

Coweta County Water & Sewerage Authority

Meeting Agenda

Wednesday, October 2, 2024

Board Room

Meeting Time: 9:00 A.M.

<u>Approx Time</u>	<u>Agenda Item</u>	<u>Presenter</u>
9:00 a.m.	Call to order	Chairman Bartlett

Pledge of Allegiance
Invocation

Approval of minutes from the September 4, 2024 meeting

Business

Property and Casualty Insurance Renewal	Clay McEntire
December Board Meeting Date-	
proposal to change to December 5, 2024	Jay Boren
Update on Operations	Rick Jones
Update on Human Resources	Mandy Sledd
Update on Customer Care/Information Technology	Alan Sibley
Monthly Report	Roger Dawson

Agenda Additions:
Executive Session
Litigation / Real Estate/ Personnel

Adjournment

Next Board Meeting Wednesday, November 6, 2024 at 9:00AM

**Coweta County Water & Sewerage Authority
Insurance Summary**

2023-2024 COVERAGES	23/24	24/25	2024-2025 COVERAGES
<u>Property</u> – U.S. Specialty Insurance Company \$72,477,033 Blanket Building & Contents \$312,000 EDP \$100,000 Business Income \$1,000,000 Extra Expense Conditions: Replacement Cost; Special Causes of Loss \$ 10,000 Deductible Flood & Earthquake - \$1,000,000 Limit - \$50,000 Ded	\$143,055	\$175,626	<u>Property</u> – U.S. Specialty Insurance Company \$102,386,879 Blanket Building & Contents (+41%) \$312,000 EDP \$100,000 Business Income \$1,000,000 Extra Expense Conditions: Replacement Cost; Special Causes of Loss \$25,000 Deductible Flood & Earthquake - \$1,000,000 Limit - \$50,000 Ded
<u>Auto</u> – U.S. Specialty Insurance Company \$1,000,000 Liability – Owned Autos \$ 100,000 Uninsured Motorists / Underinsured Motorists \$ 5,000 Medical Payments \$1,000,000 Hired and Non-Owned Autos Rating Schedule: <u># of Autos</u> 70 Units & 19 Trailers Physical Damage Coverage (\$2,000 Comp/\$2,000 Coll)	Included	Included	<u>Auto</u> – U.S. Specialty Insurance Company \$1,000,000 Liability – Owned Autos \$ 100,000 Uninsured Motorists / Underinsured Motorists \$ 5,000 Medical Payments \$1,000,000 Hired and Non-Owned Autos Rating Schedule: <u># of Autos</u> 75 Units & 25 Trailers Physical Damage Coverage (\$2,000 Comp/\$2,000 Coll)
<u>Crime</u> – U.S. Specialty Insurance Company \$250,000 Employee Dishonesty \$250,000 Forgery/Alterations	Included	Included	<u>Crime</u> – U.S. Specialty Insurance Company \$250,000 Employee Dishonesty \$250,000 Forgery/Alterations
<u>Public Officials E & O</u> – U.S. Specialty Insurance Company \$1,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 2,500 Deductible	Included	Included	<u>Public Officials E & O</u> – U.S. Specialty Insurance Company \$1,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 2,500 Deductible
<u>Employment Practices Liability</u> – U.S. Specialty Insurance Company \$1,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 100,000 Wage & Hour \$ 2,500 Deductible	Included	Included	<u>Employment Practices Liability</u> – U.S. Specialty Insurance Company \$1,000,000 Aggregate / \$1,000,000 Each Wrongful Act Limit \$ 100,000 Wage & Hour \$ 2,500 Deductible
Full Time Employees: 89			Full Time Employees: 95

Coweta County Water & Sewerage Authority
Insurance Summary

2023-2024 COVERAGES		23/24	24/25	2024-2025 COVERAGES	
<u>Workers Compensation</u> – Builders Insurance Company (Vinings)		\$41,909	\$ 46,249	<u>Workers Compensation</u> – Builders Insurance Company (Vinings)	
\$1,000,000 Bodily Injury by Accident (each accident)				\$1,000,000 Bodily Injury by Accident (each accident)	
\$1,000,000 Bodily Injury by Disease (policy limit)				\$1,000,000 Bodily Injury by Disease (policy limit)	
\$1,000,000 Bodily Injury by Disease (each employee)				\$1,000,000 Bodily Injury by Disease (each employee)	
<u>Exposures:</u>				<u>Exposures:</u>	
<u>Code</u>	<u>Description</u>	<u>Payroll</u>		<u>Code</u>	<u>Description</u>
7520	Waterworks	\$3,350,000		7520	Waterworks
7580	Sewage Disposal	\$ 620,000		7580	Sewage Disposal
8810	Clerical	\$1,600,000		8810	Clerical
8742	Salespersons	If Any		8742	Salespersons
Deductible: \$2,500				Deductible: \$2,500	
Experience Mod: .71				Experience Mod: .68	
<u>General Liability</u> – U.S. Specialty Insurance Company		Included	Included	<u>General Liability</u> – U.S. Specialty Insurance Company	
\$3,000,000 General Aggregate				\$3,000,000 General Aggregate	
\$3,000,000 Products & Completed Operations Aggregate				\$3,000,000 Products & Completed Operations Aggregate	
\$1,000,000 Personal & Advertising Injury				\$1,000,000 Personal & Advertising Injury	
\$1,000,000 Each Occurrence				\$1,000,000 Each Occurrence	
\$ 100,000 Fire Damage (Any One Fire)				\$ 100,000 Fire Damage (Any One Fire)	
\$ 10,000 Medical Expense (Any One Person)				\$ 10,000 Medical Expense (Any One Person)	
Failure To Supply - \$1,000,000 Limit				Failure To Supply - \$1,000,000 Limit	
<u>Employee Benefits Liability:</u>		Included	Included	<u>Employee Benefits Liability:</u>	
\$1,000,000 Each Occurrence				\$1,000,000 Each Occurrence	
\$3,000,000 Aggregate Limit				\$3,000,000 Aggregate Limit	
\$ 2,500 Deductible				\$ 2,500 Deductible	
Retro Date: 01/01/1996				Retro Date: 01/01/1996	

Coweta County Water & Sewerage Authority
Insurance Summary

2023-2024 COVERAGES	23/24	24/25	2024-2025 COVERAGES
<u>Boiler & Machinery</u> – U.S. Specialty Insurance Company Equipment Breakdown Limit included in Building Limit \$ 1,000 Direct Deductible \$ 250,000 Data Restoration \$ 250,000 Hazardous Substance \$ 250,000 Spoilage	Included	Included	<u>Boiler & Machinery</u> – U.S. Specialty Insurance Company Equipment Breakdown Limit included in Building Limit \$ 1,000 Direct Deductible \$ 250,000 Data Restoration \$ 250,000 Hazardous Substance \$ 250,000 Spoilage
<u>Inland Marine</u> – U.S. Specialty Insurance Company \$2,219,195 Contractors' Equipment \$25,000 Miscellaneous Equipment Deductible: \$1,000	Included	Included	<u>Inland Marine</u> – U.S. Specialty Insurance Company \$2,078,474 Contractors' Equipment \$25,000 Miscellaneous Equipment Deductible: \$1,000
<u>Excess Liability</u> – U.S. Specialty Insurance Company \$4,000,000 Limit \$ 10,000 Deductible	Included	Included	<u>Excess Liability</u> – U.S. Specialty Insurance Company \$4,000,000 Limit \$ 10,000 Deductible
<u>Privacy Liability / Network Risk</u> – Cowbell/Palomar \$2,000,000 Limit \$2,000,000 Limit – Privacy Liability \$2,000,000 Limit – Business Interruption Loss \$2,000,000 Limit – System Failure \$250,000 Limit – Cyber Crime \$1,000,000 Limit – Bricking Costs \$2,000,000 Limit – Cyber Extortion \$25,000 Retention	\$11,125	\$12,423	<u>Privacy Liability / Network Risk</u> – Cowbell/Palomar \$2,000,000 Limit – Privacy Liability \$2,000,000 Limit – Business Interruption Loss \$2,000,000 Limit – System Failure \$250,000 Limit – Cyber Crime \$2,000,000 Limit – Bricking Costs \$2,000,000 Limit - Extortion Sub-Limit \$25,000 Retention
<u>Fiduciary Liability</u> – US Specialty Insurance Co \$1,000,000 Limit \$ 5,000 Deductible	Included	Included	<u>Fiduciary Liability</u> – U.S. Specialty Insurance Company \$1,000,000 Limit \$ 5,000 Deductible
<u>Terrorism</u>	Included	Included	<u>Terrorism</u>
Total Premium for 2023-2024	\$196,089	\$234,298	Total Premium for 2024-2025

A.M. Best Rating: State National A Builders A- US Specialty A++ Beazley Insurance Company A Cowbell/Palomar A-

Marketing Summary

Carrier	Response
Package	
Travelers	Declined - Not Competitive - \$400K+
Paragon	Declined – Not Competitive
MunichRe	Blocked
Allied	Not Competitive – Around \$300K
Tokio Marine (HCC) – Incumbent	\$175,626
Euclid Public Sector	Exited the market - No longer writes first Dollar
Liberty Mutual	Can't write the property in Coweta
Workers Comp	
Builders – Incumbent	\$46,249
AmTrust	Declined – Class of business
Employers	Declined – Class of business
Summit	Blocked
Encova	\$48,145



Marsh & McLennan Agency: Compensation Guide for Clients

ABOUT MARSH & MCLENNAN AGENCY

Marsh & McLennan Agency LLC (“MMA”) is dedicated to serving the insurance needs of all our clients, with a focus on local service excellence, and outstanding products and solutions that meet their unique needs.

OUR COMMITMENT TO TRANSPARENCY AND COMPLIANCE

MMA prides itself on being an industry leader including in the area of transparency and compensation disclosure. We believe you should understand how we are paid and also understand the services we are providing for the compensation we receive. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance services provider, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

We are committed to setting the industry standard for ethical business practices and client service. To fulfill that commitment, we pledge to our U.S. clients that we will:

- disclose the role(s) we perform in insurance transaction(s);
- disclose the types of compensation we may receive from insurers or others (see below);
- disclose, upon our clients’ request all quotes and premium indications we receive from insurers on our clients’ behalf;
- disclose, upon our clients’ request, the amount of our compensation from insurers and from other third parties in relation to placements made on our clients’ behalf; and
- promptly respond to client requests for additional information about our compensation.

We have reinforced this commitment with a comprehensive compliance program that includes:

- experienced compliance specialists;
- detailed compliance procedures;
- ethics and compliance training;
- regular transaction monitoring and auditing to make sure we live up to our standards;
- regular reports to our board of directors; and
- a hotline for any questions or complaints.

These initiatives translate into many benefits for our clients, including:

- a clear understanding of how much you are paying us;
- a clear understanding of what you are paying us to do; and
- the ability to evaluate our services and any potential conflicts of interest, much as you evaluate services you purchase from other professionals.

OUR COMPENSATION

We are compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. MMA may receive compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. Retail commission rates can vary from transaction to transaction.
- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to brokers who meet set goals for all or some of the policies the brokers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on a broker's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker for certain transactions. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Other Compensation** – From time to time MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, from time to time, insurers may sponsor certain MMA training programs and/or events.

- **Other Benefits**

- From time to time, MMA may participate in insurance company promotional events or training and development that insurers provide for MMA employees.
- MMA is sometimes reimbursed by insurers for its costs related to promotional marketing (i.e. cooperative advertising and marketing programs)
- MMA also earns interest and other income on premium accounts in financial institutions that hold insurance premiums pending remittance to the insurance company
- MMA may also be compensated for assisting its clients in obtaining premium financing.

RELATED PARTY TRANSACTIONS

Marsh & McLennan Companies, Inc. and its subsidiaries own equity interests in a number of insurers or reinsurers. For further information regarding these interests, please visit: <https://www.marsh.com/us/about-marsh/leading-the-way-in-transparency.html>

AFCO Premium Credit LLC is a joint venture between Marsh USA Inc. and AFCO Credit Corporation that provides premium financing services to insurance buyers.

STATEMENT REGARDING ALTERING COMPENSATION

MMA is prohibited by law in most states from altering the amount of compensation received from an insurer based in whole or in part on the sale of an insurance policy.

This disclosure is mandated by New York State Insurance Department Regulation No. 194 (11 NYCRR 30) §30.3(5). We interpret this provision to refer to the various anti-rebating insurance laws throughout the country, such as New York Insurance Law §2324 which prohibits insurance companies, agents and brokers from sharing or rebating commissions as an inducement to making an insurance contract. MMA makes the above statement based on that interpretation.

QUESTIONS? JUST ASK.

We encourage you to ask questions regarding any aspect of your relationship with MMA. Please feel free to ask a member of your account team.

If you wish to raise issues, express concerns, or file a complaint regarding compensation paid or payable to us by insurers or any other third parties, please contact our Ethics & Compliance line at 800-381-2105, 24 hours a day, 7 days a week.

DISCLAIMER

Marsh & McLennan Agency LLC (“MMA”) thanks you for the opportunity to discuss your insurance and risk management program. This summary is a brief overview of that program and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions, and exclusions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

Client Contracts

In the event that you enter into a contract that has specific insurance requirements, MMA will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review, MMA is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, MMA is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

Credit Policy

MMA strives to offer the highest quality of service at the most competitive price possible. Accordingly, we have the following credit policy in place to assure that your coverage is not interrupted during the policy term.

- All premiums are due on the invoice date or effective date of the insurance, whichever is later. Always submit the remittance copy with your payment. If a remittance copy is not submitted, we will apply the cash to the oldest items on the account. Also, credit memos that cannot be applied against the original invoice will be applied to the oldest items on the account unless you direct us otherwise.
- If installment payments are available and provided under insurance policy terms, you will receive an invoice for each installment. Installments are due on the effective date of the invoice. MMA does not finance annual or installment premiums. However, should you wish to finance your premium, we can place your financing with an approved insurance premium finance company.

Your Account Manager maintains on-line access to all of your coverage, premium and accounting detail and will be able to answer most billing questions. Any other questions will be referred directly to our accounting department for immediate response. We thank you for your support and business.

A.m. best rating scale

GUIDE TO BEST’S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Ratings

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Outlooks

Indicates potential direction of a Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at www.ambest.com.

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NON-ADMITTED CARRIER DISCLAIMER

Insurance coverage stated below is being placed through an insurer approved to operate on a ***non-admitted*** basis in the state of Georgia. Premium taxes and fees are additional amounts over and above the premium for the policy.

Policy holders of admitted insurers are protected, to some degree, against the insolvency of the insurer by state guaranty funds. Guaranty funds take over payment of claims that would have been paid by the insurer had the insurer not become insolvent. Policy holders of non-admitted insurers do not have this protection.

The undersigned insured hereby acknowledges:

A. I understand that the insurance coverage provided by the insurer named below is written by a non-admitted insurer for the state of Georgia. I further understand that no Guaranty Fund protection exists in the event insolvency occurs to this non-admitted insurer.

B. After understanding the advantages and disadvantages of securing insurance coverage through this insurer, I, with full knowledge and consent, do hereby authorize and request Marsh & McLennan Agency LLC ("MMA"). to place such coverage with the insurer stated below.

Coverage Type: Cyber

Policy Effective Date: 10/01/2022

Insurer: BCS/Lloyds of London

X

Named Insured

Authorized Signature

Date

AUTHORIZATION TO BIND

Named Insured: Coweta County Water and Sewer Authority

Choose the appropriate option:

☒ I hereby authorize Marsh & McLennan Agency LLC (“MMA”) to bind my coverage per the terms and conditions outlined in this Proposal.

Authorized Signature

Date

☐ I hereby authorize Marsh & McLennan Agency LLC (“MMA”) to bind my coverage with changes as stated below. I understand these changes may result in possible additional underwriting requirements or more/less premium.

Authorized Signature

Date

2024 Board Meetings

January 3

February 7

March 6

March 27 (changed)

April 24 (changed)

June 5

June 26 (changed)

August 7

September 4

October 2

November 6

Proposed to change

December 4 (to December 5)

*All meetings are held at 9:00AM in the Board Room at 545 Corinth Road, unless otherwise specified. Board Meeting dates are subject to change and changes will be communicated as needed.