



WATER & SEWER
RISK MANAGEMENT POOL
2023 ANNUAL REPORT

HELLO MEMBERS

Dear WSRMP Members:

2023 was another successful year for WSRMP despite the difficulties in the reinsurance market. The “hard” market began in 2019, and is now the longest the industry has endured in a generation. Our reinsurance expense increased 15.8% (\$542,621) to \$3,975,993 over the past year. For reference, in 2019, we paid \$1.22M for reinsurance.

Our FY 2023 budget forecasted a net loss of \$179,492 because the Executive Committee voted to reduce the actuarial recommended rate increase. A similar path was taken in 2022, because we believed claim payments would be lower than projected by our actuary, and we wanted to reduce the impact on our members. WSRMP’s net position grew by \$590,878 to \$3,938,153 in 2023 which is a new high. The equity in your insurance pool has increased by 51.7% since 2018. Our net position is 7.88 times greater than our self-insured retention (\$500K) which indicates we are well-capitalized and very capable of supporting our members into the future. The strategic plan has a long-term goal of reaching a net position/SIR ratio of 10. Every year we analyze various SIR levels compared to the corresponding reinsurance expense. Our objective is to reduce reinsurance costs while maintaining a reasonable SIR level based upon our net position.

We were pleased to welcome King County Water District #49 and Valley View Sewer District to WSRMP in FY 2023. Almost 20 districts have joined or rejoined WSRMP since 2017. We anticipate adding even more new members in the next few years. One of our strategic plan goals is to broaden the membership base which will benefit all members in WSRMP.

Patrick Sorensen retired from the Executive Committee in 2023. He joined WSRMP in 2011 and served in several officer positions while on the EC. We thank him for the time he dedicated to making our program better and hope he enjoys a long, healthy retirement. Our newest members on the Executive Committee are Mike Johnson (12/2021, GM Cross Valley Water District and Commissioner Mukilteo Water and Wastewater District), David Logan (3/2023, Finance Manager, Clark Regional Wastewater District) and Tom Keown (5/2023, GM Covington Water District). Our new members replaced Patrick, Wayne Demeester and Jay Krauss. Thank you, Wayne and Jay, for your contributions to WSRMP.

We continue to work hard on your behalf to manage the pool’s finances wisely, handle claims professionally, bring relevant risk management information to you, and provide timely customer service.

The future looks bright for WSRMP and our members. We sincerely appreciate your trust in us.

Thank you,



ED CEBRON
WSRMP President

Chief Economist and Treasurer
Cascade Water Alliance



CARY J ECKER, MSF
Executive Director, WSRMP



We appreciate and thank our board members who volunteer their time and expertise to ensure WSRMP operates in the best interests of our members.

ED CEBRON

WSRMP Executive
Committee President
Chief Economist and Treasurer
Cascade Water Alliance

MIKE JOHNSON

WSRMP Executive
Executive Committee Vice President
General Manager Cross Valley Water District
Commissioner of Mukilteo Water and Wastewater District

CYNTHIA LAMOTHE

WSRMP Executive
Committee Treasurer
General Manager
Skyway Water and Sewer District

DARCEY PETERSON

WSRMP Executive
Committee Director
General Manager
King County Water District #90

DONNA CROSS

WSRMP Executive
Committee Director
Commissioner
Alderwood Water and Wastewater District

TOM KEOWN

WSRMP Executive
Committee Director
General Manager
Covington Water District

DAVID LOGAN

WSRMP Executive
Committee Director
Finance Director Clark
Regional Wastewater District

BALANCE SHEET

Assets & Liabilities Over the Past Six Years

	2023	2022	2021	2020	2019	2018
ASSETS						
Cash and Equivalents	\$ 3,545,927	\$ 2,087,425	\$ 3,702,623	\$ 3,686,968	\$ 3,975,603	\$ 3,479,009
Investments	525,065	1,976,732				
Member Receivables	\$ 6,445,150	\$ 5,529,254	\$ 5,153,449	\$ 4,176,255	\$ 3,182,652	\$ 2,938,534
Other (including prepaids)	\$ 1,906,324	\$ 1,409,695	\$ 1,262,362	\$ 879,711	\$ 651,267	\$ 537,077
Capital Assets	\$	\$	\$ 266	\$ 797	\$ 1,872	\$ 3,733
Net Pension Asset	\$ 131,035	\$ 117,123	\$ 305,821	\$		
Right of Use Asset (Office Lease)	\$ 28,705	\$ 211,473	248,253			
Deferred Outflows - Pension OPEB	\$ 105,477	\$ 121,141	\$ 45,711	\$ 47,393	\$ 39,157	\$ 33,907
TOTAL ASSETS AND OUTFLOWS	\$ 12,687,683	\$ 11,452,843	\$ 10,718,485	\$ 8,791,124	\$ 7,850,551	\$ 6,992,260
LIABILITIES						
Accounts Payable	\$ 9,925	\$ 8,241	\$ 191,56	\$ 53,368	\$ 70,757	\$ 74,751
Claim Reserves Current Year	\$ 1,108,000	\$ 1,053,000	\$ 1,004,000	\$ 810,000	\$ 639,000	\$ 451,000
Unearned Member Allocations	\$ 6,461,635	\$ 5,545,722	\$ 5,161,221	\$ 4,129,706	\$ 3,409,930	\$ 3,020,940
Claim Reserves Prior Year	\$ 691,000	\$ 725,000	\$ 691,000	\$ 575,000	\$ 458,000	\$ 300,000
Finance Lease Liability	\$ 32,396	\$ 230,052	259,616			
Compensated Absences	\$ 66,638	\$ 50,611	\$ 44,081	\$ 36,343	\$ 23,804	\$ 20,208
Net Pension Liability	\$ 56,498	\$ 67,604	\$ 29,151	\$ 118,699	\$ 110,873	\$ 138,787
Deferred Inflows - Pension	\$ 71,195	\$ 118,765	\$ 313,840	\$ 33,648	\$ 63,398	\$ 53,572
Other Post Ret. Benefits Payable	\$ 252,243	\$ 306,573	\$ 452,348	\$ 444,971	\$ 299,454	\$ 336,454
TOTAL LIABILITIES & INFLOWS	\$ 8,749,530	\$ 8,105,568	\$ 7,974,413	\$ 6,201,735	\$ 5,075,216	\$ 4,395,712
NET POSITION	\$ 3,938,153	\$ 3,347,275	\$ 2,744,072	\$ 2,589,389	\$ 2,775,335	\$ 2,596,548
TOTAL LIABILITIES & NET POSITION	\$ 12,687,683	\$ 11,452,843	\$ 10,718,485	\$ 8,791,124	\$ 7,850,551	\$ 6,992,260

INCOME STATEMENT

Analysis of Income and Expenditures

		2023	2022	2021	2020	2019	2018
OPERATING REVENUES							
Member Assessments	\$	5,467,764	\$ 5,037,537	\$ 4,021,601	\$ 3,384,538	\$ 2,965,794	\$ 2,848,932
Other	\$	132,564	\$ 148,062	\$ 117,751	\$ 67,908	\$ 65,076	\$ 78,795
TOTAL REVENUES	\$	5,600,328	\$ 5,185,599	\$ 4,139,352	\$ 3,452,446	\$ 3,030,870	\$ 2,927,727
OPERATING EXPENSES							
Insurance	\$	3,975,993	\$ 3,433,372	\$ 2,346,311	\$ 1,464,181	\$ 1,220,166	\$ 1,063,907
Claim Reserve Adjustment	\$	21,000	\$ 83,000	\$ 310,000	\$ 288,000	\$ 346,000	\$ 38,000
Claims Paid on Current Losses	\$	506,187	\$ 283,416	\$ 681,782	\$ 871,261	\$ 573,742	\$ 324,951
Wages, Benefits and Payroll Taxes	\$	541,230	\$ 369,610	\$ 415,757	\$ 620,470	\$ 391,894	\$ 384,227
Legal	\$	56,542	\$ 182,623	\$ 65,545	\$ 114,839	\$ 95,648	\$ 132,598
Office Supplies	\$	26,807	\$ 30,540	\$ 34,458	\$ 26,744	\$ 32,432	\$ 27,552
Travel	\$	2,870	\$ 4,018	\$ 1,774	\$ 7,474	\$ 10,122	\$ 15,760
Accounting & Auditing	\$	43,735	\$ 36,082	\$ 40,942	\$ 37,665	\$ 36,959	\$ 37,930
Rent	\$		\$	\$	\$ 45,118	\$ 43,089	\$ 39,741
Interest Expense Office Lease	\$	2,729	\$ 12,315	\$ 13,722			
Amortization	\$	27,944	\$ 36,780	\$ 36,780			
Claims Audit	\$		\$ 4,900	\$			
Claims Adjusting	\$	24,071	\$ 52,793	\$ 13,612	\$ 23,179	\$ 122,976	\$ 103,617
Seminars	\$	18,434	\$ 19,938	\$ 10,630	\$ 16,232	\$ 32,407	\$ 35,270
Actuarial	\$	8,900	\$ 8,700	\$ 9,000	\$ 10,550	\$ 12,300	\$ 7,900
Telephone	\$	5,811	\$ 5,935	\$ 5,857	\$ 5,911	\$ 6,847	\$ 5,918
Depreciation	\$		\$ 266	\$ 531	\$ 1,075	\$ 1,861	\$ 2,735
Dues, Subscriptions, Meetings	\$	116	\$ 5,765	\$ 2,600	\$ 6,416	\$ 4,877	\$ 10,124
Promotion	\$	6,954	\$ 10,342	\$ 6,050	\$ 14,951	\$ 6,662	\$ 5,426
EC Expense Reimbursement	\$		\$	\$	\$ 573	\$ 1,145	\$ 4,469
Postage	\$	1,444	\$ 1,292	\$ 1,557	\$ 1,322	\$ 1,861	\$ 1,791
State Risk Manager Assessment	\$	7,325	\$ 2,930	\$ 7,325	\$ 11,720	\$ 11,720	\$ 11,720
Consultants	\$	6,050	\$ 5,100	\$ 5,950	\$ 160,750	\$ 10,550	\$ 13,725
Other	\$	283	\$ 1,026	\$ 101	\$ 4,709	\$ 343	\$ 195
TOTAL EXPENSES	\$	5,284,425	\$ 4,010,284	\$ 4,010,284	\$ 3,733,140	\$ 2,963,601	\$ 2,267,556
Interest Income	\$	202,629	\$ 22,775	\$ 28,146	\$ 94,748	\$ 111,518	\$ 62,275
Increase (Decrease) in Investments Fair Value	\$	4,672	\$ (14,428)				
Realized Gain on Investments		67,674					
NET INCOME	\$	590,878	\$ 603,203	\$ 157,214	\$ (185,946)	\$ 178,787	\$ 722,446

NOTE: Required accounting changes in OPEB balances contributed to 2020 loss

WSRMP's MEMBERS 2022-23 POLICY YEAR

Acme Water District.....	Acme
Alderwood Water and Wastewater District.....	Lynnwood
Beacon Hill Water and Sewer District.....	Kelso
Belfair Water District #1	Belfair
Birch Bay Water and Sewer District	Birch Bay
Camano Vista Water District.....	Camano Island
Cape San Juan Water District.....	Friday Harbor
Cattle Point Water District.....	Friday Harbor
Cascade Water Alliance	Bellevue
Cedar River Water and Sewer District	Maple Valley
Clark Regional Wastewater District	Vancouver
Clearview Water Supply Agency	Lynnwood
Clinton Water District	Clinton
Coal Creek Utility District.....	Newcastle
Covington Water District	Covington
Cowiche Sewer District.....	Cowiche
Crockett Lake Water District	Clinton
Cross Valley Water District.....	Snohomish
Discovery Clean Water Alliance.....	Vancouver
East Gig Harbor Water District.....	Gig Harbor
Fall City Water District	Fall City
Fisherman Bay Sewer District	Lopez Island
Glacier Water District.....	Glacier
Grays Harbor County Water District #1	Grayland
Grays Harbor County Water District #2.....	Montesano
Greater Bar Water District	Greater Bar
Hartstene Pointe Water - Sewer District	Shelton
Highland Water District	Monroe
Highlands Sewer District.....	Shoreline
Holmes Harbor Sewer District.....	Freeland
Inchelium Water District.....	Inchelium
Juniper Beach Water District	Camano Island
Kapowsin Water District.....	Kapowsin
King County Water Distric #49	Burien
King County Water District #54.....	Des Moines
King County Water District #90.....	Renton
King County Water District #125.....	SeaTac

Kitsap County Sewer District #7	Bainbridge Island
Kittitas County Water District #5	Cle Elum
Lake Meridian Water District.....	Kent
Lake Wenatchee Water District	Lake Wenatchee
Lake Whatcom Water and Sewer District	Bellingham
Lenora Water and Sewer District	Usk
Lewis County Water Sewer District #4.....	Chehalis
Lewis County Water District #2	Onalaska
Maggie Lake Water District.....	Tahuya
Mackaye Harbor Water District	Lopez Island
Mukilteo Water and Wastewater District	Mukilteo
North Perry Avenue Water District.....	Bremerton
Northeast Sammamish Sewer and Water District	Sammamish
Point Roberts Water District #4	Point Roberts
Regional Water Supply System.....	Tacoma
Sammamish Plateau Water	Sammamish
Saratoga Water District.....	Langley
Skagit County Sewer District #1.....	La Conner
Skagit County Water District #1.....	Mt Vernon
Skyway Water and Sewer District	Seattle
Snoqualmie Pass Utility District	Snoqualmie Pass
Steptoe Sewer and Water District.....	Colfax
Sunnyslope Water District.....	Port Orchard
Terrace Heights Sewer District	Yakima
Trails End Water District 2	Belfair
Valley View Sewer District.....	Tukwila
Valley Water District.....	Puyallup
Vashon Sewer District.....	Vashon
Walla Walla Housing Authority.....	Walla Walla
Water and Sewer Risk Management Pool.....	Bellevue
Water District #19	Vashon
West Sound Utility District	Port Orchard
Whatcom County Water District #2	Bellingham
Whatcom County Water District #7	Bellingham
Williams Lake Sewer District #2	Cheney
Wollochet Harbor Sewer District	Gig Harbor
Woodinville Water District	Woodinville

WHO WE ARE



WHAT WE DO

OUR MISSION

To protect Water and Sewer utilities with specialized risk management services and broad coverage at a stable cost.



WHAT'S IMPORTANT TO US

CORE VALUES

Respectful, Accurate, Reliable
and Ethical (RARE)

Compassionate, Curious, Consistent,
Conservative and Competitive



WHAT WE ASPIRE TO BE

OUR VISION

To be the recognized expert in providing comprehensive protection, risk management, customer service and support to water and wastewater districts in the Pacific Northwest while increasing member equity in an alternative risk structure.



WHAT WE STRIVE FOR

STRATEGIC PLAN GOALS

Protect Our Strong Financial Position

Expand Risk Management Services

Strengthen Relationships
with Members

Improve Coverage

Broaden Our Membership Base

WHO WE ARE



The Water and Sewer Risk Management Pool (WSRMP) is a public-entity, insurance pool that was established in 1987 by Washington State water and sewer special purpose districts in response to the lack of affordable and adequate insurance coverage available in the marketplace during the 1980's. We comply with Washington RCW Chapter 48.62 which allows public entities to self-insure via an insurance pool. WSRMP is owned and controlled by the districts we insure. All profits generated are used for the benefit of the membership. The founding members' vision was to create an insurance organization that would ensure access to the most comprehensive protection, laser-focused risk management programs and responsive customer service. These are goals the staff seeks to accomplish every single day.

Our Executive Committee is comprised of seven representatives that are General Managers, Officers or Commissioners from districts within our membership. They provide regular oversight, guidance and expertise to WSRMP's three employees.

The vast insurance coverage we offer is the result of intense analysis of our members' unique needs. As new challenges emerge, we anticipate how such challenges might affect our members, and we work to provide solutions before the challenges become problematic. WSRMP strives to add more value for our membership compared to a commercial insurance company. We provide a whole spectrum of member services including training, seminars, risk management, safety programs, industry information, WASWD sponsorship and one-on-one guidance.



WATER & SEWER RISK MANAGEMENT POOL

40 Lake Bellevue Drive, Suite 220
Bellevue, WA 98005
waterandsewerriskmgmtpool.org

425-452-9750
1-866-261-5456

EXECUTIVE DIRECTOR

Cary Ecker, MSF

DIRECTOR OF CLAIMS

Jason Barney, MBA CPCU ARM AIC

OFFICE MANAGER

Alisa Dodd

INSURANCE BROKER

Alliant Public Entity Insurance Solutions
Kevin Bibler, Brian White and Jamie Arnoldi

GENERAL COUNSEL

Hendricks Bennett, PLLC
Joseph P. Bennett, J.D.

ACTUARIAL SERVICES

Bickmore
Mike Harrington, Becky Richard

CPA SERVICES

Baber & Mason - Certified Public Accountants
Phillip C. Baber, CPA

