary government when applicable GASB blending criteria are met.

The following schedule presents a blended Statement of Net Position that combines the assets, liabilities, and net position of the JPIA and CWIF. This presentation provides a comprehensive overview of the financial resources and obligations supporting the JPIA's risk-financing program, including activities conducted through CWIF.

JPIA staff perform the accounting, financial reporting, and administrative functions necessary to support CWIF's ongoing operations. These responsibilities include maintaining financial records, coordinating cash-management and investment activities, preparing financial reports, supporting regulatory filings, and facilitating communication among CWIF's governing body, professional service providers, and regulators.

Although CWIF is included as a blended component unit for JPIA financial reporting purposes, it is audited each year independently. Its financial statements are prepared in accordance with generally accepted accounting principles (GAAP), applicable Governmental Accounting Standards Board (GASB) guidance, and relevant regulatory requirements and financial reporting best practices.

FINANCIAL SUMMARY AND DETAILED ANALYSIS

Condensed financial information for the nine-month period ended June 30, 2026, and the fiscal year ended September 30, 2025, is presented as follows.

CONDENSED STATEMENTS OF NET POSITION

	6/30/2026	9/30/2025	Variance
ASSETS			
Other Assets	$ 375,052,643	$ 306,049,560	$ 69,003,083
Capital Assets	11,398,587	11,414,199	(15,612)
Total Assets	386,451,230	317,463,759	68,987,471
DEFERRED OUTFLOWS			
Related to Pensions	1,487,524	1,243,185	244,339
Related to OPEB	1,758,281	1,622,762	135,519
Total Deferred Outflows	3,245,805	2,865,947	379,858
LIABILITIES			
Current Liabilities	95,272,174	64,684,055	30,588,119
Noncurrent Liabilities	157,220,940	128,311,055	28,909,885
Total Liabilities	252,493,114	192,995,110	59,498,004
DEFERRED INFLOWS			
Related to Pensions	1,043,877	1,471,047	(427,170)
Related to OPEB	2,683,226	2,541,508	141,718
Total Deferred Inflows	3,727,103	4,012,555	(285,452)
NET POSITION			
Net Investment in Capital Assets	11,398,587	11,414,199	(15,612)
Restricted	4,370,172	4,078,282	291,890
Unrestricted	117,708,059	107,829,560	9,878,499
TOTAL NET POSITION	$ 133,476,818	$ 123,322,041	$ 10,154,777

ASSETS

ACWA JPIA's assets consist of cash and cash equivalents, receivables from various sources, investments, prepaid expenses, and capital assets. Capital assets include the JPIA's buildings, equipment, computer hardware, and other tangible property used in the administration of its programs and operations. Collectively, these assets provide financial liquidity, investment capacity, and operational infrastructure necessary to support the JPIA's insurance, risk management, and member services activities.

The JPIA also reports a Net OPEB Asset related to its other postemployment benefits (OPEB) plan. A Net OPEB Asset results when the plan's fiduciary net position exceeds the total OPEB liability measured in accordance with applicable accounting standards. This asset reflects the plan's financial position at the applicable measurement date and does not represent unrestricted resources available for general operations. Under governmental financial-reporting guidance, a net OPEB asset is generally reported within restricted net position because the related resources are limited to the payment of eligible OPEB benefits and related plan obligations.

CASH, CASH EQUIVALENTS, AND INVESTMENTS

ACWA JPIA's cash and investments are held in operating bank accounts, local government investment pools, and the investment portfolio of its blended component unit, the California Water Insurance Fund (CWIF). Local government investment pools include the Local Agency Investment Fund (LAIF), administered by the California State Treasurer's Office, and the California Asset Management Program (CAMP). LAIF provides California local agencies with access to the State's Pooled Money Investment Account, while CAMP is a short-term cash-management vehicle designed to emphasize preservation of principal and daily liquidity while seeking a competitive yield.

On June 30, 2026, cash and investments held in CAMP and LAIF totaled approximately $19.7 million, an increase of approximately $3.5 million, or 21.6%, from the $16.2 million reported on September 30, 2025. The increase reflects the timing of cash flow and the use of liquid resources to meet current operating, claims, and member-program obligations during the nine-month period.

JPIA staff actively monitor cash requirements and maintain sufficient liquidity to fund claims payments, operating expenditures, and other commitments as they become due, while investing available short-term balances in accordance with the JPIA's investment policies. CAMP average yields ranged from approximately 3.7% to 4.0% during the nine months ended June 30, 2026, supporting investment income while preserving access to funds needed for near-term obligations.

CWIF maintains a diversified portfolio of mutual funds and other equity and fixed-income investments that support its insurance and risk-financing activities. As of September 30,

2025, the fair value of CWIF's investment portfolio was approximately $225.2 million. During the nine-month period ended June 30, 2026, PFM Asset Management LLC purchased approximately $117.7 million of equity and fixed-income investments and sold approximately $90.8 million of investments. Net purchases of approximately $26.9 million, combined with changes in fair value, increased the portfolio's value to approximately $266.2 million on June 30, 2026.

The $41.0 million increase in CWIF's investment portfolio from September 30, 2025, to June 30, 2026, reflects both net investment purchases and favorable market-value changes during the period. Of this increase, approximately $26.9 million resulted from net purchases and approximately $14.0 million resulted from the net increase in the fair value of investments. The portfolio balance of approximately $252.2 million before the period's fair-value change was subsequently adjusted to its June 30, 2026, fair value of $266.2 million.

RETROSPECTIVE CONTRIBUTION ADJUSTMENTS

Retrospective contribution adjustments (RCAs) are annual reconciliations of member contributions to ultimate program costs for the Liability, Property, and Workers' Compensation programs. The reconciliation is performed by program year and reflects actuarially estimated ultimate losses, expenses, and any remaining reserve liabilities. A program year becomes eligible for an RCA after five full years of operations. Favorable experience generally results in an addition to the applicable member's Rate Stabilization Fund (RSF) balance, while unfavorable experience may reduce that balance.

For the nine-month period ended June 30, 2026, RCA receivables—amounts due from members—increased to $43.6 million, an increase of $12.0 million from September 30, 2025. During the same period, RCA liabilities—amounts payable or creditable to members—increased from $55.0 million to $62.6 million. The increase in RCA liabilities primarily reflects favorable development in certain recent program years, resulting in approximately $19.0 million of expected future RCAs to be credited to member RSF balances. Although favorable experience is recognized as it emerges, the five-year eligibility period provides additional time for losses and other program costs to mature before contribution excesses are returned to members.

In JPIA's stand-alone financial statements, dividends from CWIF are reported as investment income. In the blended financial statements, however, these inter-agency amounts are eliminated to prevent internal activity from overstating consolidated revenue, expenses, assets, liabilities, or net position. This treatment is consistent with the general reporting principle that transactions and balances among entities included in a blended reporting entity are eliminated in consolidation.

These consolidation entries may affect the presentation of RCA-related balances within JPIA's financial statements and the related member equity or RSF balances. The RCA process is intended to return excess contributions when supported by actuarial results while

preserving sufficient resources to meet remaining obligations. Accordingly, it supports equitable treatment of members, actuarially sound funding, and transparent reporting of program-year results.

LIABILITIES

ACWA JPIA's liabilities include claims reserves (both reported and unreported), short-term accounts payable, unearned contributions, and retrospective contribution adjustments payable.

CLAIMS DEVELOPMENT

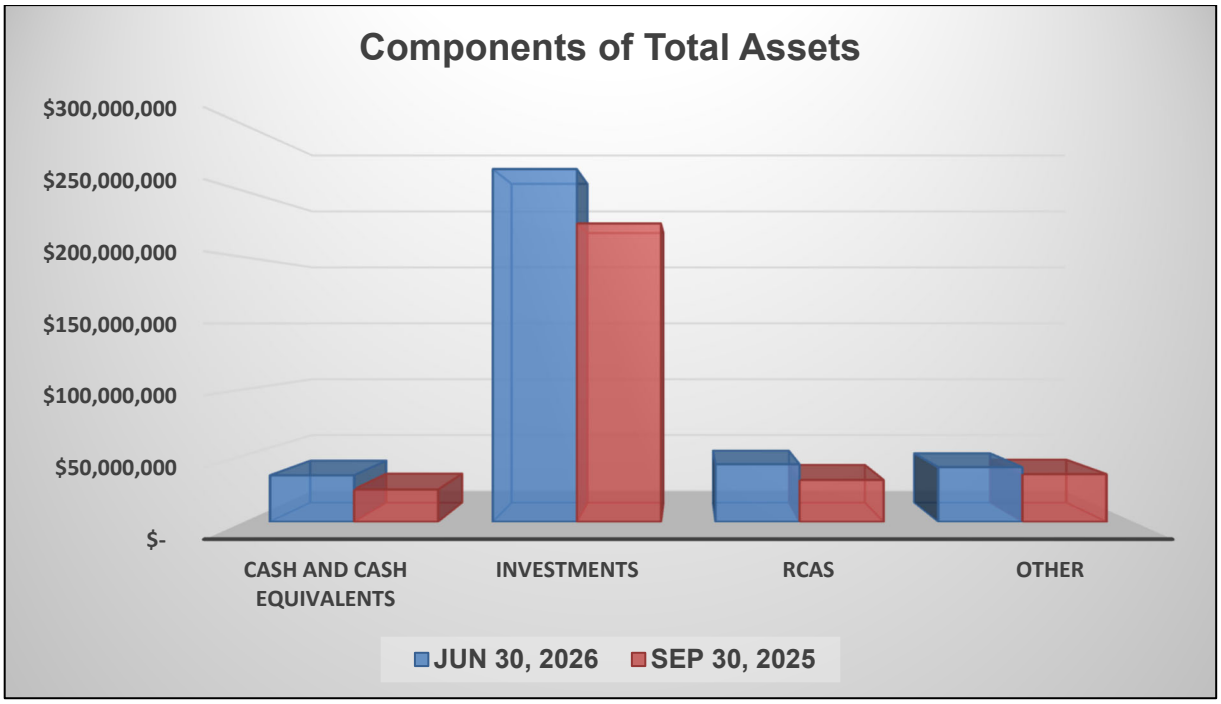
The JPIA monitors claims development by evaluating year-over-year changes in total claims reserves, including adjustments to reported claims and incurred but not reported ("IBNR") liabilities, as well as unallocated loss adjustment expenses ("ULAE"). Actuarial analyses are performed annually to discount reserves and IBNRs to reflect their net present value, representing management's best estimate of ultimate losses attributable to each program year.

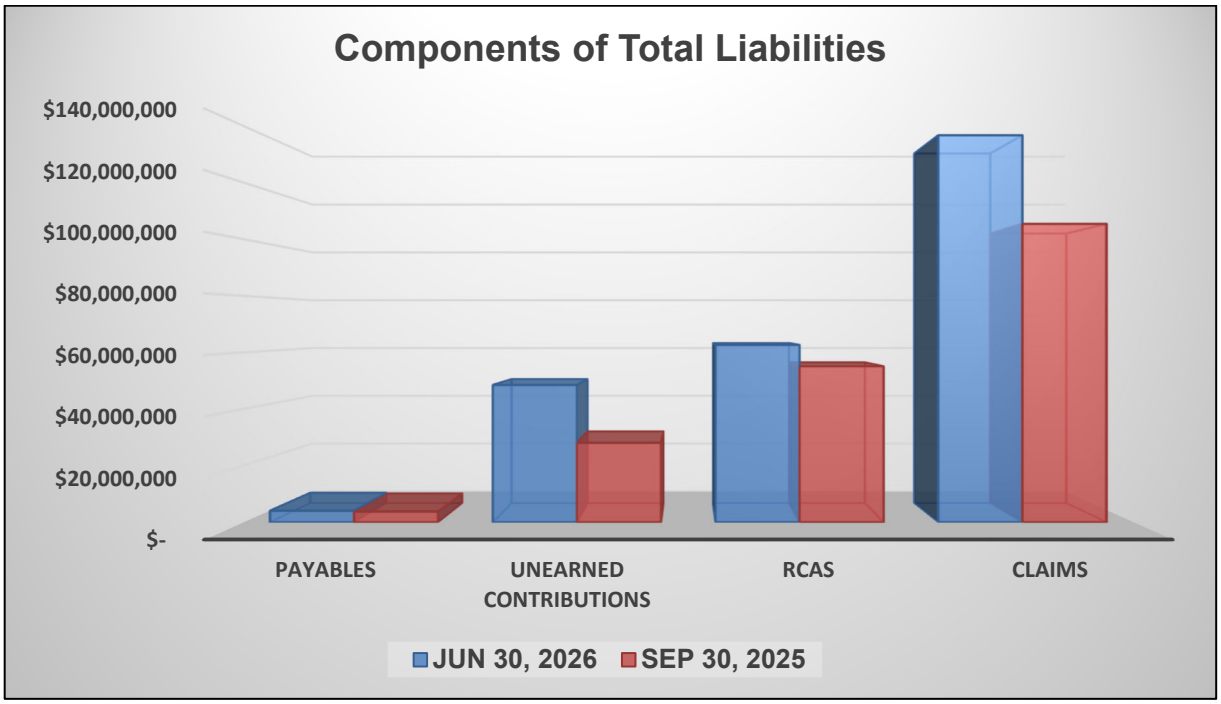
For the nine months ended June 30, 2026, JPIA's total claims liabilities increased by slightly more than $31.0 million from the balance reported on September 30, 2025. Approximately one-half of the increase was attributable to the Liability and Property Programs, which experienced a high-severity loss during that period. The loss increased JPIA's estimated property claims liability (which retains the first $10 million) and resulted in CWIF recognizing approximately $9.7 million of loss within its $10 million to $20 million liability coverage layer, the first such utilization of that layer.

JPIA records changes in estimated ultimate claim costs as updated information becomes available. This ongoing review process helps ensure that reported claims liabilities reflect the most current estimates of unpaid claims and related claim-adjustment expenses as of the reporting date. Claims liabilities include estimated costs for reported claims, future development of open claims, and, as applicable, incurred-but-not-reported claims.

ASSETS AND LIABILITIES

The following charts show the major components of JPIA's reported assets and liabilities as of June 30, 2026, compared with its prior fiscal year-end of September 30, 2025.



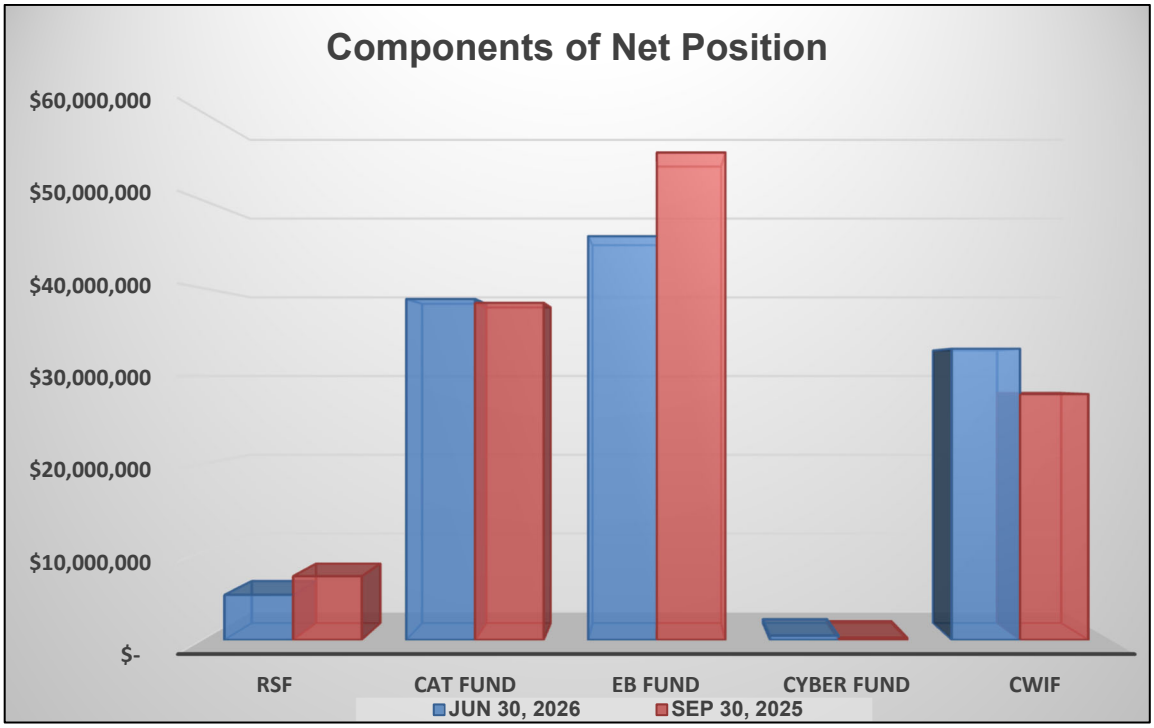


PROGRAM EQUITY & NET POSITION

Program equity and rate stabilization are important elements of JPIA's long-term financial strategy. Changes in retrospective contribution adjustment (RCA) balances and the distribution of surplus dividends are intended to maintain sufficient program equity to support projected claims obligations and other program costs, while returning excess contributions to members when supported by actuarial results and applicable governing policies. These practices promote long-term fiscal sustainability, transparent reporting of member-related balances, and sound risk-pool financial management. Public entity risk pools report through the enterprise-fund model, with net position reflecting residual resources after recognition of applicable liabilities, including claims and claim-adjustment expenses.

The following graph summarizes changes in JPIA's program surplus funds during the nine-month period from September 30, 2025, through June 30, 2026. For presentation purposes, the Property Program's Natural Disaster Fund is combined with the Catastrophic Funds of the Liability and Workers' Compensation Programs. The Employee Benefits (EB) Fund includes equity transferred from the Health Benefits Authority in 2012 and reflects the cumulative financial performance of the Employee Benefits Program since that transfer.

Beginning in fiscal year 2022–23, the Cyber Liability Fund has retained amounts remaining after direct program costs to establish a reserve for future cyber liability coverage needs. Subject to applicable policies and governing approvals, this reserve may be used to mitigate the financial effect of future increases in carrier premiums or other cyber coverage costs. This approach is similar to the role of accumulated equity in the EB Fund, although the funds may differ in their governing purpose, use restrictions, and funding structure.

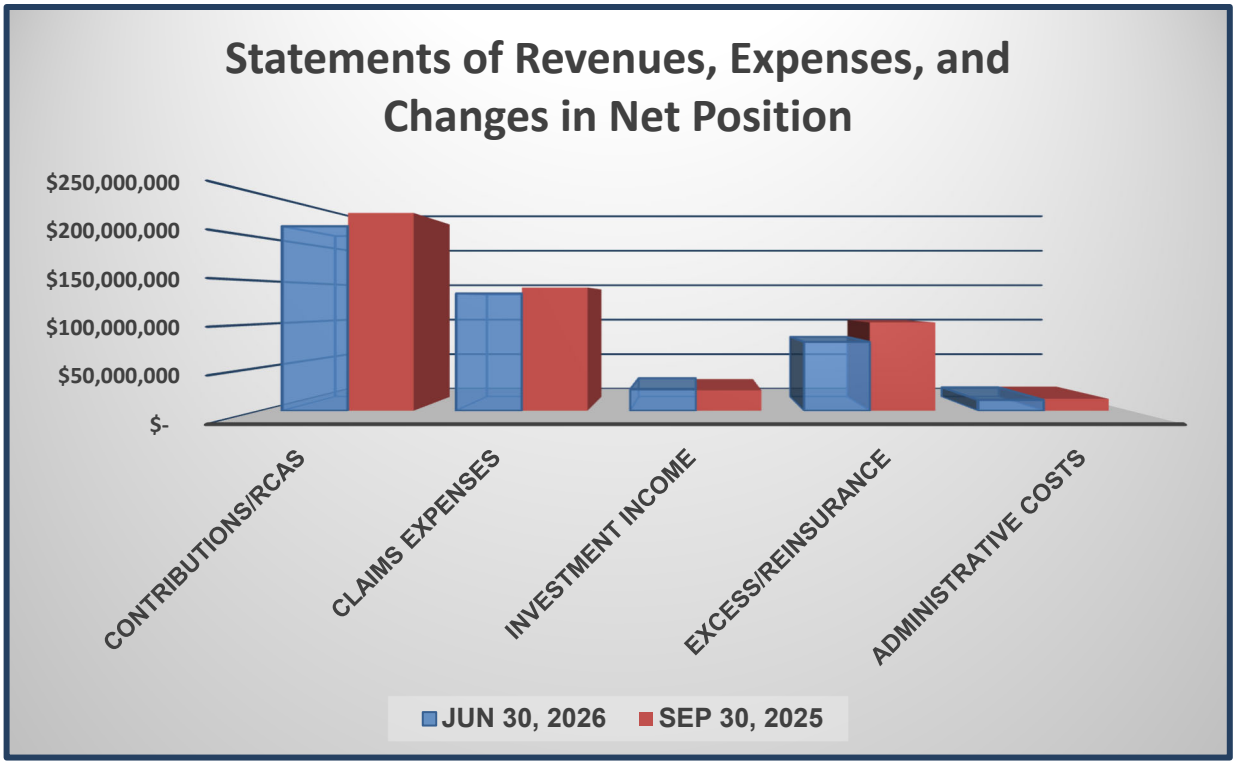


REVENUES, EXPENSES, & CHANGES IN NET POSITION

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	6/30/2026	9/30/2025	Nine-month changes
OPERATING REVENUES			
Member contributions	$209,375,311	$257,539,389	$(48,164,078)
Retrospective contribution adjustments	3,523,427	(29,237,765)	32,761,192
Total operating revenues	212,898,738	228,301,624	(15,402,886)
OPERATING EXPENSES			
Provision for claims	135,409,164	142,186,223	(6,777,059)
Excess insurance	14,984,756	20,775,642	(5,790,886)
Benefit premiums	64,496,865	81,083,793	(16,586,928)
Pension expense	14,529	285,105	(270,576)
General & administrative	12,575,932	13,400,848	(824,916)
Total operating expenses	227,481,246	257,731,611	(30,250,365)
OPERATING LOSS	(14,582,508)	(29,429,987)	14,847,479
NON-OPERATING REVENUES			
Investment income	24,737,285	23,572,303	1,164,982
CHANGE IN NET POSITION	10,154,777	(5,857,684)	16,012,461
NET POSITION, BEGINNING	123,322,041	129,179,725	(5,857,684)
NET POSITION, ENDING	$133,476,818	$123,322,041	$10,154,777

The following comparative chart displays the major components of JPIA's reported revenues, expenses, and changes in net position over the nine-month period ended June 30, 2026, and compares them to the fiscal year ended September 30, 2025:



MEMBER CONTRIBUTIONS

GENERAL LIABILITY PROGRAM

JPIA establishes annual Liability Program contribution rates using each member's estimated payroll for the upcoming program year. Payroll serves as a measure of exposure, allowing contributions to reflect each member's relative share of the actuarially determined funding required to cover projected claims, claim-adjustment expenses, excess insurance costs, and program administration.

Each member's contribution is further adjusted using an experience-modification factor (e-mod) that reflects the member's loss experience relative to the pool. The resulting rate incorporates expected changes in excess coverage costs and administrative expenses.

At its September 29, 2025, meeting, the Liability Committee recommended, and the Executive Committee approved, a 5 percent increase in Liability Program contribution rates for the 2025–2026 program year. The approved budget anticipates total deposit contributions

of approximately $40.8 million. Based on current projections, an additional retrospective contribution adjustment (RCA) of approximately $3.4 million would be needed to align total member contributions with projected program costs. Overall, claims and related program costs for the 2025–26 program year are projected to increase by more than 6.8 percent from the prior program year.

After the 2025–26 Liability Program year ends in September 2026, JPIA will obtain actual payroll information from members and reconcile each member's estimated payroll-based contribution to actual payroll. Depending on whether actual payroll exceeds or falls short of the original estimate, the reconciliation may increase or decrease the member's contribution. Rather than issuing a separate invoice or refund, JPIA will incorporate the resulting dollar adjustment into the member's year-end Rate Stabilization Fund (RSF) calculation.

The 2025–26 program year will be the final year in which JPIA bases initial Liability Program billing on payroll estimates for the upcoming program year. Beginning in the subsequent program year, JPIA expects to collect actual payroll information after June 30 and use it to establish member contributions for the upcoming Liability Program billing cycle. The revised approach is intended to simplify administration, reduce reliance on member estimates, and lessen the potential magnitude of subsequent payroll reconciliations.

Payroll-based rating and post-period payroll reconciliation are common risk-pool and insurance practices because payroll is a widely used exposure measure; actual payroll often differs from pre-period estimates. Public entity risk pools typically rely on annual member contributions to fund pooled risks and program operations.

PROPERTY PROGRAM

The Property Program determines each member's share of expected pooling costs using total insured value (TIV) as the primary risk metric, rather than estimated payroll. TIV captures the full scope of covered assets—including buildings, equipment (fixed and mobile), personal property, business interruption exposures, and licensed vehicles.

To improve the alignment of program-year billing cycles and return the Property Program to an April 1–March 31 coverage period, the Property Committee approved a nine-month transition program year beginning July 1, 2025, and ending March 31, 2026. Beginning April 1, 2026, the Property Program will operate on an annual April 1 through March 31 program-year cycle.

Aligning the Property Program's coverage period in three-month intervals with the Liability (October 1) and Workers' Compensation Programs (July 1) is intended to improve coordination among annual budgeting, rate-setting, and member billing activities. The revised schedule is also expected to provide members with more predictable timing of program contributions and help reduce the concentration of cash flow demands during the year.

For the 2025-2026 nine-month coverage period, the Executive Committee approved a 10% rate increase with a $10MM self-insured retention level, along with $3MM of contributions earmarked to help grow the Natural Disaster Fund. This pricing reflects a conservative approach to ensure financial stability and mitigate the impact of potential claim volatility. The increase also aims to help fund other underfunded Property Program years where collected contributions have fallen short.

Parametric Coverage

During the May 2025 meeting, the Property Committee discussed the potential use of parametric insurance as a supplemental coverage option within, or alongside, the Property Program. Parametric coverage provides a predetermined payment when an independently verifiable event meets specified criteria, such as proximity to a covered location for a wildfire or seismic activity exceeding an established threshold. Unlike traditional indemnity coverage, parametric insurance is not based on an adjustment of the insured's physical damage or the amount of the reported claim. Instead, payment is determined by the occurrence and measured severity of the defined triggering event.

Parametric coverage may help address certain protection gaps and provide timely liquidity following a qualifying event, including circumstances in which operational disruption or other economic impacts exceed, differ from, or occur before the determination of physical damage. The coverage is intended to complement—not replace—traditional property insurance. Any payment would be subject to the terms of an applicable policy, including defined triggers, geographic parameters, payout limits, and the independent data source used to verify the triggering event. Parametric coverage may provide a fixed payment even when actual losses are lower or higher than the payment amount; therefore, careful design of the trigger is important to ensure the payout reasonably correlates with members' anticipated exposures.

As part of the annual Property Memorandum of Coverage (MOC) review, JPIA staff evaluates whether the MOC continues to align with Program objectives and the underlying reinsurance agreement, including provisions related to definitions, exclusions, and dispute resolution. The Property Program has historically focused on above-ground assets. In response to member interest in broader protection for aging infrastructure, including pipelines and pump stations, staff presented parametric coverage as a potential means to address certain coverage gaps associated with underground assets and to support more rapid access to funds following a qualifying infrastructure-related event.

For the 2026–2027 Property Program year, the approved member-contribution rates included approximately $500,000 for parametric earthquake coverage, together with an overall 5 percent increase in Property Program contributions. The contribution increase reflects the cost of the additional coverage and other program pricing assumptions, including projected losses, excess insurance costs, expenses, and the Program's funding objectives.
The 5 percent increase is lower than the contribution increases in certain recent program years and may indicate improved rate stability. However, future contribution levels will continue to depend on claims experience, reinsurance-market conditions, catastrophe

exposure, investment results, and actuarial and underwriting assumptions. Accordingly, the current-year rate increase should not be interpreted as assurance of future rate reductions. The inclusion of parametric coverage is intended to enhance the Property Program's overall financial resilience by providing members with an additional source of liquidity after a qualifying earthquake event.

WORKERS' COMPENSATION

JPIA entered its eighth year of excess Workers' Compensation coverage with Safety National for the 2025–2026 coverage period. Safety National also serves as the lead carrier in the Liability Program's excess insurance tower. Based on JPIA's favorable recent Workers' Compensation loss experience, Safety National reduced its excess coverage rate by 3 percent for the 2025–2026 period. Excess Workers' Compensation coverage provides protection for losses that exceed the Program's retained risk level.

Despite favorable recent claims experience, the Executive Committee elected to maintain Workers' Compensation Program contribution rates rather than implement the available 5 percent to 10 percent rate reductions. The approved pricing is expected to generate more than $16.4 million in member contributions for the 2025–2026 program year.

The decision to maintain rates reflects a conservative funding approach intended to preserve program equity and strengthen JPIA's capacity to manage adverse claims development or higher-than-expected losses. To the extent permitted by JPIA's governing policies, the resulting resources may help mitigate potential pressure on member Rate Stabilization Fund (RSF) balances and Catastrophic (CAT) Fund balances associated with the Liability and Property Programs. The decision does not eliminate the possibility of future increases in contributions, RCA adjustments, or adverse claims development.

EMPLOYEE BENEFITS

For calendar year 2026, the Employee Benefits Program Committee recommended changes to the pricing and plan design of the self-insured medical, dental, and vision programs. The recommendations are intended to balance projected claims and administrative costs against available program reserves, while maintaining competitive benefits and supporting the long-term financial sustainability of the programs. JPIA partners with Alliant Insurance Services, Incorporated, for general benefits consulting.

Medical

Based on claims experience through April 2025 and projected 2026 costs, Alliant's initial underwriting projection indicated that a 15.4 percent aggregate increase in contributions would be required for the Anthem self-funded PPO medical plans. To moderate the immediate impact on member agencies, staff recommended, and the Employee Benefits Program Committee approved for recommendation to the Executive Committee, an

aggregate contribution increase of 10 percent effective January 1, 2026. The recommended pricing assumes the planned use of available reserve funds to absorb a portion of projected near-term costs. Reserve projections incorporate conservative estimates of claims and expenses and are intended to maintain adequate balances while gradually aligning contribution rates with anticipated program costs.

The Committee also recommended continuing the Anthem self-funded PPO plans without stop-loss coverage for the 2026 plan year. Self-insured plans retain responsibility for covered claims, while stop-loss coverage is generally used to limit exposure to unusually large individual or aggregate claims.

Dental

For 2026, the Committee recommended a 3 percent contribution-rate increase for the existing Delta Dental PPO plans and no rate change for the DeltaCare HMO plan, effective January 1, 2026. Following a competitive request-for-proposals process, JPIA retained Delta Dental as the program administrator after considering pricing and potential member disruption associated with a carrier transition.

The request-for-proposals process also resulted in a reduction in Delta Dental's administrative-services-only (ASO) fee from 8.5 percent to 8.0 percent, effective January 1, 2025, through December 31, 2027. Under an ASO arrangement, the sponsoring program funds benefit claims while the administrator performs services such as claims processing and network administration for a fee.

To address member concerns regarding limited availability of in-network dentists in rural areas and associated out-of-network costs, the Committee recommended three new Delta Dental plan options that reimburse 80 percent of the applicable usual, customary, and reasonable (UCR) amount for eligible out-of-network dental services. The existing plans generally reimburse 50 percent for out-of-network services. Agencies electing one of the new plans must replace their current Delta Dental plan and remain with the selected option for at least 3 years. This commitment is intended to limit adverse selection and promote rate stability within the dental pool.

Vision

For the 2026 plan year, the Committee recommended maintaining the current vision contribution rates while increasing the frame and contact lens allowance from $150 to $170. As of April 30, 2025, the vision program reported an estimated reserve balance of approximately $2.7 million. This balance is expected to support the recommended benefit enhancement without increasing member contribution rates for 2026.

The proposed enhancement is intended to maintain a competitive vision benefit while preserving sufficient program resources for future claims and administrative costs. The final appropriateness of the enhancement and rate level should continue to be evaluated against

updated claims experience, enrollment, projected expenses, and the Program's reserve policy.

RETROSPECTIVE CONTRIBUTION ADJUSTMENTS (RCAs)

Retrospective contribution adjustments (RCAs) reflect changes in the estimated ultimate cost of prior program years and are recorded as adjustments to member contributions. Consistent with JPIA's accounting policy, RCA activity is reported within operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position. This treatment reflects the accrual-based recognition of member contribution revenue and subsequent changes in estimates of program-year claims, claim-adjustment expenses, investment income, and other applicable program costs. Public entity risk pools generally recognize member contributions and changes in related estimates through the statement of revenues, expenses, and changes in net position.

The principal factors affecting RCA activity for the nine-month period ended June 30, 2026, were as follows:

- A $4.1 million net unfavorable change resulting from total pool expenses exceeding collected contributions and investment income for applicable program years, compared with $26.0 million of favorable RCA activity in the prior fiscal year.
- A $446,572 adjustment related to net changes in member Rate Stabilization Fund (RSF) balances.
- A $98,858 adjustment related to changes in member Catastrophic (CAT) Fund balances, compared with a $571,739 adjustment in the same direction in the prior year.

RCAs allow JPIA to reconcile member contributions with the estimated ultimate cost of each program year as claims and other costs mature. This process helps manage moderate year-to-year volatility in member funding requirements and allows qualifying adjustments to be reflected in member RSF balances rather than in separate cash invoices or refunds. The treatment and timing of member-balance adjustments remain subject to JPIA's governing policies, actuarial results, and applicable approvals.

For the nine-month period ended June 30, 2026, total RCA activity recorded was approximately $3.5 million, and reported operating revenues increased to $212.9 million. Operating revenues were $228.3 million for the fiscal year ended September 30, 2025. Because the current reporting period covers 9 months and the prior period covers a full fiscal year, the two operating revenue totals are not directly comparable without accounting for the difference in reporting periods.

REFUNDS TO MEMBERS

RSF distributions to member agencies decreased in this fiscal period as JPIA prioritized retaining program resources in response to recent revenue shortfalls in certain program years. During the short nine-month period ended June 30, 2026, JPIA distributed slightly

more than $130,000 to qualifying members whose RSF balances exceeded the applicable refund thresholds, compared with approximately $260,000 distributed in fiscal year 2025.

Consistent with the prior year, the Executive Committee approved deferring retrospective contribution adjustments (RCAs) to future fiscal years. This action was intended to preserve resources available to address unfavorable experience and revenue shortfalls in the Liability and Property Programs. Because RCAs represent a significant mechanism for adjusting member RSF balances based on program-year results, deferring those adjustments reduced the amount available for distribution.

CATASTROPHIC/NATURAL DISASTER FUNDS

From September 30, 2025, through June 30, 2026, the Catastrophic (CAT) Fund decreased by slightly less than $100,000. The decrease primarily resulted from a revision to the Workers' Compensation Program's target equity level. The target was reduced from $15.0 million to $12.0 million while retaining a 99 percent confidence level. Amounts no longer needed to support the revised target were reallocated to eligible members' Rate Stabilization Fund (RSF) balances to address identified funding shortfalls.

In contrast, the Liability Program's target equity increased in recent years from $25.0 million to $29.0 million. The revised target reflects growth in the number of participating members, increased exposure, and inflationary pressure on projected program costs. Members whose RSF balances were insufficient to meet their applicable share of the revised target may be required, consistent with JPIA policy, to allocate available excess RSF balances toward the funding objective. The target continues to be evaluated at a 99 percent confidence level.

During the same period, $2.75 million of Property Program contributions was allocated to the Natural Disaster Fund following Executive Committee approval. The allocation is intended to strengthen the fund's equity position and move it toward the actuarially projected target equity of approximately $14.0 million at, or near, a 99 percent confidence level.

EMPLOYEE BENEFITS FUND

JPIA's Employee Benefits Program equity consists of equity acquired through the Health Benefits Authority (HBA) transaction in 2011, together with cumulative operating results from JPIA's three self-insured employee benefit programs. This accumulated equity provides financial flexibility to establish member contribution rates, respond to claims volatility, and maintain competitive benefit offerings, subject to the program's governing policies and long-term funding needs.

Medical claims exceeded $100.0 million in both the 2024 and 2025 program years and are currently projected to develop to slightly less than $100.0 million for the 2026 program year. These amounts represent the highest annual medical claim costs since the program's inception. Accumulated program equity helps the pool manage the financial effects of rising

healthcare costs—including inpatient and outpatient services, prescription drugs, and surgical procedures—while moderating, rather than necessarily eliminating, corresponding increases in member contribution rates.

CAPTIVE

The retained earnings of JPIA's captive insurance company, California Water Insurance Fund (CWIF), represent the final component of JPIA's consolidated net position. In 2021, the CWIF Board adopted a dividend policy that establishes procedures for returning funds to JPIA based on the following categories:

1. Favorable actuarial development.
2. Net investment income.
3. Other factors, as determined under the policy.

For purposes of the dividend policy, net investment income generally includes interest and dividend income earned during the fiscal year, net of applicable investment-management and brokerage fees. Amounts approved for distribution are recorded as a dividend payable by CWIF and a corresponding receivable by JPIA in their respective stand-alone financial statements. In the blended financial statements, these inter-entity balances and transactions are eliminated. The allocation of CWIF investment income may affect RCA-related balances and, ultimately, member RSF balances, subject to the applicable policies, actuarial results, and governing approvals.

Favorable actuarial development occurs when updated estimates indicate that ultimate claim costs are lower than previously projected. Under CWIF's dividend policy, favorable development may become available for distribution after the applicable five-year evaluation period, consistent with the timing used in JPIA's RCA process. This approach allows additional time for claims to mature before favorable experience is recognized for member-credit purposes.

CWIF's investment results were significantly affected by the fair-value measurement of its investment portfolio. During the nine-month period, CWIF reported $10.2 million in investment income and a favorable $14.0 million change in the fair value of investments, resulting in total nonoperating revenues of more than $24.2 million.

These nonoperating revenues partially offset the effect of a $13.55 million dividend distribution on CWIF's net position. As a result, CWIF's net position increased over the nine-month period from $144.1 million on September 30, 2025, to $148.6 million on June 30, 2026, an increase of $4.5 million.

PROVISION FOR CLAIMS

The subsequent table shows changes related to the provision for claims by program (these figures include paid claims, primary reserve changes, incurred but not reported changes, and

changes to unallocated loss adjustment expenses) over the nine months from fiscal year end September 30, 2025, to June 30, 2026:

PROGRAM	JUN 30, 2026	SEP 30, 2025	VARIANCE
Liability (JPIA)	$21,379,404	$19,596,378	$1,783,026
Liability (CWIF 10x10 layer)	9,760,000	0	9,760,000
Property	14,798,564	3,852,980	10,945,584
Workers Comp.	6,972,025	9,015,516	(2,043,491)
Employee Benefits	82,499,171	109,721,349	(27,222,178)
Totals:	$135,409,164	$142,186,223	$(6,777,059)

As mentioned earlier in this report, JPIA's Property Program reserved the first $10 million of a severe loss into its self-insured retention layer. JPIA staff will continue to monitor the development of this claim and adjust claims liabilities as more information becomes available in future periods.

GENERAL AND ADMINISTRATIVE

General and administrative expenses for the nine-month period ended June 30, 2026, were primarily affected by increases in personnel costs and Property Program consulting and appraisal-related expenses. The personnel-cost budget included a 5 percent provision for potential compensation adjustments and employee promotions, as well as contingency funding for staffing additions identified during the prior budget cycle.

Certain Property Program consulting services and appraisal software costs that were previously included in direct member pricing were reclassified and budgeted as Property Program-specific general and administrative expenses. These costs include infrared testing services intended to identify potential fire hazards and heat-related equipment conditions before they contribute to significant property losses. Appraisal software was implemented to improve the completeness and accuracy of the Property Program's total insured value data, which supports property valuation, exposure analysis, underwriting, catastrophe modeling, and the equitable allocation of program costs among members. Accurate property values and exposure data are important inputs to insurance-to-value, underwriting, and catastrophe-modeling processes.

Property Program-specific administrative costs are allocated to the applicable program and incorporated into member funding requirements. To the extent that these costs affect program-year results, their ultimate impact on member balances is reflected in the retrospective contribution adjustment (RCA) process, in accordance with JPIA's governing policies and actuarial results.

Total general and administrative expenses for the nine-month period ended June 30, 2026, were slightly more than $12.4 million. Annualized, these expenses would equal approximately $16.8 million. If current spending levels and projections continue through the next three months, annual general and administrative expenses would be approximately 23 percent higher than the amount reported for the fiscal year ended September 30, 2025. General and administrative expenses historically represent approximately 8 percent to 10 percent of JPIA's annual operating volume; however, this percentage should be recalculated using the same denominators, such as total operating revenues, member contributions, or total expenses, that are used consistently in JPIA's financial reporting.

INVESTMENT INCOME

Investment income reported in JPIA's Statement of Revenues, Expenses, and Changes in Net Position consists of nonoperating revenues earned on investment assets held by JPIA and California Water Insurance Fund (CWIF). Investment income includes interest and dividend income, net realized gains and losses, and changes in the fair value of applicable investments. In accordance with governmental investment-reporting standards, changes in fair value are recognized as investment income; therefore, investment results may include both cash income and unrealized changes in market value.

CWIF maintains a diversified investment portfolio that includes open-end and closed-end mutual funds. The CWIF Committee's investment policy establishes a target asset allocation of 65 percent equities and 35 percent fixed income, with an allowable allocation variance of plus or minus 5 percentage points. This policy allocation is intended to balance long-term return objectives with income generation, liquidity needs, and the preservation of resources available to support CWIF's insurance obligations.

During the nine-month period ended June 30, 2026, CWIF's mutual fund portfolio generated most of the consolidated investment income. The portfolio recognized net realized gains of more than $4.9 million from the sale of investment assets and received more than $5.5 million in dividend income. Consistent with the portfolio's investment strategy, dividend distributions were reinvested by PFM Asset Management LLC. Reinvested dividends remain investment income when earned; reinvestment changes the form of the asset rather than eliminating recognition of the income.

JPIA's California Asset Management Program (CAMP) account generated an additional $512,624 in investment income during the period. CAMP is used as a liquidity and cash-management vehicle to support JPIA's operating cash-flow needs. CAMP describes its Pool as a daily liquidity, stable net asset value investment option, with safety of principal and liquidity as principal objectives. The reported 3.5 percent to 4.0 percent return range should be described as the applicable annualized yield or return, as appropriate, rather than as a return earned during the nine-month period.

Overall, the investment portfolio experienced a net increase in fair value of approximately $14.0 million during the nine-month fiscal period. This favorable fair-value change increased reported investment income relative to the balance on September 30, 2025. Total investment assets were more than $266.2 million on June 30, 2026, compared with approximately $225.0 million on September 30, 2025. The $41.0 million increase in investment assets may reflect a combination of fair-value appreciation, investment income, operating cash flows, member contributions, claims payments, transfers, and changes in the timing of receivables and payables; it should not be attributed solely to the $14.0 million fair-value increase without supporting reconciliation.

The following table summarizes the blended cash and investment balances on June 30, 2026, compared to the balance as of September 30, 2025, reported at fair market value:

TYPE	JUN 30, 2026	SEP 30, 2025	CHANGE
JPIA Cash/Equivalents	$ 33,922,244	$ 22,755,643	$ 11,166,601
CWIF Cash/Equivalents	1,309,296	1,658,883	(349,587)
CWIF Mutual Funds	266,287,365	225,274,632	41,012,733
Totals:	**$ 301,518,905**	**$ 249,689,158**	**$ 51,829,747**

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM FINANCING ACTIVITY

JPIA's current headquarters, located at 2100 Professional Drive in Roseville, California, has served as the organization's administrative headquarters since its acquisition in 2011. Although the facility has supported JPIA's operations reliably for many years, its original configuration was designed for a more paper-intensive work environment, with substantial space dedicated to physical file storage and comparatively limited open, collaborative, and flexible workspace. As the JPIA's operations, technology needs, and staffing requirements have evolved, the existing facility has become less well-suited to current and anticipated long-term operational needs.

To address these limitations and provide capacity for future growth, the Executive Committee authorized staff to identify and pursue the acquisition of a more suitable administrative facility. In July 2025, the JPIA acquired a building at 532 Gibson Drive in Roseville, California, for $8,078,400. The approximately 50,000-square-foot facility provides sufficient space to accommodate JPIA's current workforce and operational requirements, while offering flexibility for anticipated growth and evolving workplace needs. To the extent space is not needed for

JPIA operations, the facility may also provide an opportunity to generate future rental or sub-lease revenue, subject to market conditions and applicable agreements.

The Gibson Drive facility represents the most significant component of JPIA's approximately $11.4 million in capital assets on June 30, 2026. During the nine-month period from October 1, 2025, through June 30, 2026, the JPIA incurred approximately $120,000 in additional capitalizable costs related to the facility. These costs primarily consisted of architectural and design services, professional consulting, and other planning activities necessary to prepare the building for its intended use.

The acquisition and related improvement activity reflects a significant capital investment intended to support the JPIA's operational effectiveness, administrative capacity, and long-term organizational needs. Significant capital-asset activity is a distinct subject of MD&A discussion under the current governmental financial-reporting model.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

ACWA JPIA continually monitors economic, insurance-market, operational, and organizational conditions that may affect member agencies, program costs, and the Pool's financial position. For the 2026–2027 fiscal year, management expects the following conditions to be significant to future operating results and financial planning.

- **California economic conditions.** California economic growth and employment gains are expected to remain modest relative to prior years. Forecasts project California unemployment to average 5.6 percent to 5.8 percent in 2026, following elevated levels in 2025. Slower economic activity, combined with continuing cost pressures for labor, healthcare, insurance, and construction and maintenance services, may increase operating costs for JPIA and its member agencies.
- **Catastrophe and climate-related exposure.** Wildfires, floods, and other severe weather events may increase property claims exposure, disrupt member operations, and affect the availability and cost of insurance and reinsurance. The frequency and severity of catastrophe losses have contributed to pricing and capacity pressures in the broader reinsurance market. These conditions require continued attention to underwriting, member property values, catastrophe modeling, risk-transfer structure, and reserve adequacy.
- **Membership, facilities, and workforce**. JPIA's continued renovation of the Gibson Drive building is accounted for as a capital project. The project requires near-term capital expenditures and will result in future depreciation expense when the related assets are placed in service. In addition, labor market conditions and inflationary

pressures may affect employee compensation, contractor costs, and the costs of maintaining JPIA operations and member services.

- **Insurance and investment markets.** Insurance-market conditions may affect excess insurance and reinsurance premiums, retentions, deductibles, coverage terms, and available capacity. Investment income and the fair value of JPIA and California Water Insurance Fund (CWIF) investment portfolios may fluctuate with interest rates, credit conditions, and equity-market performance. Management will continue to evaluate investment allocations and liquidity needs in accordance with applicable investment policies and projected operating cash flows.
- **Fiscal-year change**. Effective July 1, 2026, ACWA JPIA changed its fiscal year-end from September 30 to June 30. The fiscal-year change resulted in a nine-month transition period that ended June 30, 2026, and may affect the comparability of current-period results with prior 12-month periods. Management has considered this difference in evaluating trends in contributions, claims, expenses, investment income, and changes in net position.

These conditions may materially affect JPIA's future financial position, operating results, and cash flow. Management will continue to address these conditions through actuarial analysis, rate setting, reserve and capital planning, risk-transfer strategies, investment oversight, and ongoing monitoring of member and market conditions.

CONCLUSION

This financial report is intended to provide a comprehensive overview of ACWA JPIA's financial position and results of operations for the fiscal period September 30, 2025, through June 30, 2026. It demonstrates JPIA's continued commitment to transparency, accountability, and prudent stewardship of member resources. Through rigorous, independent auditing processes, users and stakeholders can be assured of the integrity and reliability of the financial information presented.

For additional details, including the most current approved and independently audited financial reports, please visit ACWA JPIA's website at *www.acwajpia.com*. ACWA JPIA remains dedicated to continuous improvement in financial management and reporting to best serve its membership and maintain public trust. Questions or requests for further information regarding this report may be directed to:

ACWA JPIA, Attn: Finance Department, 2100 Professional Drive, Roseville, CA 95661-3700

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2026

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	35,231,540
Member contributions receivable		13,712,835
Investment income and other receivables		828
Excess insurance proceeds receivable		1,200,430
Retrospective contribution adjustment receivables		18,593,272
Prepaid expenses		10,671,922
TOTAL CURRENT ASSETS		79,410,827
NONCURRENT ASSETS		
Investments		266,287,365
Retrospective contribution adjustment receivables		24,984,279
Net OPEB asset		4,370,172
Capital assets - net		11,398,587
TOTAL NONCURRENT ASSETS		307,040,403
TOTAL ASSETS		386,451,230
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions		1,487,524
Deferred outflows of resources related to OPEB		1,758,281
TOTAL DEFERRED OUTFLOWS		3,245,805
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses		4,100,185
Unearned member contributions		48,530,285
Retrospective contribution adjustment payables		11,444,512
Claims reserves		31,197,192
TOTAL CURRENT LIABILITIES		95,272,174
NONCURRENT LIABILITIES		
Retrospective contribution adjustment payables		51,216,998
Claims reserves		44,046,102
Claims incurred but not reported		57,121,878
Net pension liability		608,857
Unallocated loss adjustment liability		4,227,105
TOTAL NONCURRENT LIABILITIES		157,220,940
TOTAL LIABILITIES		252,493,114
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions		1,043,877
Deferred inflows of resources related to OPEB		2,683,226
TOTAL DEFERRED INFLOWS		3,727,103
NET POSITION		
Net investment in capital assets		11,398,587
Restricted for OPEB		4,370,172
Unrestricted		117,708,059
TOTAL NET POSITION	$	133,476,818

See accompanying notes to financial statements.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

OPERATING REVENUES		
Member contributions	$	209,375,311
Retrospective contribution adjustments		3,523,427
TOTAL OPERATING REVENUES		212,898,738
OPERATING EXPENSES		
Claims expense:		
Claims paid		104,177,462
Change in claims reserves		28,147,642
Change in claims incurred but not reported		2,400,968
Change in unallocated loss adjustment expense		683,092
Total claims expense		135,409,164
Excess insurance		14,984,756
Benefit premiums		64,496,865
Pension expense		14,529
General and administrative		12,440,356
Depreciation		135,576
TOTAL OPERATING EXPENSES		227,481,246
OPERATING LOSS		(14,582,508)
NONOPERATING REVENUES		
Investment income		10,710,655
Net increase in investment fair value		14,026,630
TOTAL NONOPERATING REVENUES		24,737,285
CHANGE IN NET POSITION		10,154,777
NET POSITION, BEGINNING		123,322,041
NET POSITION, ENDING	$	133,476,818

See accompanying notes to financial statements.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members	$	219,709,842
Cash received from excess/aggregate insurance		4,214,042
Cash received related to billings/assessments in RSF		325,227
Payments for claims		(104,177,462)
Payments for excess/aggregate claims		(1,411,483)
Payments for excess insurance		(14,984,756)
Payments for benefit premiums		(64,496,865)
Payments to vendors		(3,446,797)
Payments to employees		(8,993,559)
NET CASH PROVIDED BY OPERATING ACTIVITIES		26,738,189
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets		(119,964)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities		(117,758,360)
Proceeds from sales of investments		90,772,257
Investment earnings		11,437,872
Investment expenses		(252,981)
NET CASH USED BY INVESTING ACTIVITIES		(15,801,212)
Increase in cash and cash equivalents		10,817,014
Cash and cash equivalents, beginning		24,414,526
Cash and cash equivalents, ending	$	35,231,540
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	$	(14,582,508)
Adjustments to net cash provided by operating activities:		
Change in member contributions receivable		(3,389,817)
Change in excess insurance proceeds receivable		2,802,559
Change in retrospective contribution adjustment receivables		(11,893,738)
Change in other receivables and prepaid expenses		(4,400,450)
Change in net OPEB asset		(291,890)
Depreciation of capital assets		135,576
Changes in accounts payable and other accrued expenses		(197,984)
Change in unearned member contributions		20,424,894
Change in retrospective contribution adjustment payables		7,565,155
Change in claims liabilities		31,231,702
Changes in deferred outflows/inflows related to net pension and OPEB		(665,310)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	26,738,189
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in unrealized fair value of investments	$	14,026,630

See accompanying notes to financial statements.

(1) General Information

Organization and Operations – The Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA) was created effective July 5, 1979, by a joint powers agreement among member water districts and agencies organized and operating under the laws of the State of California. The JPIA was organized pursuant to provisions of the California Government Code for the purpose of providing insurance coverage for its member districts**.**

The JPIA currently offers six joint protection programs:

- Public Auto and General Liability
- Workers' Compensation
- Property Insurance
- Cyber Insurance
- Underground Storage Tank Liability
- Employee Benefits (Medical, Dental, Vision, Other)

The JPIA also purchases group insurance for dam failure, pass-through insurance (including employee fidelity bonding, difference in condition, boiler and machinery stand-alone, and crime), and for the period of July 1, 1995, through June 30, 1998, workers' compensation for electing member districts.

Starting in fiscal year 2022-2023, the cyber liability program was separated from the liability program and became its own pass-through.

The JPIA provides joint protection coverage for losses more than the member districts' individually specified self-insurance retention levels.

Reporting Entity – The reporting entity includes all activities (operations of the administrative staff, officers, executive board, and board of directors) that relate to the JPIA and are considered part of (controlled by or dependent on) the JPIA. This includes financial activity for all membership years.

In determining its reporting entity, the JPIA considered all governmental units that had been members since its inception. The criteria did not require the inclusion of these entities in the financial statements, primarily because the JPIA is not financially accountable for any of its members.

Captive – In September 2019, the JPIA Executive Committee approved the formation of a captive insurance company entitled California Water Insurance Fund (CWIF). CWIF is incorporated as a nonprofit organization, domiciled in the state of Utah, and satisfies the requirements as a pure captive insurance company under the Captive Insurance Companies Act, Chapter 37 of Title 31A of the Utah Code of 1953, as amended.

CWIF's primary function serves as a risk financing tool for the JPIA and its member districts, designed to benefit risk pool members through a modest discount of the actuarial risk JPIA programs are assuming. Ceded risk to the captive depends on the Executive Committee's risk levels for each program and may differ from year to year.

For financial reporting purposes, CWIF is a blended component unit, and the schedules presented in this report include combined figures for both the JPIA and CWIF. CWIF prepares its own annual financial statements, which can be obtained by submitting a written request to ACWA JPIA, Attn: Finance Department, 2100 Professional Drive, Roseville, CA 95661.

Insurance Coverage and Deductibles – The JPIA provides the following major insurance coverage and deductibles:

a) Liability Program – The Liability Program was established to account for the payment of liability claims and administrative costs. Funding is based upon rates established by ACWA JPIA's Executive Committee. The JPIA administers claims in-house on behalf of participating members.

The JPIA provides the following insurance coverage and self-insured retention (SIR):
Member District Retrospective Allocation Point (RAP): $2,500 to $100,000
The SIRs for the Liability program by program year are as follows:

Years	SIR Amount
10/1/79 - 9/30/86	$ 500,000
10/1/86 - 9/30/87	1,000,000
10/1/87 - 9/30/05	500,000
10/1/05 - 9/30/11	1,000,000
10/1/11 - 9/30/16	2,000,000
10/1/16 - 9/30/19	5,000,000
10/1/19 - 9/30/26*	5,000,000

- *Excess: $1 to a total of $5,000,000 coverage by captive insurance company, California Water Insurance Fund (CWIF). CWIF is also responsible for the 10 x 10 layer ($10,000,000 – 20,000,000) for the last five program years covering 10/1/20 – 9/30/2026.
- $5,000,000 to a total of $60,000,000 coverage through various carriers. Program Year: October 1 through September 30.

b) Property Program – The Property Program was established to account for the payment of property claims and administrative costs. Funding is based upon rates established by ACWA JPIA's Executive Committee. The JPIA administers claims in-house on behalf of participating members**.**

The JPIA provides the following insurance coverage, deductibles, and SIR:
Member District Deductible: $500 to $50,000
The SIRs for the Property program by program year are as follows:

Years	SIR Amount
1/1/83 - 3/31/85	Various
4/1/85 - 3/31/86	$5,000
4/1/86 - 3/31/88	50,000
4/1/88 - 3/31/01	10,000
4/1/01 - 3/31/13	50,000
4/1/13 - 6/30/19*	100,000
7/1/19 - 6/30/22**	100,000
7/1/22 - 3/31/26***	10,000,000

- Excess: currently $10,000,000 up to a total of $500,000,000 coverage with various sub limits based.

- *Program Year 2018-2019: April 1 through June 30, 2019. Property Program changed policy year format to better align with the excess carrier (APIP - Alliant Property Insurance Program) recommended coverage schedule.

- **Program years 2019-2020 through 2021-2022: Included a $1 million aggregate claims requirement before excess applied.
- ***Program year 2025-2026 reverted the start of the Property Program back to April 1 by establishing a prorated nine-month program period from July 1, 2025, through March 31, 2026.

c) Workers' Compensation Program – The Workers' Compensation Program was established to account for the payment of workers' compensation claims and administrative costs. Funding is based upon rates established by JPIA's Executive Committee. The JPIA administers claims in-house on behalf of participating members**.**

JPIA provides the following insurance coverage and SIR:
Member District RAP: $250 to $25,000
The SIRs for the Workers' Compensation program by program year are as follows:

Years	SIR Amount
7/1/86 - 6/30/87	$125,000
7/1/87 - 6/30/88	150,000
7/1/88 - 6/30/89	175,000
7/1/89 - 6/30/91	200,000
7/1/91 - 6/30/92	225,000
7/1/92 - 6/30/01*	250,000
7/1/01 - 6/30/02	350,000
7/1/02 - 6/30/03	650,000
7/1/03 - 6/30/20	2,000,000
7/1/20 - 6/30/26**	2,000,000

- *From July 1, 1995, through June 30, 1998, the Workers' Compensation Program functioned as a group purchase program.
- **Excess of $1 to a total of $2,000,000 per occurrence by captive insurance company, CWIF. Program Year: July 1 through June 30

d) Employee Benefits Program – In January 2012, both ACWA JPIA's Executive Committee and the Health Benefits Authority (HBA) approved the transition of the HBA program into the JPIA. In March 2012, the HBA Board of Directors voted to dissolve the HBA programs. As a result, the JPIA's Employee Benefits Program was established on July 1, 2012, to provide medical, dental, and vision coverage for members' employees and dependents. The preferred provider organization plans offered in the medical and dental coverage are self-insured. The vision program also converted to self-insured, starting with the plan year beginning January 1, 2015. Funding is based upon rates established by JPIA's Executive Committee. The JPIA utilizes a third party to administer these claims on behalf of participating members**.**

The JPIA carried reinsurance through Sun Life Financial, administered by Stealth Partner Group, LLC, for coverage losses in excess of the self-insured retention of $750,000 per beneficiary incurred during the policy period, January 1 through December 31, 2022, and paid during the policy period and a six-month period immediately following the end of the program period in 2023. JPIA currently self-insures all claims from January 1, 2023, going forward.

(2) Significant Accounting Policies

Basis of Accounting – The accounting records of the JPIA are maintained on an accrual basis. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred.

Fiscal Year Change – Effective with the period ended June 30, 2026, ACWA JPIA changed its fiscal year from September 30 to June 30. Therefore, the accompanying financial statements present the activity for the nine-month period ended June 30, 2026.

Cash and Cash Equivalents – With regards to the statement of cash flows, the JPIA considers cash in banks, all money market funds, cash in Local Government Investment Pools (LGIP), and Local Agency Investment Funds (LAIF) to be cash equivalents. Investments maturing within three months of the purchase date are also considered cash equivalents.

Investments in equities and fixed income securities are recorded at fair value. For purposes of these financial statements, fair value is equivalent to investment market value on June 30, 2026. Changes in the fair value of investments, both realized and unrealized, are included in the Statement of Revenues, Expenses, and Changes in Net Position as a component of non-operating revenues.

Prepaid Expenses – Payments for the portions of excess insurance and other costs that extend into future accounting periods have been recorded as prepaid expenses.

Capital Assets are stated at cost and depreciated using the straight-line method over the estimated useful lives of three years for computer equipment, five years for office equipment and building improvements, and 30 years for the JPIA main office building in Roseville, CA. The new building at 532 Gibson Drive is currently pending depreciation upon occupancy; the projected move-in date is set for the spring of 2027.

Unearned Member Contributions – The JPIA bills its members in advance for certain programs. The amount billed represents unearned member contribution revenue until earned. Any contributions collected from members before the respective program years, are recorded in the Unearned Member Contribution general ledger accounts until the appropriate period, at which time contributions are then recognized as earned and allocated to the specific revenue accounts.

Member Contributions Receivable – These amounts represent unpaid invoices for policies written during the JPIA's reporting period. A significant portion of contributions receivable is also recognized as unearned member contributions for those policies extending into the subsequent year.

Claims Liabilities – The JPIA establishes liabilities for claims based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The duration for which such costs must be estimated varies with the coverage involved. Because actual claims costs depend on complex factors such as inflation, changes in doctrines of legal liability, and damage awards, the process used to compute claims liabilities does not necessarily yield an exact amount, particularly for coverage such as general liability and workers' compensation. Claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation is implicit in the estimated future claims cost calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors considered appropriate modifiers of experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Unallocated Loss Adjustment Expenses (ULAE) – Amounts have been estimated for the cost of administering current and future claims. An independent actuary, in connection with other loss development information, determined these amounts.

Member Contributions (previously referred to as premiums) are calculated based upon each member district's respective payroll (or insured values for the Property Program) and loss history. For the Employee Benefits Program, premiums are calculated using rates approved by the ACWA JPIA Executive Committee.

Member contributions are recognized as revenue over the period covered by the programs. For the liability, property, and workers' compensation programs, a retrospective contribution adjustment is made annually for each program year, five years after the end of that year.

Operating and Non-operating Revenues – Operating revenues include all member contributions, which include related fees and assessments that are integral to the financing of the insurance programs. Investment income is classified as non-operating revenue.

Allocation of Indirect Expenses – Indirect expenses are allocated among insurance programs based on an internal employee survey of estimated time spent on each JPIA program. In May of 2017, staff leadership conducted a new survey to update the allocation percentages for each program based on more current workflow estimates. The Liability program allocation is 30%, the Workers' Compensation program is 36%, Employee Benefits is 20%, and the Property program is 14%.

Income Taxes – As a public agency under the State of California, the JPIA is exempt from federal and state income taxes under Internal Revenue Code Section 115 and California Revenue and Taxation Code Section 17131, respectively.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position reports separate sections for deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent the acquisition of resources that apply to a future period(s) and will not be recognized as inflows of resources (revenue) until that time.

Contributions made to the JPIA's pension and OPEB plans after the measurement date but before the report date are recorded as deferred outflows of resources and will reduce the net pension and total OPEB liabilities in the next fiscal year.

Additional factors involved in the calculation of the JPIA's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the JPIA's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 8 for further details related to pension deferred outflows and inflows. See Note 9 for details related to the OPEB deferred outflows and inflows.

Pensions – For purposes of measuring the net pension asset/liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the JPIA's portion of the California Public Employees' Retirement System (CalPERS) Miscellaneous plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB – For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the JPIA's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value as of the last day of the reporting period.

Adoption of New Accounting Pronouncements – GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, was adopted for ACWA JPIA's period ended June 30, 2026. Statement No. 103 provides revised guidance for the MD&A, unusual or infrequent items, the proprietary fund operating statement format, expanded definitions for subsidies, reporting major discretely presented component units, budgetary comparisons, and certain financial trends information in the statistical section. This standard did not have a financial impact on ACWA JPIA's net position, but required ACWA JPIA to reorganize some elements of its financial reporting and update its definitions of operating and nonoperating revenues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, was adopted for ACWA JPIA's period ended June 30, 2026. Statement No. 104 requires separate reporting for certain right-to-use assets and the related amortization in the capital assets table. In addition, capital assets that are held for sale are required to have additional disclosures, which outline the historical cost, accumulated depreciation, and debt that is secured by these assets. This standard did not have a significant impact on ACWA JPIA.

(3) Cash and Investments

Investments Authorized by the JPIA's Investment Policy – The following table identifies the investment types authorized for the JPIA by the California Government Code Section 53601 (or the JPIA's investment policy, where more restrictive). Also, the following are tables identifying certain provisions of the California Government Code (or the JPIA's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

INVESTMENT TYPE	% OF PORTFOLIO	% OF ISSUER	MAX MATURITY	MINIMUM RATING
US Treasury	100%	100%	5 Years	-
Federal Agency	100%	50%	5 Years	-
California State Obligations	100%	5%	5 Years	A
California Local Obligations	100%	5%	5 Years	A
Other State Obligations	100%	5%	5 Years	A
Bankers' Acceptances	20%	5%	180 Days	Highest by NRSRO
Commercial Paper	40% / 25%*	5%	270 Days	Highest by NRSRO
Medium Term Notes	30%	5%	5 Years	A
Negotiable CD's	30%	5%	5 Years	A
Time CD's	30%	FDIC / NCUA	5 Years	Banks / S&I / CU Insured
LGIP	50%	N/A	-	AAAm
LAIF	50%	N/A	Daily	N/A
Money Market Funds	20%	20%	-	Treasury / Agency
Repurchase Agreements	20%	20%	92 Days	Primary Dealer
Supranationals	20%	20%	5 Years	AAA
Asset-backed Securities	20%	5%	5 Years	AAA

** The limit is 25% if the Authority has less than $100 million of investment assets*

CWIF Investment Policy

CWIF's investment policy outlines procedures to foster a prudent, systematic investment program that pursues CWIF's objectives through a diversified investment portfolio. An appropriate level of risk shall be maintained by purchasing investments within a well-diversified portfolio. Adequate diversification between equities and fixed income securities shall be applied to prevent an undue amount of investment risk in any one area. CWIF strives to achieve returns and control risk by meeting certain asset allocation targets set forth in CWIF's investment policy. The classes of investments that most adequately meet the above-mentioned criteria shall be allowed for purchase. They are equity and fixed-income investments in U.S. and non-U.S. issuers, as well as real estate investment trusts. The investment policy also lists some prohibited transactions, such as letter stock and other unregistered securities, direct commodity investments, derivatives, options, and futures.

Investment Credit Risk - CWIF's investments on June 30, 2026, are summarized in the following table and are broken out by mutual fund type with the appropriate portfolio representation:

INVESTMENTS	FAIR VALUE	PORTFOLIO %	CREDIT QUALITY RATING
Mutual Funds – Equity	$ 107,723,036	40%	None
Mutual Funds – Fixed Income	18,008,557	7%	None
Mutual Funds – Other*	140,555,772	53%	None
Total Investments	$ 266,287,365	100%	

*****_Mutual funds classified as "other" cannot be classified as strictly "equity" or "fixed income" securities._

Concentration of Credit Risk – As of June 30, 2026, no investments in any one issuer, other than U.S. Treasury Securities, LAIF, and LGIP, represent 5% or more of the total ACWA JPIA portfolio.

Custodial Credit Risk is the risk that, in the event of a bank failure, the JPIA's deposits may not be returned. California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110% of the JPIA's cash on deposit, or first trust deed mortgage notes with a fair value of 150% of the deposit, as collateral for these deposits. Under California Law, this collateral is held in a separate investment pool by another institution in the JPIA's name, placing it ahead of the institution's general creditors.

Interest Rate Risk is the possibility that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer an investment's maturity, the greater its fair value sensitivity to changes in market interest rates. To highlight exposure to interest rate risk, the fair value of all securities is calculated and reported monthly to the two investment oversight committees of JPIA. The investment fair value of these is shown above, and none of these investments have an effective duration.

Local Agency Investment Funds (LAIF) – The JPIA is a participant in LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the JPIA's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPIA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. Financial information can be obtained from the LAIF website: treasurer.ca.gov.

Local Government Investment Pools are managed pool accounts in which the JPIA participates. The California Asset Management Program (CAMP) invests available cash under California Government Code Sections 53601 and 53635.

CAMP is a joint powers authority organized under California law and managed by participant-elected trustees. The fair value of the JPIA's investment in this pool is reported in the accompanying financial statements at amounts based on JPIA's pro-rata share of the fair value. Financial information can be obtained from 50 California Street, Suite 2300, San Francisco, CA 94111.

Investment Credit Risk – JPIA and CWIF investment securities are summarized in the following table by respective fair values as of June 30, 2026. JPIA reports credit quality ratings by Moody's, a nationally recognized rating agency.

Foreign Currency Risk – Per the investment policy, fixed-income investments must be denominated in U.S. dollars, but investments may be made in both U.S. and non-U.S. issuers. The equity portion of the portfolio has exposure to international investments and is exposed to some foreign currency risk; however, all returns are converted back into U.S. dollars.

Disclosures Relating to Credit Risk

Authorized Investment	Amount	Aaa/P-1	Aa (1-3)	A (1-3)	Not Rated
Deposits with Financial Institutions	$ 15,518,221				$ 15,518,221
LGIP (Managed Pool Account) *	16,497,637				16,497,637
LAIF	3,215,683				3,215,683
Mutual Funds – Equity**	107,723,036				107,723,036
Mutual Funds – Fixed Income**	18,008,557				18,008,557
Mutual Funds – Other**	140,555,772				140,555,772
Totals	$ 301,518,906				$301,518,906

Information about the risk that an issuer or other counterparty to an investment will not fulfill its obligations is provided by the table above.

**The managed pool account (LGIP) comprises $16,497,637 in California Asset Management Program (CAMP). This investment is not rated by Moody's but is, however, rated AAAm by Standard and Poor's.*

***California Water Insurance Fund (CWIF), a captive insurance company and blended component of ACWA JPIA. Investment fund managed by PFM Asset Management LLC, with custodian services provided by Bank of New York Mellon.*

Fair Value - GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, requires the JPIA to use valuation techniques appropriate under the circumstances, including a market approach, a cost approach, or an income approach. Statement No. 72 establishes a three-level hierarchy of inputs used to measure fair value. The fair value hierarchy levels are summarized below (*Source = U.S. Bank's Summary of Methodology for Assigning Fair Value to Client Assets*):

- Level 1 Inputs – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. An active market for the asset is one in which transactions occur with sufficient frequency and volume to provide ongoing pricing information.

- Level 2 Inputs – Inputs to the valuation methodology that are observable for an asset/liability either directly or indirectly (other than quoted prices included within Level 1). They include quoted prices for similar

assets/liabilities in active markets and quoted prices for identical or similar assets/liabilities in markets that are NOT active.

- Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the assumptions market participants would use to price the asset/liability, including risk assumptions.

Mutual Funds – Classified as Level 1 in the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative sources with reasonable levels of price transparency. They may include (but are not limited to) a variety of security types, including international equities, international real estate, large-cap equities, mid-cap equities, real estate, emerging market equities, negotiable CDs, mortgage pass-through securities, and/or small-cap U.S. equities, which are valued using Level 1 inputs.

The following schedule classifies the JPIA's security assets at fair value based on hierarchy level as of June 30, 2026.

Investments by Fair Value Level		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual Funds – Equity	$107,723,036	$107,723,036	
Mutual Funds – Fixed Income	18,008,557	18,008,557	
Mutual Funds – Other	140,555,772	140,555,772	
Totals	**$266,287,365**	**$266,287,365**	**$0**

Pooled investment funds, such as CAMP and LAIF, are subject to fair value measurement, but not to the fair value hierarchy. For the statement of cash flows, the JPIA considers cash in banks and deposits in LAIF and CAMP to be *cash equivalents* and does not present them within the fair value disclosures.

(4) Capital Assets

The following is a schedule of changes in capital assets for the fiscal period ended June 30, 2026:

	9/30/2025	Additions	6/30/2026
NON-DEPRECIABLE ASSETS:			
Land	$ 590,545	$ 0	$ 590,545
*New Roseville Building	8,116,855	119,964	8,236,819
Total Non-Depreciable Assets:	8,707,400	119,964	8,827,364
DEPRECIABLE ASSETS:			
Building & Improvements	5,336,035	0	5,336,035
Furniture & Equipment	215,873	0	215,873
Software	304,047	0	304,047
Total Depreciable Assets	5,855,955	0	5,855,955
LESS ACCUMULATED DEPRECIATION:			
Building & Improvements	(2,632,737)	(132,949)	(2,765,686)
Furniture & Equipment	(212,372)	(2,627)	(214,999)
Software	(304,047)	0	(304,047)
Total Accumulated Depreciation	(3,149,156)	(135,576)	(3,284,732)
Capital Assets - Net	$11,414,199	$(15,612)	$ 11,398,587

**New Gibson Drive, Roseville, building considered work in progress for JPIA expansion. Estimated completion 2026-2027 fiscal year.*

(5) Retrospective Contribution Adjustments

Retrospective contribution adjustments are determined for each policy year as the sum of the following:

a) Direct charge for the portion of each loss incurred within the members' allocation level.

b) Losses more than a member's allocation level are shared by the members in the same and greater allocation levels, based on each member's contributions as a percentage of all members' contributions in each allocation level.

c) Other costs, including unallocated claims expense, excess insurance premiums, and administrative expenses, are charged to each member, based on contributions.

d) Investment income earned for the period.

e) The allocation for contributions to that portion of designated equity for catastrophic losses and the reserve for claims incurred but not reported is based on each member's contributions as a percentage of all members' contributions.

The retrospective contribution adjustments (RCA) for all applicable policy years have been estimated based on losses and other costs, net of investment income, incurred through June 30, 2026. RCAs are subject to change as the ultimate cost of claims becomes known, investment income is realized, and JPIA's indirect costs are allocated to each program year. RCAs do not apply to the Employee Benefits Programs.

The initial RCA is conducted at the end of the fifth full year of operations for each JPIA program. After that, RCAs represent annual cumulative adjustments to the original contributions (net of any prior RCAs) that were previously billed and held at the JPIA. Although accrued RCA payables and receivables to/from program members are calculated monthly, the accrual billing/refunding process takes place only once per year. RCAs are calculated separately for each program year.

Beginning with fiscal year 1998-99, the JPIA established a Rate Stabilization Fund for the Liability Program to help stabilize future RCAs. The JPIA maintains a separate Rate Stabilization Fund for each member, and future RCAs are to flow through the member's individual Rate Stabilization Fund. When the balance of a member's fund exceeds 70% of the current year's basic liability contribution, any member who has a balance over this amount receives a refund for the difference. During the fiscal year 2002-03, the Rate Stabilization Fund was expanded to include the Property and Workers' Compensation Programs.

(6) Reconciliation of Claims Liabilities

As of June 30, 2026, unpaid losses of $140,958,820 are presented at the net present value of $136,592,277. These losses are discounted at a rate of approximately 1% for Liability, 1.5% for Workers' Compensation, 0.5% for Property, and 0% for Employee Benefits.

The schedule on the next page represents changes in the aggregate liabilities for all programs during the fiscal period ended June 30, 2026.

Discounted Unpaid Claims and Claim Adjustment	**2026**	**2025**
Expenses at the Beginning of the Period	$105,360,575	$101,057,182
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Period	114,003,847	129,976,543
Increase in Provision of Insured Events of Prior Fiscal Years	21,405,317	12,209,680
Total Incurred Claims and Claim Adjustment Expenses	135,409,164	142,186,223
PAYMENTS:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Period	64,875,677	95,008,875
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	39,301,785	42,873,955
Total Payments	104,177,462	137,882,830
Discounted Unpaid Claims and Claim Adjustment Expenses at the End of the Period	**$136,592,277**	**$105,360,575**
Components of Claims Liability:		
Claims Reserves (Current)	$31,197,192	$25,056,121
Claims Reserves (Noncurrent)	44,046,102	22,039,525
Claims Incurred but Not Reported	57,121,878	54,720,918
Unallocated Loss Adjustment Liability	4,227,105	3,544,011
Total Claims Liability	**$136,592,277**	**$105,360,575**

(7) Net Position Designations

There are five categories that make up net position: the Catastrophic Reserve (CAT) Fund (including the Natural Disaster Fund for the property program), the Employee Benefits Fund, the Rate Stabilization Fund, the Cyber Liability Fund, and the retained earnings of the captive insurance company.

The CAT Fund is established to protect members from excessive losses, shared by all members in a given policy year. Contributions to the CAT Fund are typically calculated as 10% of contributions earned. Beginning with the fiscal year 2012-2013, the Liability and Workers' Compensation Programs limited the CAT Fund to 99% of the current year's actuarially determined Gross Liability for Unpaid Losses. If a member has over 99%, the excess is transferred to their Rate Stabilization Fund. If the CAT fund is underfunded, collections may be transferred from the Rate Stabilization Fund, subject to availability.

The Rate Stabilization Fund is used to smooth the process of members' premium billing and refunds. The Employee Benefits Fund can be used to help reduce premium increases of only that Program when approved by the Executive Committee. CWIF reported an excess of earnings over expenses in the amount of $4,511,766 for the nine-month period September 30, 2025 – June 30, 2026.

Net position is designated in the following manner**:**

June 30, 2026:		
Rate Stabilization Fund (RSF)	$	4,684,500
Catastrophic (CAT)/Natural Disaster Fund		41,310,658
Employee Benefits Fund		41,302,367
Cyber Liability Fund		503,096
Captive's Retained Earnings (CWIF)*		45,676,197
Net Position	$	133,476,818

**Difference of retained earnings reported on this schedule varies by $7,395,046 with the CWIF Annual Financial Report due to a portion of CWIF's retained earnings rolling into the RSF and/or the CAT fund.*

(8) Pension Plan

Plan Description

ACWA JPIA provides pension benefits to its employees through ACWA JPIA's Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. ACWA JPIA had fewer than 100 active members as of the June 30, 2025, actuarial valuation. As a result, qualified employees are covered under the Miscellaneous 2% at 55 Risk Pool. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available

financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

The California Legislature passed, and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained several provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by State statute.

Benefits Provided

The benefits for the Plan are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 years of age and have at least 5 years of CalPERS-credited service. Members after December 2012 must be at least 52 to be eligible for service retirement.

Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers to be determined on an annual basis by the actuary and are effective on July 1 following notice of a change in the rate. The contributions are determined through CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. ACWA JPIA is required to contribute the difference between the actuarially determined rate and the employees' contribution rate. ACWA JPIA's required contribution rate on covered payroll for the measurement period ended June 30, 2026 (the measurement date) was 11.54% and 8.27% of annual pay for Classic and PEPRA employees, respectively. Employer contributions rates may change if plan contracts are amended. For the nine-month period ended June 30, 2026, the employer contributions to the plan were $508,128**,** plus an additional $177,908 in elective contributions billed from PERS using actuarial valuations calculating additional unfunded liability payments in this fiscal year.

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

ACWA JPIA's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2025, for the nine-month period ended June 30, 2026. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2024, rolled forward to June 30, 2025, using standard update procedures. As of June 30, 2026, ACWA JPIA's proportionate share of the Plan's net pension liability (NPL) was $608,857**.**

Using ACWA JPIA's individual employer rate plan's share of the risk pool, TPL, and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for ACWA JPIA by the actuary. ACWA JPIA's proportionate share of the net pension liability for the Plan as of June 30, 2025, and 2026 was as follows:

	Plan
Proportion - June 30, 2025	.015263%
Proportion - June 30, 2026	.015263%
Change	.000000%

For the nine-month period ended June 30, 2026, ACWA JPIA recognized a pension expense of $14,529. Reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 72,956	$ 0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	82,385
Changes in proportions	752,691	0
Changes in the proportionate share of contributions	0	961,492
Contributions subsequent to the measurement date	661,877	0
Total	$ 1,487,524	$ 1,043,877

As of June 30, 2026, the $661,877 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as an adjustment to the net pension liability in the nine-month period ending June 30, 2026. As of June 30, 2026, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense (benefit) as follows:

Year Ended June 30	
2027	$ (69,592)
2028	(81,543)
2029	(35,647)
2030	(31,448)

Actuarial Methods and Assumptions

The collective TPL for the June 30, 2025, measurement period was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the TPL to June 30, 2025. The collective TPL was based on the following assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table [1]	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

[1] *The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.*

Changes of Assumptions

There were no changes to assumptions in 2026.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at actuarially determined, statutorily required rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payment periods to determine the total pension liability.

In determining the expected long-term rate of return, CalPERS considered long-term market return expectations and expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the long-term expected real rate of return by asset class.

Asset Class [1]	Assumed Asset Allocation	Real Return Years 1 – 10[1,2]
Public Equity	37.00%	4.56%
Private Equity	17.00%	5.56%
Fixed Income	28.00%	2.53%
Real Assets	15.00%	3.03%
Private Debt	8.00%	4.93%
Leverage	(5.00%)	(1.40) %
Total	100.00%	

[1] An expected inflation of 2.30% used for this period.
[2] Figures are based on the 2024 Asset Liability Management mid-cycle review.

Sensitivity of ACWA JPIA's Proportional Share of the NPL/NPA to Changes in the Discount Rate

The following presents ACWA JPIA's Proportional Share of the NPL of the Plan as of the June 30, 2025, measurement date, calculated using the discount rate of 6.90%, as well as what ACWA JPIA's Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
ACWA JPIA's Proportionate Share of the Plan's NPL (NPA)	$ 6,643,401	$ 608,857	$ (4,357,509)

(9) OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The JPIA has established a retiree healthcare plan that provides other postemployment health benefits for eligible retired employees, their spouses, surviving spouses, and dependents, through the ACWA Joint Powers Insurance Authority OPEB Plan (the Plan). The JPIA, through the authorization of its Board of Directors, elected to establish an irrevocable trust for the Plan through the California Employers' Retiree Benefit Trust (CERBT) Fund, an agent multiple-employer plan, administered by CalPERS. CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. CERBT offers three investment strategies for employers to choose from, depending on their expected return and volatility levels. Benefit provisions are established by the JPIA.

Benefits Provided

ACWA JPIA employees who retire at age 55 or older with a minimum of ten years of service with the organization are eligible to receive lifetime medical benefits. Benefits are also provided to retirees' spouses, surviving spouses, and dependent children (up to age 26) who participate. For employees hired after January 31, 2018, an allowance of up to $500 (up to $1,000 with spouse or domestic partner coverage; no coverage for dependent children) will be provided for medical premium payments, using the same matrix below.

The amount of benefit a retiree receives is based on the following schedule. ACWA JPIA covers 100% of the cost of coverage for employees who retire with age plus years of service equal to or greater than 75.

Age plus Years of Service	ACWA JPIA Percentage of Premium Payment
65	55%
66	55%
67	60%
68	65%
69	70%
70	75%
71	80%
72	85%
73	90%

74	95%
75+	100%

Employees Covered

As of the June 30, 2026, actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan using a measurement date of September 30, 2025:

Inactive employees receiving benefits	0
Retired members and beneficiaries	27
Participating active employees	62
Total	89

Contributions

The JPIA provides benefits on a pay-as-you-go basis and makes contributions to the OPEB Trust. The JPIA's policy is to prefund its benefits by contributing the full actuarially determined contribution to the CERBT each year. The JPIA's employees are not required to contribute to the Plan.

As of the measurement date, September 30, 2025, the actuarially determined contribution has been zero. Plan assets cover 120% of the Present Value of Future Benefits (PVFB). This means that if all assumptions are exactly realized, assets are sufficient to cover all future benefits for current employees and retirees. Contributions may again be recommended in future years if the funding status falls below 100% PVFB due to Plan changes, adverse experience, assumption changes, or future hires.

In August of 2025, the trust reimbursed JPIA $221,256 for pay-as-you-go premiums paid during PERS fiscal year 2025-26. Since this amount was received in August, it was classified as a deferred inflow for JPIA in fiscal year 2024-25 and recognized as a reduction in OPEB expense in the nine-month fiscal period 2025-26.

Net OPEB Asset

The JPIA's net OPEB asset was measured as of June 30, 2025, and was determined by an actuarial valuation based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	6.40%
Inflation	2.30%
Salary Increases [1]	2.80%
Investment Rate of Return [2]	6.40%
Mortality [3]	CalPERS' Membership Data
Health care cost trend rates	6.22 percent for 2026, 6.07 percent for 2027, 5.84 percent for 2028, 5.55 percent for 2029, 5.25 percent for 2030, 4.96 percent for 2031, 4.66 percent for 2032, 4.37 percent for 2033, 4.16 percent for 2034, 4.14 percent for 2035 to 2075, and 3.94 percent from 2076 and beyond.

(1) Since benefits do not depend on salary, using an aggregate payroll assumption for purposes of calculating the service costs results in negligible error.

(2) Net of OPEB plan investment expense; includes inflation.

(3) Mortality rates were based on the most recent experience study for CalPERS members.
Pre-Retirement: CalPERS Public Agency Miscellaneous and Schools Pre-Retirement Mortality, with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)
Post-Retirement: CalPERS Public Agency Post-Retirement Mortality with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)

Assumption Changes

The discount rate did not change during the measurement date, September 30, 2025.

There were no assumption changes from June 30, 2025, to September 30, 2025:

Discount Rate

Accounting standards for OPEB require a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments, and assets are expected to be invested using a strategy to achieve that return.

b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, to the extent that the conditions in (a) are not met.

JPIA has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability equals the long-term expected rate of return.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Class	Target Allocation	Long-Term * Expected Real Rate of Return
Global ex-U.S. Equity	49.00%	6.80%
U.S. Fixed Income	23.00%	3.70%
TIPS	5.00%	2.80%
REITS	20.00%	6.00%
Other (Commodities)	3.00%	3.40%
Total	100.00%	

*JPMorgan arithmetic Long-Term Capital Market assumptions and expected

inflation of 3.50%.

Changes in the Net OPEB Asset

The changes in the Net OPEB Asset for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (TOL) (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a)-(b)**
Balance as of September 30, 2025 (Measurement date June 30, 2025)	$ 7,921,991	$ 12,000,273	$ (4,078,282)
Changes recognized for the measurement period:			
Service cost	93,198	0	93,198
Interest	124,725	0	124,725
Contributions—employer	0	(163,585)	163,585
Net investment income	0	674,239	(674,239)
Differences between expected and actual experience	0	0	0
Change of assumptions	0	0	0
Benefit payments	(70,654)[a]	(70,654)[b]	0
Administrative expense		(841)	841
Net changes	147,269	439,159	(291,890)
Balance as of June 30, 2026 (Measurement date September 30, 2025)	$ 8,069,260	$ 12,439,432	$ (4,370,172)

a) Current year benefit payments
b) Sum of current year benefit payments and 23/24 benefit payment reimbursement

Sensitivity of the JPIA's Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the JPIA, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate –1% (5.40%)	**Current Discount Rate (6.40%)**	**Discount Rate +1% (7.40%)**
Net OPEB Liability (Asset)	$ (3,254,951)	$ (4,370,172)	$ (5,296,182)

Sensitivity of the JPIA's Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of the JPIA, as well as what the net OPEB asset would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Trend Rate -1%	Health Care Trend Rate	Trend Rate +1%
Net OPEB Liability (Asset)	$ (5,411,569)	$ (4,370,172)	$ (3,089,554)

OPEB plan fiduciary net position

Detailed information about the Plan's fiduciary net position is available on CalPERS' website in an annual report titled "California Employers' Retiree Benefit Trust, Agent Multiple-Employer Other Postemployment Benefits Plan, and Schedule of Changes in Fiduciary Net Position by Employer." Additionally, CalPERS issues an Annual Comprehensive Financial Report that includes the CERBT fund's financial information.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and will be recognized in future OPEB expenses.

The recognition period differs depending on the source of the gain or loss. Net differences between projected and actual earnings on OPEB Trust investments are 5 years.

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the nine-month period ended June 30, 2026, the JPIA recognized an OPEB credit of $449,276 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions after the measurement date*	$ 259,010	$ 0
Changes in assumptions	762,251	706,585
Distributions from the OPEB trust subsequent to the measurement date**	0	0
Differences between expected and actual experience	737,020	1,194,350
Net difference between projected and actual earnings on OPEB plan investments	0	782,291
Total	**$ 1,758,281**	**$ 2,683,226**

**The $259,010 reported as deferred outflows of resources related to contributions after the September 30, 2025, measurement date will be recognized as an increase in the net OPEB asset during the fiscal year ending June 30, 2027.*

***Reimbursed funds from the trust to pay JPIA for pay-as-you-go premiums paid over the PERS fiscal year 2025-2026, recognized as deferred inflow due to the timing of the receipt of funds in August 2025. This amount was recognized as a reduction in the net OPEB asset during the fiscal period ended June 30, 2026.*

Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30	Recognized Deferred Outflows/(Inflows) of Resources
2027	$ 185,773
2028	(455,580)
2029	(520,769)
2030	(1,570,809)
2031	342,635
Thereafter	834,795
Total Deferred Resources:	$(1,183,955)

(10) Deferred Compensation Plan

The JPIA employees may defer a portion of their compensation under an employer-sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by CalPERS and Lincoln Financial Group. Under this plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them; distributions may be made only upon termination, retirement, death, or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these new plans are neither JPIA's property nor subject to its control, they have been excluded from these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

(1) Reconciliation of Claims Liabilities by Type of Contract

These schedules represent the changes in claims liabilities in the past period for the Liability, and Workers' Compensation Programs.

(2) Claims Development Information

The table illustrates how earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses as of the end of each of the past ten years.

The rows of the table are defined as follows:

1. This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs including overhead and claims expense not allocable to individual claims.
3. This line shows the gross incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred.
4. This section of ten rows shows the cumulative net amounts paid as of the net of successive years for each policy year.
5. This line shows the latest re-estimated number of claims assumed by reinsurers as of the end of the current year for each accident year.
6. This section shows the annually re-estimated results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and re-estimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT

FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

	Liability Program	Property Program	Workers' Compensation Program	Employee Benefits Program	Total
Unpaid Claims and Claim Adjustment at Beginning of the Fiscal Period	$ 53,495,283	$ 11,869,422	$ 30,493,980	$ 9,501,890	$ 105,360,575
Incurred Claims and Allocated Claim Adjustment Expense:					
Provisions for Insured Events of the Current Fiscal Period	30,920,679	12,837,131	6,775,611	63,470,426	114,003,847
Increase in Provision for Incurred Events of Prior Fiscal Years	218,725	1,961,433	196,414	19,028,745	21,405,317
Total Incurred Claims and Allocated Claim Adjustment Expenses	31,139,404	14,798,564	6,972,025	82,499,171	135,409,164
Payments					
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Period	1,792,343	1,016,590	1,557,656	60,509,088	64,875,677
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	14,223,606	875,115	2,805,079	21,397,985	39,301,785
Total Payments	16,015,949	1,891,705	4,362,735	81,907,073	104,177,462
Discounted Unpaid Claims and Allocated Claim Adjustment Expense at the End of the Fiscal Period	$ 68,618,738	$ 24,776,281	$ 33,103,270	$ 10,093,988	$ 136,592,277
Components:					
Claims Reserves (Current)	$ 14,295,266	$ 10,443,966	$ 6,457,960	$ 0	$ 31,197,192
Claims Reserves (Noncurrent)	27,843,167	8,661,817	7,541,118	0	44,046,102
Claims Incurred But Not Reported	25,499,930	4,668,188	16,859,772	10,093,988	57,121,878
Unallocated Loss Adjustment Liability	980,375	1,002,310	2,244,420	0	4,227,105
Total Claims Liability	$ 68,618,738	$ 24,776,281	$ 33,103,270	$ 10,093,988	$ 136,592,277

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
PROGRAM YEAR ENDED SEPTEMBER 30

LIABILITY PROGRAM

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1. Required contribution and investment revenue:										
Earned	$ 15,833,745	$ 16,851,744	$ 19,178,714	$ 19,744,339	$ 21,880,484	$ 23,553,605	$ 23,209,885	$ 28,413,959	$ 34,998,036	$ 40,398,321
Ceded	3,875,750	2,758,676	3,014,553	3,196,277	5,504,597	5,693,446	7,337,241	7,948,641	9,149,052	10,046,222
Net earned	11,957,995	14,093,068	16,164,161	16,548,062	16,375,887	17,860,159	15,872,644	20,465,318	25,848,984	30,352,099
2. Unallocated expenses	2,229,362	2,926,100	3,958,031	3,919,697	4,736,711	2,347,518	2,718,847	3,001,686	3,059,880	2,461,464
3. Estimated claims and expenses end of policy year:										
Incurred	15,010,541	12,623,498	12,521,301	14,101,240	14,992,990	15,852,797	19,045,029	23,470,446	25,771,836	28,205,879
Ceded	3,489,316	949,000	860,000	1,025,000	1,155,000	1,222,000	1,810,000	2,868,000	2,366,000	2,625,000
Net incurred	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029	20,602,446	23,405,836	25,580,879
4. Net paid (cumulative) as of :										
End of policy year	2,313,638	1,702,912	1,827,061	1,622,001	2,812,515	2,909,828	2,684,900	3,102,299	3,375,022	7,615,457
One year later	5,197,925	3,375,115	3,176,237	9,430,733	6,238,788	6,932,966	6,565,613	6,221,445	13,326,478	
Two years later	9,257,380	6,537,956	5,560,989	10,866,250	7,358,677	11,052,357	10,319,425	12,790,935		
Three years later	9,148,742	6,713,185	6,826,024	11,371,388	11,215,421	11,016,892	12,556,441			
Four years later	9,158,435	6,844,171	7,396,393	12,595,360	24,378,776	11,451,821				
Five years later	9,156,252	7,179,702	7,824,146	13,510,331	24,562,715					
Six years later	9,156,252	10,825,781	7,935,991	17,114,108						
Seven years later	9,156,252	10,828,188	7,975,521							
Eight years later	9,156,252	10,826,981								
Nine years later	9,156,252									
5. Reestimated claims and expenses:	3,000	0	55,000	9,665,000	6,339,000	221,000	399,000	889,000	1,805,000	2,625,000
6. Reestimated net incurred claims and expenses:										
End of policy year	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029	20,602,446	23,405,836	25,580,879
One year later	10,817,319	10,717,162	10,791,082	15,836,297	13,526,276	13,992,690	17,446,683	18,611,322	23,448,416	
Two years later	10,800,508	9,064,480	10,205,529	17,077,914	16,359,364	13,318,819	15,682,331	17,744,564		
Three years later	9,960,435	7,428,404	10,999,841	17,849,788	28,251,878	13,873,596	14,875,829			
Four years later	9,353,029	7,366,721	10,879,814	20,086,765	26,093,651	13,532,862				
Five years later	9,156,253	10,850,607	11,354,126	18,956,169	24,917,956					
Six years later	9,156,253	10,858,535	8,452,664	17,789,794						
Seven years later	9,220,224	10,828,225	8,267,645							
Eight years later	9,224,451	10,828,182								
Nine years later	9,219,253									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (2,301,972)	$ (846,316)	$ (3,393,656)	$ 4,713,554	$ 11,079,966	$ (1,097,935)	$ (2,359,200)	$ (2,857,882)	$ 42,580	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
PROGRAM YEAR ENDED MARCH 31

PROPERTY PROGRAM

	2016/17	2017/18	*2018/19	*2019/20	*2020/21	*2021/22	*2022/23	*2023/24	*2024/25	**2025/26
1. Required contribution and investment revenue:										
Earned	$ 5,290,858	$ 5,735,438	$ 5,964,516	$ 6,958,610	$ 8,480,621	$ 10,634,316	$ 14,156,739	$ 17,626,404	$ 22,944,217	$ 20,053,988
Ceded	1,523,521	1,657,369	3,042,615	4,831,663	6,444,797	8,109,461	7,103,652	8,716,812	9,632,702	6,811,233
Net earned	3,767,337	4,078,069	2,921,901	2,126,947	2,035,824	2,524,855	7,053,087	8,909,592	13,311,515	13,242,755
2. Unallocated expenses	1,979,616	1,275,644	1,710,890	2,243,343	1,100,033	919,676	3,575,497	1,205,292	1,403,812	1,640,905
3. Estimated claims and expenses end of policy year:										
Incurred	5,960,208	4,625,770	13,273,427	2,196,813	4,460,497	36,527,468	12,727,112	7,297,615	6,617,644	17,816,438
Ceded	4,226,383	3,316,000	10,419,000	455,000	1,326,000	34,019,000	425,000	421,000	381,000	832,000
Net incurred	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468	12,302,112	6,876,615	6,236,644	16,984,438
4. Net paid (cumulative) as of :										
End of policy year	1,275,484	1,089,031	2,110,318	735,138	1,902,445	1,535,697	2,001,041	2,620,957	1,190,778	1,549,433
One year later	1,211,080	1,146,171	2,202,967	1,203,955	2,685,157	2,648,685	7,520,909	3,395,737	1,389,017	
Two years later	1,183,299	1,165,339	2,427,451	1,576,645	2,779,604	2,621,307	10,014,894	3,402,484		
Three years later	1,139,451	1,079,440	2,388,914	1,675,095	2,879,745	2,728,166	10,137,104			
Four years later	1,141,746	1,078,912	2,378,823	1,995,607	2,745,122	2,837,273				
Five years later	1,141,746	1,054,236	2,369,299	1,989,027	2,772,647					
Six years later	1,124,746	1,054,027	2,360,399	1,994,414						
Seven years later	1,112,746	1,046,323	2,353,874							
Eight years later	1,102,746	1,046,323								
Nine years later	1,098,246									
5. Reestimated ceded claims and expenses:	4,771,209	2,529,516	25,365,104	1,374,279	1,525,141	24,043,000	424,000	36,000	40,000	832,000
6. Reestimated net incurred claims and expenses:										
End of policy year	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468	12,302,112	6,876,615	6,236,644	16,984,438
One year later	1,512,876	1,148,440	2,582,914	2,318,206	3,331,348	2,826,590	13,280,171	4,074,956	1,910,431	
Two years later	1,259,393	1,167,503	2,459,948	2,439,874	2,782,378	2,711,449	13,724,931	3,402,673		
Three years later	1,253,000	1,079,441	2,397,909	1,675,769	2,879,930	2,728,166	15,700,000			
Four years later	1,153,356	1,078,913	2,386,750	1,996,281	2,745,122	2,836,697				
Five years later	1,153,356	1,054,236	2,377,225	1,989,701	2,772,647					
Six years later	1,142,726	1,054,027	2,368,326	1,995,087						
Seven years later	1,131,726	1,053,631	2,359,301							
Eight years later	1,119,726	1,046,323								
Nine years later	1,112,226									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (621,599)	$ (263,447)	$ (495,126)	$ 253,274	$ (361,850)	$ 328,229	$ 3,397,888	$ (3,473,942)	$ (4,326,213)	$ 0

*Program years 2018-2019 through 2024-2025 all ended June 30
**Program year 2025-2026 was a nine-month coverage period to revert the program back to a April 1 start date (July 1 2025 - March 31 2026)

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
PROGRAM YEAR ENDED JUNE 30

WORKERS' COMPENSATION

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1. Required contribution and investment revenue:										
Earned	$ 13,135,601	$ 13,340,455	$ 14,126,621	$ 15,684,555	$ 15,048,634	$ 15,066,728	$ 16,526,182	$ 18,234,185	$ 18,864,987	$ 18,383,709
Ceded	556,796	499,119	507,276	534,177	549,670	606,774	623,972	750,361	820,470	691,817
Net earned	12,578,805	12,841,336	13,619,345	15,150,378	14,498,964	14,459,954	15,902,210	17,483,824	18,044,517	17,691,892
2. Unallocated expenses:	3,070,722	3,050,100	3,122,944	3,776,639	3,994,414	3,877,971	3,706,289	3,241,694	2,401,386	1,590,461
3. Estimated claims and expenses end of policy year:										
Incurred	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494	7,650,224	8,228,660	8,544,215
Ceded	0	0	0	0	0	0	0	0	0	0
Net incurred	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494	7,650,224	8,228,660	8,544,215
4. Net paid (cumulative) as of :										
End of policy year	1,611,621	1,365,070	1,379,721	1,908,694	1,741,263	1,336,009	1,412,292	1,819,565	2,291,722	1,361,723
One year later	2,345,827	2,248,484	2,343,026	3,104,064	2,767,921	2,579,668	2,736,597	3,122,176	3,499,189	
Two years later	2,657,368	2,579,285	3,008,537	4,258,175	3,918,710	3,224,525	3,376,621	3,502,780		
Three years later	2,995,480	2,828,582	3,324,110	4,715,610	5,463,754	3,656,016	3,705,882			
Four years later	3,149,659	3,397,262	3,442,873	4,981,861	6,284,855	3,953,237				
Five years later	3,261,608	3,705,088	3,637,213	5,477,011	6,449,068					
Six years later	3,324,793	3,846,580	3,684,059	5,740,826						
Seven years later	3,369,418	3,895,675	3,697,884							
Eight years later	3,391,103	3,921,237								
Nine years later	3,401,459									
5. Reestimated claims and expenses:	0	0	0	0	0	0	0	0	0	0
6. Reestimated net incurred claims and expenses:										
End of policy year	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494	7,650,224	8,228,660	8,544,215
One year later	5,965,054	5,901,694	6,046,702	6,668,007	6,276,953	5,513,901	6,831,762	7,358,604	8,252,847	
Two years later	5,069,443	5,082,436	5,131,153	6,675,886	6,852,465	5,704,479	6,445,843	7,371,434		
Three years later	4,594,823	4,543,984	4,438,211	7,079,100	7,654,602	6,143,937	6,454,758			
Four years later	4,350,572	4,339,326	4,450,160	7,273,779	8,435,711	6,150,647				
Five years later	4,084,561	4,414,937	4,733,262	7,583,841	8,371,227					
Six years later	3,998,881	4,511,568	4,480,405	7,608,904						
Seven years later	4,266,622	4,249,433	4,480,853							
Eight years later	4,070,193	4,253,350								
Nine years later	4,074,096									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (3,128,107)	$ (2,392,386)	$ (2,422,805)	$ 95,288	$ 1,560,779	$ 629,556	$ 223,264	$ (278,790)	$ 24,187	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
PROGRAM YEAR ENDED DECEMBER 31

EMPLOYEE BENEFITS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1. Required contribution and investment revenue:										
Earned	$ 128,130,500	$ 140,433,366	$ 146,479,743	$ 148,127,454	$ 152,480,559	$ 157,960,331	$ 149,282,369	$ 149,846,573	$ 169,221,385	$ 188,624,631
Ceded	1,538,801	1,636,443	2,107,541	2,847,451	3,042,473	2,135,657	2,086,039	0	0	0
Net earned	126,591,699	138,796,923	144,372,202	145,280,003	149,438,086	155,824,674	147,196,330	149,846,573	169,221,385	188,624,631
2. Unallocated expenses:	2,994,455	2,817,544	2,443,630	2,677,795	2,636,603	2,549,898	2,463,542	2,955,031	2,860,502	3,403,900
3. Estimated claims and expenses end of policy year:										
Incurred	86,200,856	82,300,575	77,042,190	74,922,732	69,713,938	79,489,644	81,814,475	82,608,248	111,326,835	110,521,262
Ceded	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,394,846	724,691	0	0	0
Net incurred	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784	82,608,248	111,326,835	110,521,262
4. Net paid (cumulative) as of :										
End of policy year	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784	82,608,248	111,326,835	110,521,262
One year later	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	81,078,400	82,608,248	111,326,835	
Two years later	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016	76,520,799	81,078,400	82,608,248		
Three years later	81,297,624	80,840,661	73,346,741	71,802,750	67,436,016	76,520,799	81,078,400			
Four years later	81,297,624	80,840,661	73,346,741	71,803,152	67,436,016	76,520,799				
Five years later	81,297,624	80,840,661	73,346,741	71,803,152	67,436,016					
Six years later	81,297,624	80,841,532	73,346,741	71,803,152						
Seven years later	81,297,624	80,841,532	73,346,741							
Eight years later	81,297,624	80,841,532								
Nine years later	81,297,624									
5. Reestimated claims and expenses:	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,394,846	724,691	0	0	0
6. Reestimated net incurred claims and expenses:										
End of policy year	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784	82,608,248	111,326,835	110,521,262
One year later	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	81,078,400	82,608,248	111,326,835	
Two years later	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016	76,520,799	81,078,400	82,608,248		
Three years later	81,297,624	80,840,661	73,346,741	71,802,750	67,436,016	76,520,799	81,078,400			
Four years later	81,297,624	80,840,661	73,346,741	71,803,152	67,436,016	76,520,799				
Five years later	81,297,624	80,840,661	73,346,741	71,803,152	67,436,016					
Six years later	81,297,624	80,841,532	73,346,741	71,803,152						
Seven years later	81,297,624	80,841,532	73,346,741							
Eight years later	81,297,624	80,841,532								
Nine years later	81,297,624									
7. Decrease in estimated incurred claims and expense from end of policy year:	$ (256,337)	$ (238,604)	$ (1,114,754)	$ (1,919,631)	$ (1,138,319)	$ (573,999)	$ (11,384)	$ 0	$ 0	$ 0

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF OPEB CONTRIBUTIONS
for the Fiscal Periods Ended June 30 or September 30
LAST 10 YEARS*

	2018	2019	2020	2021	2022	2023	2024	2025	**2026
Actuarial determined contribution	$ 221,901	$ 232,094	$ 278,058	$ 291,961	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions in relation to the actuarially determined contribution	(221,901)	(232,094)	(278,058)	(201,239)	0	0	0	0	0
Contributions to the trust	0	0	0	0	0	0	0	0	(168,048)
Active implicit rate subsidy transferred to OPEB	0	0	0	0	(204,153)	(30,280)	(35,587)	(13,092)	4,463
Contribution deficiency (excess)	0	0	0	90,722	(204,153)	(30,280)	(35,587)	(13,092)	(163,585)
Covered payroll	4,524,319	4,837,414	5,158,992	5,354,008	5,594,705	6,365,520	6,616,656	6,878,248	6,925,898
Contributions as a percentage of covered payroll	4.90%	4.80%	5.39%	3.76%	3.65%	0.48%	0.54%	0.19%	2.36%

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for all plan years were from June 30 actuarial valuations.

Methods and assumptions used to determine contributions:

Employers who set a discount rate based on the assumption that assets will cover all future benefit payments under the plan are assumed to make annual contributions equal to the ADC. Annual contributions that are substantially less than the ADC require additional justification for using a discount rate equal to the long-term expected return on trust assets.
Covered-Employee Payroll, as defined by GASB 75, is the total payroll of employees eligible for benefits under the OPEB plan.

* Fiscal year 2018 was the 1st year of implementation, therefore only nine years are presented.
**Fiscal period ended June 30, 2026 used a measurement date of September 30, 2025 to change fiscal year end from September 30 to June 30 (all other years are measurement date June 30)

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF CHANGES IN THE NET OPEB ASSET
AND RELATED RATIOS
for the Measurement Periods Ended June 30 or September 30
LAST 10 YEARS*

	2018	2019	2020	2021	2022	2023	2024	2025	**2026
TOTAL OPEB LIABILITY									
Service cost	$ 269,165	$ 282,624	$ 259,189	$ 272,149	$ 242,007	$ 254,108	$ 203,570	$ 256,992	$ 93,198
Interest	476,950	518,285	510,671	551,507	543,802	582,243	387,774	405,052	124,725
Differences between expected and actual experience	(11)	(178,909)	(31,073)	150,000	(67,937)	(2,308,540)	0	857,426	0
Changes of assumptions	0	(516,365)	0	(846,669)	0	(944,478)	588,199	462,718	0
Benefit payments	(190,988)	(192,597)	(180,755)	(201,239)	(204,153)	(199,661)	(204,968)	(260,257)	(70,654)
NET CHANGE IN TOTAL OPEB LIABILITY	555,116	(86,962)	558,032	(74,252)	513,719	(2,616,328)	974,575	1,721,931	147,269
TOTAL OPEB LIABILITY, Beginning	6,376,160	6,931,276	6,844,314	7,402,346	7,328,094	7,841,813	5,225,485	6,200,060	7,921,991
TOTAL OPEB LIABILITY, Ending (a)	6,931,276	6,844,314	7,402,346	7,328,094	7,841,813	5,225,485	6,200,060	7,921,991	8,069,260
PLAN FIDUCIARY NET POSITION									
Contributions—employer	319,185	232,094	278,058	201,239	204,153	30,280	35,587	13,092	(163,585)
Net investment income (loss)	483,241	488,951	297,577	2,421,291	(1,502,948)	613,677	1,101,771	1,337,736	674,239
Benefit payments	(190,988)	(192,597)	(180,755)	(201,239)	(204,153)	(374,550)	(204,968)	(260,257)	(70,654)
Administrative expense	(3,795)	(3,890)	(4,190)	(3,335)	(5,459)	(4,770)	(8,803)	(3,724)	(841)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	607,643	524,558	390,690	2,417,956	(1,508,407)	264,637	923,587	1,086,847	439,159
PLAN FIDUCIARY NET POSITION, Beginning	7,292,762	7,900,405	8,424,963	8,815,653	11,233,609	9,725,202	9,989,839	10,913,426	12,000,273
PLAN FIDUCIARY NET POSITION, Ending (b)	7,900,405	8,424,963	8,815,653	11,233,609	9,725,202	9,989,839	10,913,426	12,000,273	12,439,432
NET OPEB LIABILITY (ASSET), Ending (a) - (b)	$ (969,129)	$ (1,580,649)	$ (1,413,307)	$ (3,905,515)	$ (1,883,389)	$ (4,764,354)	$ (4,713,366)	$ (4,078,282)	$ (4,370,172)
Plan fiduciary net position as a percentage of the total OPEB liability	113.98%	123.09%	119.09%	153.30%	124.02%	191.18%	176.02%	151.48%	154.16%
Covered payroll	$ 4,470,013	$ 5,092,412	$ 5,063,961	$ 5,346,015	$ 5,496,891	$ 6,365,520	$ 5,050,817	$ 6,878,248	$ 6,925,898
Net OPEB asset as a percentage of covered payroll	-21.68%	-31.04%	-27.91%	-73.05%	-34.26%	-74.85%	-93.32%	-59.29%	-63.10%

Notes to Schedule:
During the measurement period ended June 30, 2018, the plan was amended to provide the coverage to surviving spouses.

Assumption Changes:
No changes since the last measurement date.

* Fiscal year 2018 was the 1st year of implementation, therefore only nine years are presented.
**Measurement date September 30, 2026 was a roll forward projection from June 30, 2026 to change fiscal year end from September 30 to June 30 (all other years are measurement date June 30)

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
for the Measurement Periods Ended June 30
Last 10 Years

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
The JPIA's Proportion of the Net Pension Liability (Asset)	0.038815%	0.013959%	(0.023017%)	(0.008359%)	(0.003275%)	(0.25097%)	0.030884%	0.045555%	0.045099%	0.015263%
The JPIA's Proportionate Share of the Net Pension Liability (Asset)	$1,348,385	$550,282	($867,450)	($334,731)	($138,133)	($4,765,400)	$1,445,119	$2,277,917	$2,181,258	$608,857
The JPIA's Covered Payroll	$4,240,054	$4,411,665	$4,470,013	$4,759,677	$5,063,961	$5,549,223	$5,496,891	$5,961,012	$6,557,369	$6,878,248
The JPIA's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll	31.80%	12.47%	(19.41%)	(7.03%)	(2.73%)	(85.88%)	26.29%	38.21%	33.26%	8.85%
The JPIA's Proportionate Share of the Fiduciary Net Position as a Percentage of the JPIA's Total Pension Liability	78.40%	73.31%	75.26%	75.26%	75.10%	88.29%	76.68%	76.21%	78.08%	82.43%

Notes to Schedule:

Change of benefit terms - There were no changes to benefit terms.

Changes in assumptions - There were no assumption changes in 2023 through 2026. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the account discount rate was reduced from 7.15% to 6.9%. In determining the long-term expected rate of return, CalPERS took into account the long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The account discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement date June 30, 2016.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Miscellaneous Plan, a Cost Sharing-Employer Defined Benefit Pension Plan
for the Fiscal Period Ended June 30
Last 10 Years

SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN

	2017	2018	2019	2020	2021	2022	2023	2024	2025	*2026
Actuarially determined contribution (actuarially determined)	$ 349,738	$ 361,115	$ 401,175	$ 437,050	$ 478,790	$ 498,192	$ 556,198	$ 615,173	$ 650,957	$ 508,128
Contributions in relation to the actuarially determined contributions	1,698,126	1,431,686	410,030	850,357	482,809	557,530	556,198	642,818	793,196	686,037
Contribution deficiency (excess)	(1,348,388)	(1,070,571)	(8,855)	(413,307)	(4,019)	(59,338)	0	(27,645)	(142,239)	(177,909)
Covered payroll	$4,428,325	$4,524,319	$4,837,414	$5,158,992	$5,354,008	$5,594,705	$6,189,694	$6,616,656	$6,975,295	$5,622,478
Contributions as a percentage of covered payroll	38.35%	31.64%	8.48%	16.48%	9.02%	9.97%	8.99%	9.72%	11.37%	12.20%

*Fiscal year 2026 ended June 30, all other years ended September 30

SUPPLEMENTARY INFORMATION

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

	LIABILITY	DAM FAILURE	PROPERTY	PASS - THROUGHS	WORKERS' COMP	STORAGE TANKS	EMPLOYEE BENEFITS	CYBER LIABILITY	RSF ADJUSTMENTS	CWIF	INTER-FUND ELIMINATIONS	TOTALS
OPERATING REVENUES												
Member contributions	$ 31,383,583	$ 615,001	$ 19,147,987	$ 1,184,917	$ 12,833,420	$ (8,395)	$ 144,212,682	$ 6,116	$ 0	$ 31,346,831	$ (31,346,831)	$ 209,375,311
Retrospective contribution adjustments	185,815	0	6,610,556	0	(2,689,772)	353	0	0	(583,525)	0	0	3,523,427
TOTAL OPERATING REVENUES	31,569,398	615,001	25,758,543	1,184,917	10,143,648	(8,042)	144,212,682	6,116	(583,525)	31,346,831	(31,346,831)	212,898,738
OPERATING EXPENSES												
Claims expense:												
Claims paid	16,015,949	0	1,891,705	0	4,362,735	0	81,907,073	0	0	18,175,313	(18,175,313)	104,177,462
Change in claims reserves	3,300,684	0	14,802,886	0	284,072	0	0	0	0	14,879,651	(5,119,651)	28,147,642
Change in claims incurred but not reported	1,974,947	0	(2,273,626)	0	2,107,547	0	592,100	0	0	4,454,762	(4,454,762)	2,400,968
Change in unallocated loss adjustment expense	87,824	0	377,597	0	217,671	0	0	0	0	0	0	683,092
Total claims expense	21,379,404	0	14,798,562	0	6,972,025	0	82,499,173	0	0	37,509,726	(27,749,726)	135,409,164
Excess insurance	8,135,208	615,228	6,749,421	1,271,003	519,600	(8,119)	45,000	2,515	0	0	(2,345,100)	14,984,756
Benefit premiums	0	0	0	0	0	0	64,496,865	0	0	0	0	64,496,865
Pension expense	4,359	0	2,034	0	5,230		2,906	0	0	0	0	14,529
General, Administrative & Depreciation	3,523,002	(227)	1,953,709	(86,086)	4,479,664	(400)	2,706,270	0	0	13,550,000	(13,550,000)	12,575,932
TOTAL OPERATING EXPENSES	33,041,973	615,001	23,503,726	1,184,917	11,976,519	(8,519)	149,750,214	2,515	0	51,059,726	(43,644,826)	227,481,246
OPERATING INCOME (LOSS)	(1,472,575)	0	2,254,817	0	(1,832,871)	477	(5,537,532)	3,601	(583,525)	(19,712,895)	12,297,995	(14,582,508)
NONOPERATING REVENUES												
Investment income (loss)	1,472,575	0	495,183	0	1,832,871	(7)	1,948,005	0	0	10,198,031	(5,236,003)	10,710,655
Net decrease in investment fair value	0	0	0	0	0	0	0	0	0	14,026,630	0	14,026,630
TOTAL NONOPERATING REVENUES	1,472,575	0	495,183	0	1,832,871	(7)	1,948,005		0	24,224,661	(5,236,003)	24,737,285
CHANGE IN NET POSITION	$ 0	$ 0	$ 2,750,000	$ 0	$ 0	$ 470	$ (3,589,527)	$ 3,601	$ (583,525)	$ 4,511,766	$ 7,061,992	$ 10,154,777

CALIFORNIA WATER INSURANCE FUND

SCHEDULE OF NET POSITION
JUNE 30, 2026

ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	$	1,309,296
Premiums receivable		4,878,400
TOTAL CURRENT ASSETS		6,187,696
NONCURRENT ASSETS		
Investments		266,287,365
TOTAL ASSETS		272,475,061
LIABILITIES:		
CURRENT LIABILITIES		
Claim reimbursements payable		11,762,442
Dividends payable		13,550,000
Unearned premiums		7,228,044
Claims reserves		18,635,533
TOTAL CURRENT LIABILITIES		51,176,019
NONCURRENT LIABILITIES		
Claims reserves		32,340,281
Claims incurred but not reported		40,349,073
TOTAL NONCURRENT LIABILITIES		72,689,354
TOTAL LIABILITIES		123,865,373
NET POSITION:		
Capital stock		250,000
Paid-in capital		95,288,445
Unrestricted		53,071,243
TOTAL NET POSITION	$	148,609,688

See accompanying notes to financial statements.

CALIFORNIA WATER INSURANCE FUND

SCHEDULE OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for premiums	$	36,135,675
Dividends paid back to JPIA		(1,686,003)
Payments for claims		(18,175,313)
Other claims-related receipts		164,126
NET CASH PROVIDED BY OPERATING ACTIVITIES		16,438,485
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities		(117,758,360)
Proceeds from sales of investments		90,772,257
Investment earnings		10,451,012
Investment expenses		(252,981)
NET CASH USED BY INVESTING ACTIVITIES		(16,788,072)
Decrease in cash and cash equivalents		(349,587)
Cash and cash equivalents, beginning		1,658,883
Cash and cash equivalents, ending	$	1,309,296
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	$	(19,712,895)
Adjustments to net cash provided by operating activities:		
Change in member premiums receivable		4,878,400
Change in claims reimbursements payable		164,126
Change in dividends payable		11,863,997
Change in unearned member premiums		(89,556)
Change in claims liabilities		19,334,413
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	16,438,485
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in unrealized fair value of investments	$	14,026,630

See accompanying notes to financial statements.

STATISTICAL SECTION

STATISTICAL SECTION

The following section of the financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about ACWA JPIA's overall financial position.

Financial Trends

These schedules contain trend information to help explain ACWA JPIA's financial performance over time. They highlight how revenues, expenses, and changes in the net position have developed over the years.

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Statements of Revenues, Expenses and Changes in Net Position……..	80
Revenues by Program……	81
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Demographic and Economic Information

These schedules offer demographic and economic information indicators to explain the environment in which ACWA JPIA's financial activities take place. The number of liability, property, and workers' compensation claims is an indicator of claims expenses.

Payroll totals for liability and workers' compensation, along with claims experience, are the main indicators for premium revenue. Property "totally insured values" are used as indicators for property program premiums.

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Covered Payrolls/Property Values……	87

Schedules showing trends for property tax rates and revenues, along with corresponding assessed valuations, are not presented since ACWA JPIA does not levy such taxes.

Schedules showing bonded debt and related legal debt ratios are also not applicable.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENTS OF NET POSITION
LAST TEN FISCAL YEARS

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Assets										
Current assets	$ 67,511,963	$ 60,182,304	$ 75,977,556	$ 90,574,861	$ 55,041,382	$ 62,751,382	$ 44,388,883	$ 71,919,850	$ 61,214,937	$ 79,410,827
Noncurrent assets	131,853,381	128,161,913	136,122,295	146,950,212	216,728,977	183,863,832	244,073,620	236,224,616	256,248,822	307,040,403
TOTAL ASSETS	199,365,344	188,344,217	212,099,851	237,525,073	271,770,359	246,615,214	288,462,503	308,144,466	317,463,759	386,451,230
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	1,404,974	1,063,032	480,729	741,645	1,027,236	5,034,164	3,716,126	2,186,450	1,243,185	1,487,524
OTHER POST EMPLOYMENT BENEFITS		35,283	73,061	313,105	161,906	1,074,398	938,785	912,660	1,622,762	1,758,281
Liabilities										
Current liabilities	65,377,439	44,238,468	49,702,296	55,629,664	49,931,094	54,139,990	61,493,533	73,022,867	66,159,505	95,272,174
Noncurrent liabilities	58,494,030	56,582,233	62,344,624	57,445,500	73,627,596	82,986,616	105,710,134	104,683,243	126,835,605	157,220,940
TOTAL LIABILITIES	123,871,469	100,820,701	112,046,920	113,075,164	123,558,690	137,126,606	167,203,667	177,706,110	192,995,110	252,493,114
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	1,576,175	2,117,303	1,070,024	1,281,433	(2,780,885)	1,634,493	1,503,278	1,350,001	1,471,047	1,043,877
OTHER POST EMPLOYMENT BENEFITS		38,924	602,195	536,019	2,371,164	1,178,756	3,697,557	3,007,740	2,541,508	2,683,226
Net Position										
Net investment in capital assets	4,839,789	4,641,581	4,539,034	4,310,372	4,104,251	3,910,782	3,690,257	3,481,687	11,414,199	11,398,587
Restricted							4,764,354	4,713,366	4,078,282	4,370,172
Unrestricted	70,482,885	81,824,023	94,395,468	119,376,835	145,706,281	108,873,139	112,258,301	120,984,672	107,829,560	117,708,059
TOTAL NET POSITION	$ 75,322,674	$ 86,465,604	$ 98,934,502	$ 123,687,207	$ 149,810,532	$ 112,783,921	$ 120,712,912	$ 129,179,725	$ 123,322,041	$ 133,476,818

1- Beginning in the fiscal year ended September 30, 2018, GASB 75 required the recognition of net other postemployment benefits (OPEB) liability, the related deferred outflows and inflows of resources, and OPEB expenses.
*2026 - FISCAL YEAR ENDS JUNE 30, ALL OTHER YEARS END SEPTEMBER 30

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2017	2018	2019	2020	2021*	2022*	2023	2024	2025	2026**
REVENUES										
Member premiums	$ 171,496,710	$ 179,425,274	$ 183,179,723	$ 194,507,327	$ 200,775,298	$ 198,914,797	$ 207,897,962	$ 232,269,685	$ 257,539,389	$ 209,375,311
Retrospective premium adjustments	(1,504,527)	(3,380,970)	(9,532,430)	(5,377,009)	(11,457,566)	10,775,431	21,946,181	(10,045,692)	(29,237,765)	3,523,427
TOTAL OPERATING REVENUES	169,992,183	176,044,304	173,647,293	189,130,318	189,317,732	209,690,228	229,844,143	222,223,993	228,301,624	212,898,738
EXPENSES										
Claims paid	92,556,531	93,668,325	87,791,048	90,772,703	85,905,737	96,142,905	111,260,343	143,775,652	137,882,832	104,177,462
Change in claim reserves	(255,677)	3,187,095	3,253,830	(103,945)	4,749,782	8,863,387	24,773,057	(18,682,345)	121,475	28,147,642
Change in claims incurred but not reported	3,832,135	(6,123,633)	172,859	(4,252,240)	2,807,404	3,498,215	(469,404)	18,021,834	4,028,119	2,400,968
Change in unallocated loss (gain) adjustment expenses	165,446	(304,308)	51,335	(686,050)	1,301,398	(806,973)	224,653	431,683	153,797	683,092
TOTAL CLAIMS EXPENSE	96,298,435	90,427,479	91,269,072	85,730,468	94,764,321	107,697,534	135,788,649	143,546,824	142,186,223	135,409,164
Excess insurance and premium payments	56,875,871	63,658,940	68,238,635	76,240,115	79,743,790	87,558,006	89,688,165	95,998,944	101,859,435	79,481,621
General and administrative	10,741,391	10,865,359	9,630,392	10,687,493	28,733	17,171,910	14,387,334	13,674,779	13,501,610	12,454,885
Depreciation	254,843	244,521	218,147	228,662	223,612	218,578	220,525	208,570	184,343	135,576
TOTAL OPERATING EXPENSES	164,170,540	165,196,299	169,356,246	172,886,738	174,760,456	212,646,028	240,084,673	253,429,117	257,731,611	227,481,246
OPERATING INCOME (LOSS)	5,821,643	10,848,005	4,291,047	16,243,580	14,557,276	(2,955,800)	(10,240,530)	(31,205,124)	(29,429,987)	(14,582,508)
NONOPERATING REVENUES AND EXPENSES										
Net investment income (loss)	797,414	294,925	8,177,851	8,509,125	11,566,049	(34,070,811)	18,169,521	39,671,937	23,572,303	24,737,285
CHANGE IN NET POSITION	$ 6,619,057	$ 11,142,930	$ 12,468,898	$ 24,752,705	$ 26,123,325	$ (37,026,611)	$ 7,928,991	$ 8,466,813	$ (5,857,684)	$ 10,154,777

*General and administrative expenses reflect significant pension expense adjustments in accordance with GASB 68 (see MD&A for details)
**2026 FISCAL YEAR ENDS JUNE 30, ALL OTHER YEARS END SEPTEMBER 30

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

REVENUES BY PROGRAM (NET OF RETROSPECTIVE CONTRIBUTION ADJUSTMENTS)
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

Fiscal Year	Liability	Dam	Property	Pass-Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	Cyber Liability*	CWIF	Interfund Eliminations	Change in Rate Stabilization Fund & GASB Adj's	Totals
2016-17	14,594,442	257,403	4,628,900	305,519	9,642,153	16,650	137,343,585				4,000,945	170,789,597
	8.55%	0.15%	2.71%	0.18%	5.65%	0.01%	80.42%				2.34%	
2017-18	17,147,781	261,024	5,259,036	372,025	7,709,196	14,079	143,957,698				1,618,390	176,339,229
	9.72%	0.15%	2.98%	0.21%	4.37%	0.01%	81.64%				0.92%	
2018-19	15,072,798	279,607	6,963,310	614,451	9,716,581	16,289	149,417,400				(255,292)	181,825,144
	8.29%	0.15%	3.83%	0.34%	5.34%	0.01%	82.18%				-0.14%	
2019-20	24,523,703	403,325	8,769,309	1,263,183	7,310,250	21,015	154,805,758		25,831,640	(22,756,563)	(2,532,177)	197,639,443
	12.41%	0.20%	4.44%	0.64%	3.70%	0.01%	78.33%		13.07%	-11.51%	-1.28%	
2020-21	18,330,243	439,753	10,659,051	680,693	4,534,361	20,603	155,652,807		45,812,966	(38,636,413)	3,389,717	200,883,781
	9.12%	0.22%	5.31%	0.34%	2.26%	0.01%	77.48%		22.81%	-19.23%	1.69%	
2021-22	37,537,627	512,250	12,657,851	1,139,584	9,389,928	22,479	148,397,136		3,007,072	(37,825,867)	781,357	175,619,417
	21.37%	0.29%	7.21%	0.65%	5.35%	0.01%	84.50%		1.71%	-21.54%	0.44%	
2022-23	45,670,224	559,975	21,242,469	1,885,786	13,317,613	24,671	148,591,866	1,079,906	30,879,810	(30,879,810)	(2,528,367)	229,844,143
	19.87%	0.24%	9.24%	0.82%	5.79%	0.01%	64.65%	0.47%	13.44%	-13.44%	-1.10%	
2023-24	26,252,954	682,818	18,262,971	1,174,200	14,519,318	11,396	161,981,733	1,177,770	35,508,000	(35,508,000)	(1,839,167)	222,223,993
	11.81%	0.31%	8.22%	0.53%	6.53%	0.01%	72.89%	0.53%	15.98%	-15.98%	-0.83%	
2024-25	27,721,615	744,100	14,252,858	1,183,253	7,765,739	33,111	177,946,618	1,335,671	38,783,416	(38,783,416)	(2,681,341)	228,301,624
	12.14%	0.33%	6.24%	0.52%	3.40%	0.01%	77.94%	0.59%	16.99%	-16.99%	-1.17%	
2025-26**	31,569,398	615,001	25,758,543	1,184,917	10,143,648	(8,042)	144,212,682	6,116	31,346,831	(31,346,831)	(583,525)	212,898,738
	14.83%	0.29%	12.10%	0.56%	4.76%	0.00%	67.74%	0.00%	14.72%	-14.72%	-0.27%	

*New to fiscal year 2022-2023
**The 2025-2026 Year was for a nine-month period ending June 30. All other years ended September 30.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

EXPENSES BY PROGRAM
FOR THE NINE-MONTH PERIOD ENDED JUNE 30, 2026

Fiscal Year	Liability	Dam	Property	Pass-Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	Cyber Liability*	CWIF	Interfund Eliminations	Totals
2016-17	14,594,442	257,403	4,128,900	305,519	9,642,153	14,243	135,227,880				164,170,540
	8.89%	0.16%	2.52%	0.19%	5.87%	0.01%	82.37%				
2017-18	17,147,781	261,024	4,759,037	372,025	7,709,196	11,720	134,935,516				165,196,299
	10.38%	0.16%	2.88%	0.23%	4.67%	0.01%	81.68%				
2018-19	15,072,798	279,607	6,713,310	614,451	9,716,581	13,464	136,946,035				169,356,246
	8.90%	0.17%	3.96%	0.36%	5.74%	0.01%	80.86%				
2019-20	24,523,703	403,325	8,769,309	1,263,183	7,310,250	17,587	133,129,193		20,226,751	(22,756,563)	172,886,738
	14.18%	0.23%	5.07%	0.73%	4.23%	0.01%	77.00%		11.70%	-13%	
2020-21	18,330,243	439,753	10,659,051	680,693	4,534,361	17,053	137,569,489		32,200,683	(29,670,870)	174,760,456
	10.49%	0.25%	6.10%	0.39%	2.59%	0.01%	78.72%		18.43%	-17%	
2021-22	37,537,627	512,250	12,657,851	1,139,584	9,389,928	18,605	154,198,029		34,866,736	(37,674,582)	212,646,028
	17.65%	0.24%	5.95%	0.54%	4.42%	0.01%	72.51%		16.40%	-17.72%	
2022-23	47,416,815	559,975	21,295,164	1,885,786	13,598,843	22,229	156,462,236	924,523	28,794,565	(30,875,463)	240,084,673
	19.75%	0.23%	8.87%	0.79%	5.66%	0.01%	65.17%	0.39%	11.99%	-12.86%	
2023-24	28,246,277	682,818	19,465,205	1,174,200	17,352,825	27,414	187,925,817	1,078,561	40,572,872	(43,096,872)	253,429,117
	11.15%	0.27%	7.68%	0.46%	6.85%	0.01%	74.15%	0.43%	16.01%	-17.01%	
2024-25	33,527,401	744,100	15,375,767	1,183,253	14,726,023	31,896	193,918,342	1,090,771	54,155,160	(57,021,102)	257,731,611
	13.01%	0.29%	5.97%	0.46%	5.71%	0.01%	75.24%	0.42%	21.01%	-22.12%	
2025-26**	33,041,973	615,001	23,503,726	1,184,917	11,976,519	(8,519)	149,750,214	2,515	51,059,726	(43,644,826)	227,481,246
	14.53%	0.27%	10.33%	0.52%	5.26%	0.00%	65.83%	0.00%	22.45%	-19.19%	

*New to fiscal year 2022-2023
**The 2025-2026 Year was for a nine-month period ending June 30. All other years ended September 30.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

SCHEDULE OF RATE STABILIZATION FUND ACTIVITY
LAST TEN FISCAL YEARS

Fiscal Year		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Liability											
Payroll Adjustments	*	$ (54,358)	$ 63,818	$ (169,042)	$ (447,382)	$ (238,047)	$ 90,827	$ 88,520	$ (593,804)	$ (819,222)	$ (870,658)
RCA's	*	9,489,820	2,488,066	1,891,742	242,260	4,299,266	(15,516)	(1,739,374)	0	(4,387,228)	0
10% Program	*	(1,493,572)	0	(1,017,753)	(1,648,316)	(1,633,975)	(839,995)	(1,354,816)	(1,129,007)	0	0
Cat Funds	*	(603,846)	351,039	(146,026)	1,907,767	121,757	(295,422)	166,257	(1,115,937)	(2,277,084)	182,696
Property											
RCA's	*	699,465	891,754	431,317	531,326	0	0	158,557	0	(402,905)	0
Workers' Comp											
RCA's	*	75,039	5,013,647	3,184,330	4,749,199	7,233,304	5,445,202	484,238	0	3,189,909	0
Cat Funds		(872,242)	456,049	(138,797)	(209,062)	230,896	229,437	42,350	214,518	2,848,823	(83,839)
Underground - Storage Tanks											
RCA's	*	0	0	7,555	0	0	0	0	0	0	0
Cat Funds	*	0	0	0	0	0	0	0	0	0	0
UTEL											
RCA's	*	0	0	0	0	0	0	0	0	0	0
Cat Funds	*	0	0	0	0	0	0	0	0	0	0
Totals		$ 7,240,306	$ 9,264,373	$ 4,043,326	$ 5,125,792	$ 10,013,201	$ 4,614,533	$ (2,154,268)	$ (2,624,230)	$ (1,847,707)	$ (771,801)
Cash Flow											
Members Billed		0	0	6,530	0	0	366,541	106,973	0	438	455,422
Self Insured Fund into RSF		0	0	0	0	0	0	0	0	0	0
Refunds to Members		(4,713,370)	(6,840,987)	(4,569,107)	(5,905,812)	(6,210,994)	(4,265,700)	(268,823)	(116,351)	(262,334)	(130,194)
Net Total		$ 2,526,936	$ 2,423,386	$ (519,251)	$ (780,020)	$ 3,802,207	$ 715,374	$ (2,316,118)	$ (2,740,581)	$ (2,109,603)	$ (446,573)

* The Rate Stabilization Fund (RSF) contains the Retrospective Premium Adjustments (RPA's), Liability Payroll Adjustments, and closed Catastrophic Funds.
For qualifying members of the 10% Liability Program, the RSF is used to reduce current Liability Premiums. Where noted "*" a bracketed number "( )" means the members owed the JPIA funds and it reduces the RSF account while a positive amount increases the account.
Each September 30th members' accounts are reconciled. Active members' with accounts over 60% of their current basic Liability Program Premium receive a refund.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

ECONOMIC STATISTICS
(000'S OMITTED)
LAST TEN FISCAL YEARS

Fiscal Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Liability										
Total Number of Claims (Cumulative)	11,586	11,908	12,200	12,555	12,842	13,183	13,948	13,749	14,163	14,476
Closed Claims (Cumulative)	11,373	11,612	11,867	12,169	12,461	12,770	13,109	13,485	13,786	14,001
Open Claims (at year end)	213	296	333	386	381	413	839	264	377	475
Covered Payroll (Cumulative)	$ 10,461,457	$ 11,045,237	$ 11,738,353	$ 12,502,652	$ 13,267,403	$ 14,055,164	$ 14,942,451	$ 15,904,501	$ 16,939,675	$ 17,976,055
Property										
Total Number of Claims (Cumulative)	2,589	2,693	2,816	2,950	3,072	3,229	3,349	3,468	3,576	3,681
Closed Claims (Cumulative)	2,532	2,645	2,759	2,875	3,004	3,139	3,248	3,369	3,501	3,585
Open Claims (at year end)	57	48	57	75	68	90	101	99	75	96
Total Insured Value (Cumulative)	$ 80,656,971	$ 87,762,361	$ 95,702,609	$ 104,858,066	$ 95,702,608	$ 112,816,437	$ 138,373,313	$ 152,328,893	$ 166,549,637	$ 176,463,177
Workers' Compensation										
Total Number of Claims (Cumulative)	10,453	10,750	11,070	11,363	11,676	11,955	12,257	12,618	13,004	13,266
Closed Claims (Cumulative)	10,046	10,336	10,670	10,983	11,270	11,576	11,875	12,163	12,562	12,842
Open Claims (at year end)	407	414	400	380	406	379	382	455	442	424
Covered Payroll (Cumulative)	$ 7,222,206	$ 7,743,749	$ 8,309,485	$ 8,944,051	$ 9,624,663	$ 10,334,448	$ 11,107,574	$ 11,971,587	$ 12,879,288	$ 13,840,301
Number of Employees	49	49	49	50	50	52	55	56	62	57
Ratio of Premium to Payroll/TIV										
Liability Program	2.92%	3.00%	2.54%	2.71%	2.81%	2.75%	3.05%	3.38%	3.63%	3.80%
Property Program	0.10%	0.09%	0.08%	0.09%	0.12%	0.10%	0.12%	0.14%	0.17%	0.20%
Workers' Comp. Program	2.46%	2.39%	2.29%	2.19%	1.95%	0.17%	1.94%	2.09%	1.96%	2.32%

*2026 was for a nine-month fiscal period ending June 30.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Demographic Statistics by Employer

	2026			2016	
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employees**	**Number of Employees**	**Rank**
Kaiser Permanente Medical Group & Foundation Group	6,130	1	6.52%	4,988	1
Sutter Health Roseville Medical Group	5,070	2	5.39%	2,100	3
Adventist Health	1,560	3	1.66%	801	9
City of Roseville	1,415	4	1.51%	1,136	5
Roseville City School District	1,145	5	1.22%	1,034	7
Penumbra	1,050	6	1.12%		
Roseville Joint Union High School District	980	7	1.04%	1,090	6
Hewlett-Packard	940	8	1.00%	2,300	2
PRIDE	855	9	0.91%	838	8
Union Pacific Railroad Company	640	10	0.68%	1,150	4
Consolidated Communications				440	10
Subtotal	19,785		21.05%	15,877	
Total Employment	94,000 (a)			76,925	

(a) Total Employment (as used above) represents the estimated total employment of all employees located within the City of Roseville, which is the office location of ACWA JPIA.

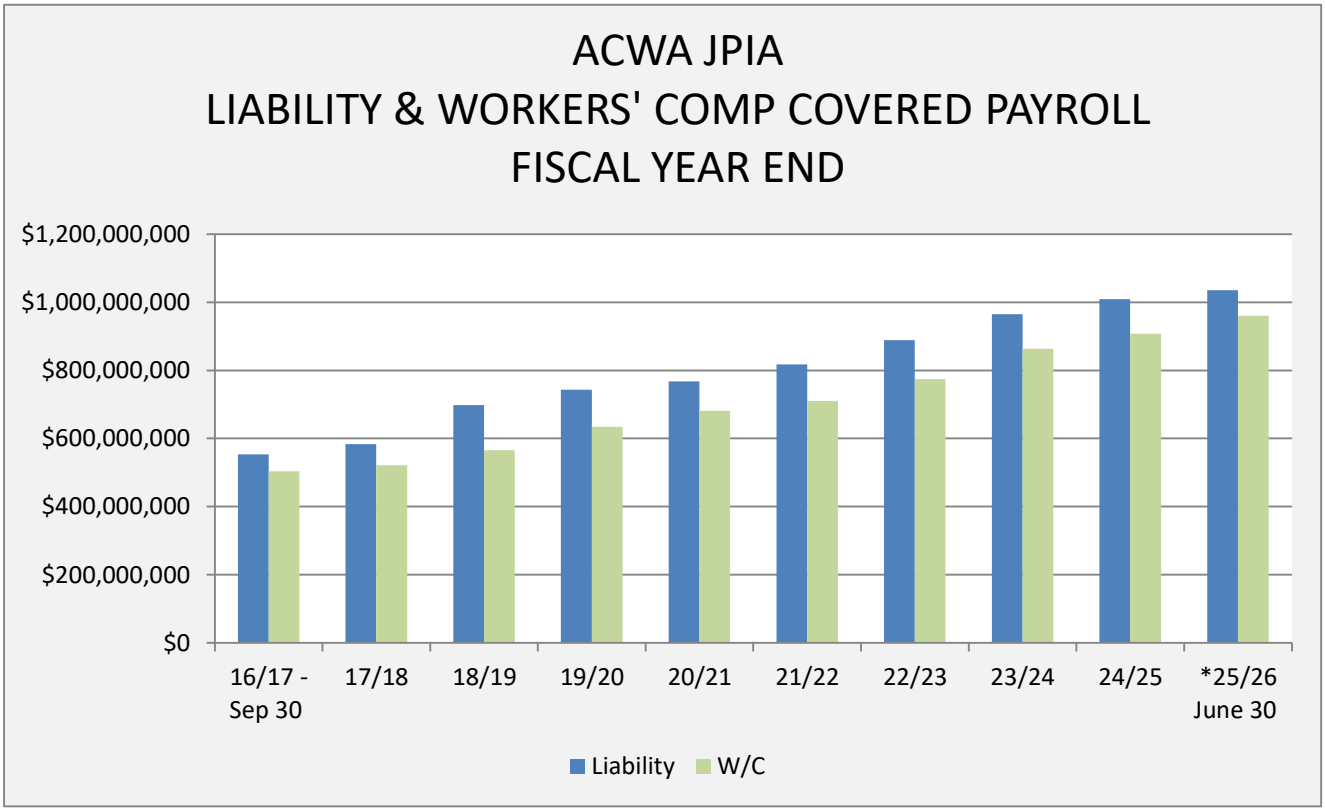
ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

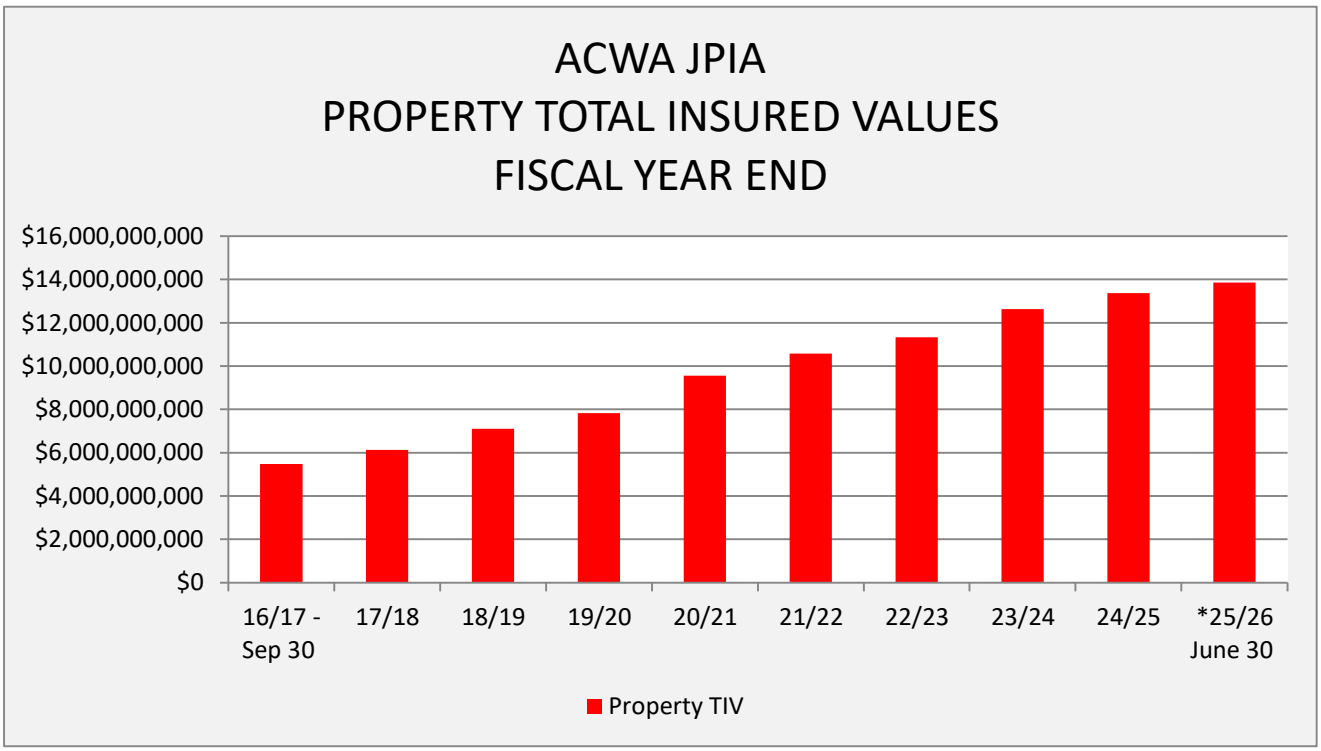
Demographic Statistics by Population

Fiscal Year	City of Roseville Population	County Total Personal Income (in thousands)	County Per Capita Personal Income	Unemployment Rate	Placer County Population	City Population % of County
2016	134,073	22,741,453	59,000	4.5%	373,796	35.87%
2017	135,868	24,527,289	63,000	3.8%	382,837	35.49%
2018	137,213	26,223,081	67,000	3.0%	389,532	35.23%
2019	139,643	27,459,330	69,000	3.5%	396,691	35.20%
2020	145,163	29,124,683	72,000	3.0%	403,711	35.96%
2021	146,875	31,684,782	77,000	5.5%	404,994	36.27%
2022	151,034	34,170,169	82,000	2.8%	409,025	36.93%
2023	152,928	36,114,725	87,000	3.0%	410,305	37.27%
2024	154,329	(a)	(a)	3.8%	412,844	37.38%
2025	158,494	(a)	(a)	4.1%	421,446	37.61%

(a) Information not available

Note--The JPIA's office is located in the City of Roseville.


ACWA JPIA
LIABILITY & WORKERS' COMP COVERED PAYROLL
FISCAL YEAR END
$1,200,000,000
$1,000,000,000
$800,000,000
$600,000,000
$400,000,000
$200,000,000
$0
16/17 - Sep 30
17/18
18/19
19/20
20/21
21/22
22/23
23/24
24/25
*25/26 June 30
Liability
W/C


ACWA JPIA
PROPERTY TOTAL INSURED VALUES
FISCAL YEAR END
$16,000,000,000
$14,000,000,000
$12,000,000,000
$10,000,000,000
$8,000,000,000
$6,000,000,000
$4,000,000,000
$2,000,000,000
$0
16/17 - Sep 30
17/18
18/19
19/20
20/21
21/22
22/23
23/24
24/25
*25/26 June 30
Property TIV

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Association of California Water Agencies
Joint Powers Insurance Authority
Roseville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Association of California Water Agencies and Joint Powers Insurance Authority (ACWA JPIA) as of and for the nine-month period ended June 30, 2026, and the related notes to the financial statements, which collectively comprise ACWA JPIA's basic financial statements, and have issued our report thereon dated September 24, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ACWA JPIA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACWA JPIA's internal control. Accordingly, we do not express an opinion on the effectiveness of ACWA JPIA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACWA JPIA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GILBERT CPAs
Sacramento, California

September 24, 2026

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ACWA JPIA
Financial Auditor Request for Proposals
September 24, 2026

BACKGROUND
California Government Code Section 12410.6 prohibits a local public agency from employing a public accounting firm for annual audits if the lead, coordinating, or reviewing audit partner has provided audit services to that agency for **six consecutive fiscal years**. Gilbert Associates has been performing the annual audit since 2016. During this time, the audit partner was rotated, as needed, to remain in compliance with the government code.

CURRENT SITUATION
The current audit partner is nearing six years of overseeing the JPIA audit. Staff intends to put the audit out to bid in December of 2026. In January 2027, staff will select the accounting firm to complete the June 30, 2027, audit. In the next FINCO meeting scheduled for March 2027, staff will update the Committee on progress.

RECOMMENDATION
None, information only.

Prepared by: David deBernardi, Director of Finance Date prepared: August 26, 2026

ACWA JPIA
Finance Department Update
September 24, 2026

BACKGROUND
This is a standing item on Finance and Audit Committee agendas. Dan Steele, Finance Manager, will provide the Finance and Audit Committee with an update on relevant current matters, issues, and opportunities.

CURRENT SITUATION
The following is a summary of department happenings over the past year:

1.) The fiscal year change from September 1 to July 1 is now complete, with two complete audits executed in a nine-month period.
2.) The Yooz AI-based accounts payable software program has been implemented, saving time and resources. All JPIA departments are currently using the software. The average payable aging period has been reduced from 14 days to 7 days.
3.) Most JPIA employees are issued a Visa Spend Clarity credit card for approved business-related expenses. The Spend Clarity Program allows for JPIA to earn "revenue shares" for every dollar spent. These are revenues earned outside of member contributions and are not public dollars. As such, they can be used to offset employee team-building, social, and cultural events, reducing the impact of these events on the General and Administrative Budget. Since October 1, 2025, the JPIA has earned $9,241 in revenue shares through the Spend Clarity Program.
4.) With the departure of an Accounts Receivable staff member in May, the Finance Department became temporarily short-staffed. The position was quickly filled by an internal transfer from the Employee Benefits Department.
5.) The Insurance Data Management System (IDMS) is the JPIA's internally built and maintained Customer Relationship Management System. The Finance Department continues to collaborate with the IT Department on building and testing the new IDMS Portal for members. Workers' Compensation payroll reporting is expected to go live in IDMS for Q1 2026-27 in October.
6.) Fortis Pay is the JPIA's new secure ACH payment platform that syncs with Sage Intacct, the JPIA's accounting software. Fortis Pay is expected to reduce the Accounts Receivable collection period, which helps JPIA's cash flow position. Another benefit of the software is that staff is now able to send e-receipts to members.
7.) Implementation of new claims software – Spear/Data Dimensions – continues on schedule. This implementation requires significant collaboration between the Finance, Liability, Property, and Workers' Compensation Claims Departments to ensure proper ties and transfers of data between the electronic claims payment system and the new claims system. The Finance Department continues to collaborate with all Claims Departments on this endeavor.

RECOMMENDATION
None, information only.

Prepared by: Dan Steele, Finance Manager Date prepared: August 26, 2026

ACWA JPIA MEETINGS CALENDAR – 2026

Meeting Dates	Board of Directors	Executive	Personnel	Finance & Audit	Programs				Risk Mgmt	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
Jan 16		8:00 AM*								
Jan 21			3:00 PM							
Jan 22		10:30 AM							8:00 AM	
Feb 11							11:00 AM*			
February 19-20 Strategic Planning Session - San Diego										
March 1-4 AGRiP Governance Conference - Nashville										
March 8-10 CICA Conference - Palm Desert										
Mar 26				1:00 PM			3:00 PM			
Mar 27		8:00 AM								
April 27		4:00 PM*								
April 30					9:00 AM*					
May 4-7 ACWA JPIA Spring Membership Summit and ACWA Conference - Sacramento										
May 4	2:00 PM					8:15 AM				
May 29										9:00 AM (Utah)
June 3			10:00 AM *							
June 25								3:00 PM		
June 26		8:00 AM								10:30 AM
July 29		3:00 PM			1:00 PM					
September 15-18 CAJPA Annual Conference – South Lake Tahoe										
Sept 10			4:00 PM *							
Sept 24				1:00 PM		3:00 PM	10:00 AM			
Sept 25		8:00 AM								11:00 AM
November 30-December 3 ACWA JPIA Fall membership Summit and ACWA Fall Conference - Anaheim										
Nov 30	2:00 PM									8:15 AM

*Virtual Meeting

Date Prepared: 8/25/2026 9:33 AM

**Dates and times subject to change

ACWA JPIA MEETINGS CALENDAR – 2027

Meeting Dates	Board of Directors	Executive	Personnel	Finance & Audit	Programs				Risk Mgmt	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
Jan 19			3:00 PM							
Jan 20		10:30 AM							8:00 AM	
March 7-10 AGRiP Governance Conference – New Orleans										
March 7-9 CICA Conference – Scottsdale										
Mar 30				1:00 PM			3:00 PM			
Mar 31		8:00 AM								
May 10-13 ACWA JPIA Spring Membership Summit and ACWA Conference – San Francisco										
May 10	2:00 PM				8:15 AM					
May 27										9:00 AM (Utah)
June 11			10:00 AM *							
June 24						1:00 PM		3:00 PM		
June 25		8:00 AM								11:00 AM
July 29		3:00 PM			1:00 PM					4:30 PM
September 21-23 CAJPA Annual Conference – Monterey										
Sept 10			9:00 AM *							
Sept 29						3:00 PM	1:00 PM			
Sept 30		10:00 AM		8:00 AM						12:00 PM
October 3-5 AGRiP Staff Institute – Hollywood										
November 29-December 2 ACWA JPIA Fall membership Summit and ACWA Fall Conference - Anaheim										
Nov 29	2:00 PM									8:15 AM

*Virtual Meeting

Hybrid Meeting Participation Guidelines

For Remote Meeting Participants

Remember to mute yourself until you are ready to speak.

If you have a question or comment, raise your hand in Zoom.

To raise or lower your hand:

1. For PC users:
    a. Press ‘Alt-Y’ on your keyboard
    b. Or go to ‘Reactions’ on your Zoom screen
2. For IPAD users, go to ‘More’.
3. For telephone (audio only) users, press * then 9.

For In-House Meeting Participants

Remember to use your microphone when speaking.

- Remote participants will not hear you if you don’t.
- Before speaking, check that your mic is unmuted (green light).

For in-house participants that do not have a microphone, please wait for the mic runner before speaking.