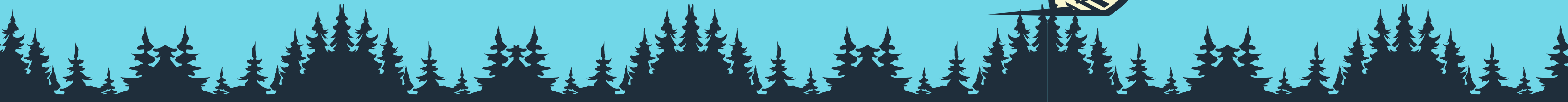
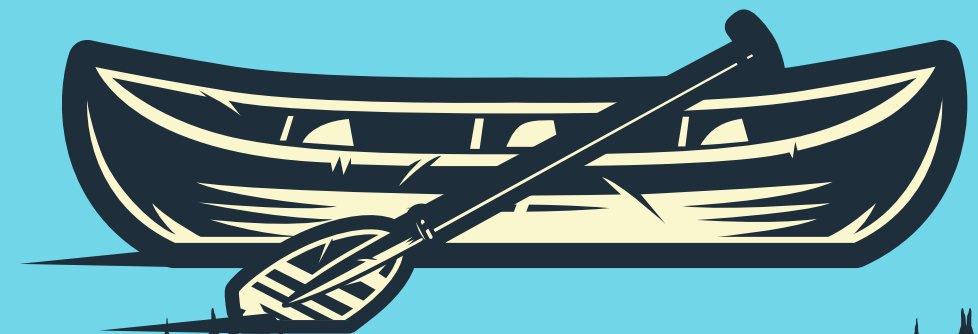


# WATER & SEWER ADVENTURE



**WATER & SEWER**  
RISK MANAGEMENT POOL  
2024 ANNUAL REPORT



Dear WSRMP Members:

WSRMP saw increased claim payments in 2024 (\$926,643) compared to the past few years, but they were still well below expectations. In September 2023, our actuary projected claim expenses would be \$1,448,762. These payments included \$481,030 for claims incurred in 2024 and \$967,732 for claims incurred prior to 2024. Our actuarial model forecasted increased claim payments based upon a larger membership (more risk) and inflationary trends. These anticipated claims have not materialized yet which has allowed WSRMP to report higher levels of net income. We opened 171 and closed 158 claims/incidents during 2024.

The Executive Committee authorized a rate increase far below our actuarial recommendation for the membership in 2024. As in prior years, this decision was made because our strong financial position made it an acceptable business risk. Our net income for 2024 was \$1,022,546 which included a \$365,000 actuarily approved release of claim reserves from our balance sheet recorded liabilities. WSRMP is in the strongest financial position since the founding in 1987.

We welcomed Lakehaven, Sunland, and Union Hill to our membership in the 2023-24 policy year. Lakehaven Commissioner Len Englund agreed to serve on the WSRMP Executive Committee. We were sad to see Cynthia Lamothe step off the Executive Committee after making tremendous contributions to the success of WSRMP since 2015.

DKF Solutions provided several educational webinars for our membership last year. All of their webinars are available on demand [HERE](#). Joe Bennett gave our membership important information on how to handle and minimize the impact of first amendment auditors.

Our membership approved minor updates to our Interlocal Governing Agreement and Bylaws for the first time in over 10 years. We plan to add a few enhancements to our Memorandum of Coverage next year for the benefit of our membership.

*Thank you for another great year. We are honored to be part of this great organization.*



*Mike A. Johnson*

MIKE JOHNSON  
President, WSRMP  
Executive Committee



*CJ*

CARY J ECKER, MSF  
Executive Director, WSRMP

**“Water is life's matter and matrix, mother and medium.  
There is no life without water.”**

Water and sewer systems are crucial for  
public health and environmental protection.



# BOARD MEMBERS

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

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

DARCEY PETERSON  
WSRMP Executive  
Committee Vice President  
General Manager  
King County Water District #90

TOM KEOWN  
WSRMP Executive  
Committee Treasurer  
General Manager  
Covington Water District

DAVID LOGAN  
WSRMP Executive  
Committee Secretary  
Finance Director  
Clark Regional Wastewater District

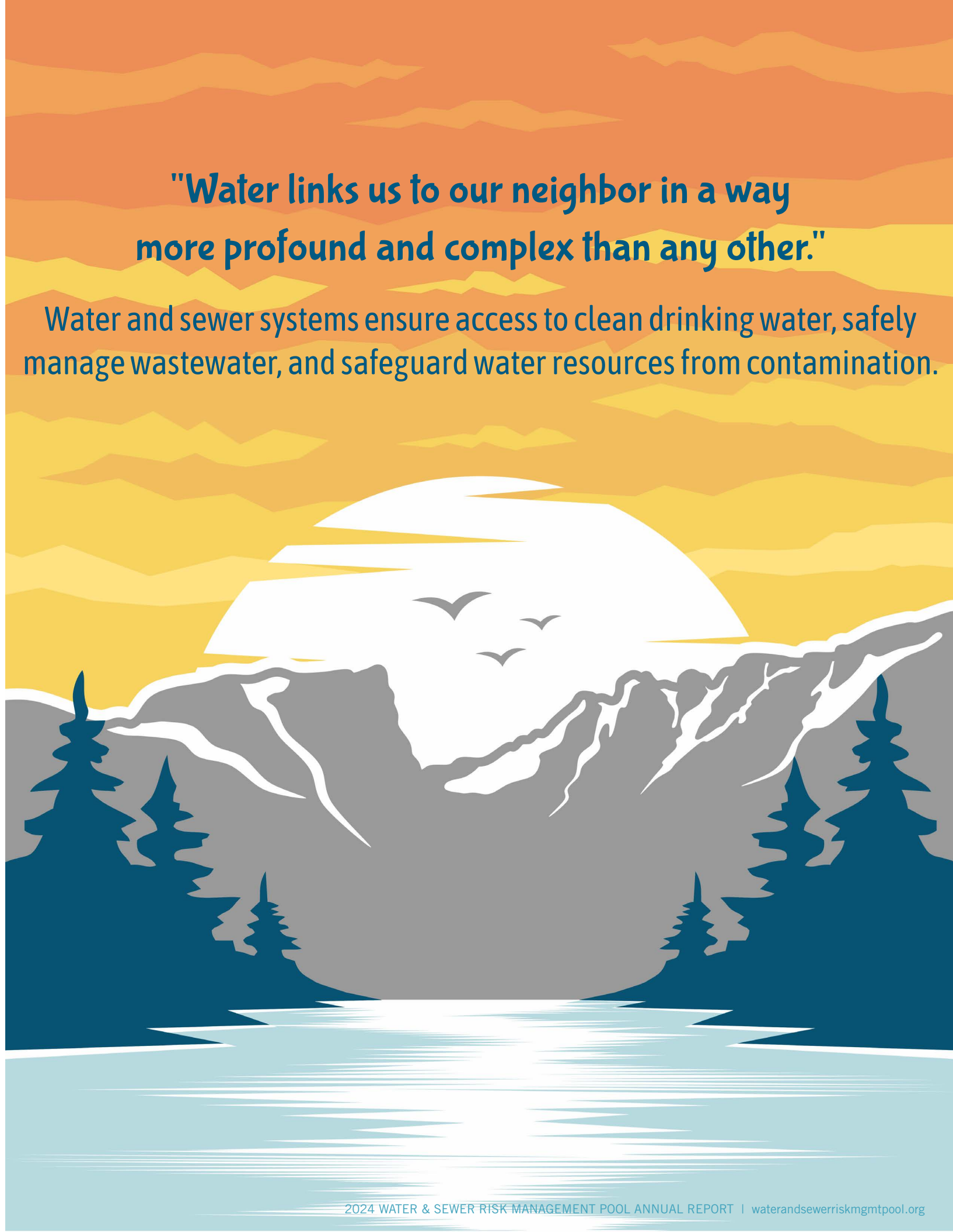
DONNA CROSS  
WSRMP Executive  
Director at Large  
Commissioner  
Alderwood Water and Wastewater District

ED CEBRON  
WSRMP Executive  
Director at Large  
Chief Economist and Treasurer  
Cascade Water Alliance

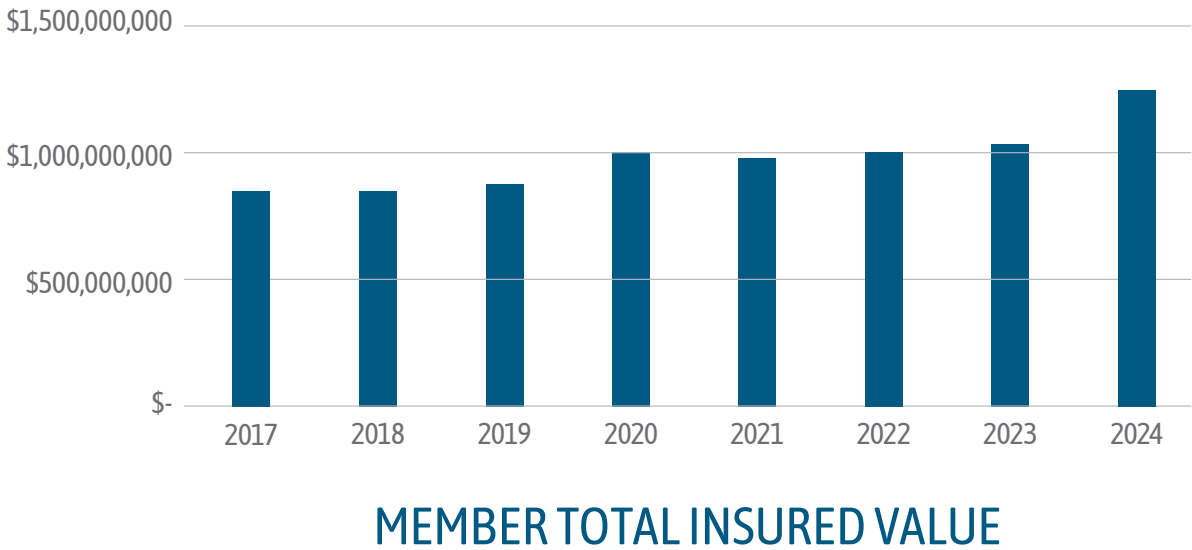
LEN ENGLUND  
WSRMP Executive  
Director at Large  
Commissioner  
Lakehaven Water and Sewer District

**"Water links us to our neighbor in a way  
more profound and complex than any other."**

Water and sewer systems ensure access to clean drinking water, safely manage wastewater, and safeguard water resources from contamination.



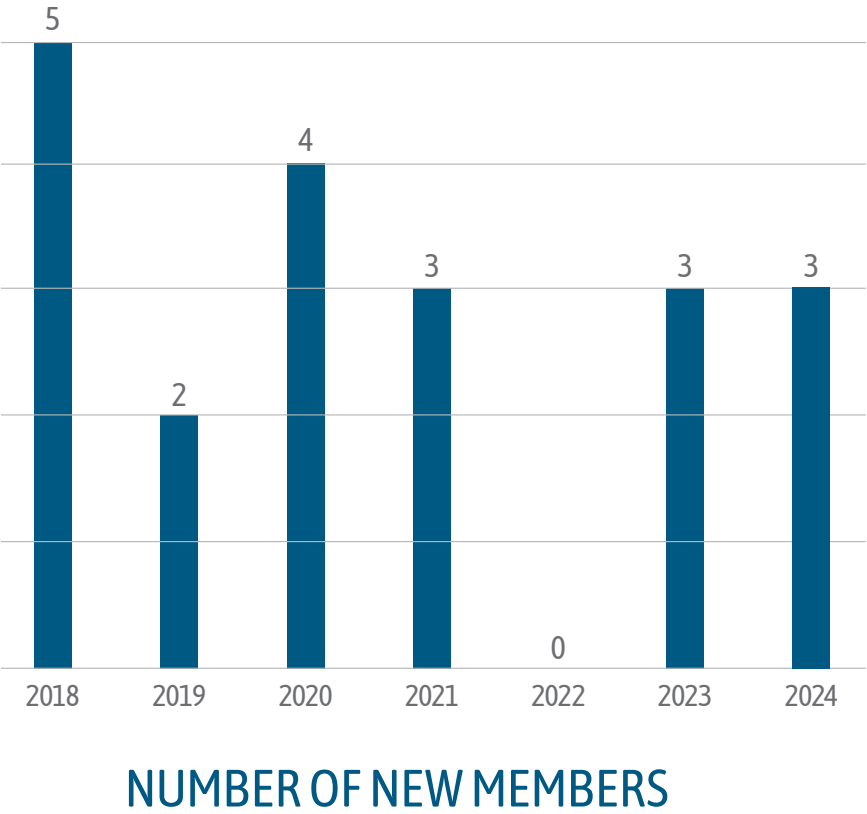
WSRMP participates in the Alliant Property Insurance Program (APIP). It is the largest group purchasing program for public entities across the United States. This program allows us to provide extensive coverage at affordable rates because of its size. It would be impossible to find something similar on an individual basis. Our property reinsurance expense is based upon the collective total insured values of our membership and the losses incurred in the program. We renew our property reinsurance mid-term (7/1 rather than at 11/1 when our member policy renews). Our rate per hundred declined by 5.5%, but our overall payment rose 16.7% because of the higher total insured values (from our new members and additions from existing members). The total insured value in 2024 was \$1.2B which is 44.2% higher than 2017. This included 615 vehicles insured by the pool. The rate reduction was a welcome change from multiple past years of double-digit increases. Global catastrophic losses contributed to the large reinsurance premium increases during the most recent “hard market” dating back to 2019. The level of reinsurance capacity has decreased, which has also played a consequential role in the hard market.



**"In nature, nothing is wasted.  
Everything is recycled."**

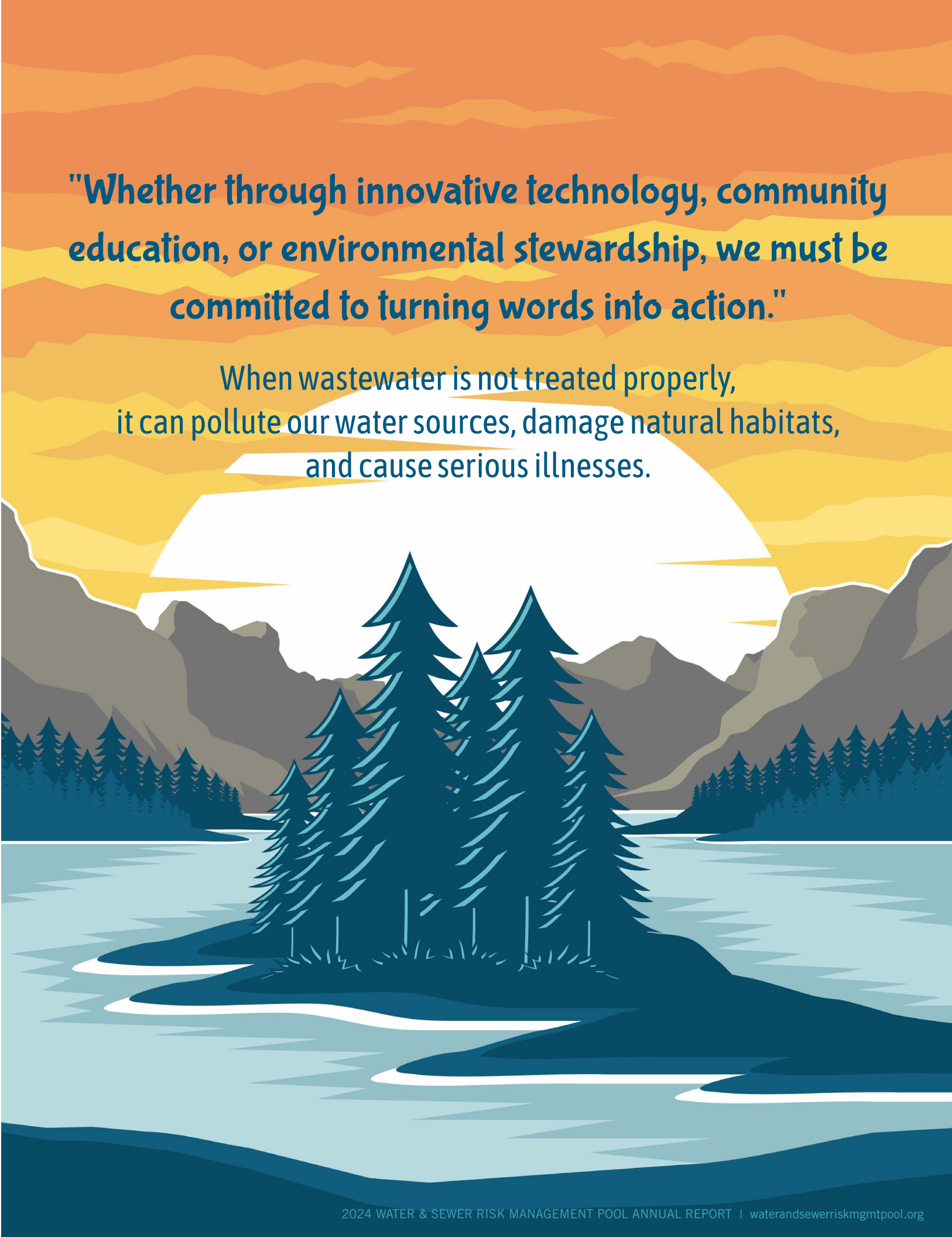
Effective water and sewer systems protect communities from waterborne diseases, maintain the quality of water bodies, and support sustainable practices.

One of our strategic goals has been to expand membership throughout Washington. Since 2018, we have added 20 new members of all sizes and various geographic regions. New members have benefited from joining WSRMP because they are receiving expanded coverage at a lower cost. WSRMP existing members benefited from the larger base because of the “spread of risk,” and sharing fixed expenses. Our revenue has increased more than \$5M cumulatively over the past 8 years without a corresponding rise in claim payments or fixed expenses (except reinsurance). The pool’s increased profitability and financial stability are directly linked to our expanded membership.



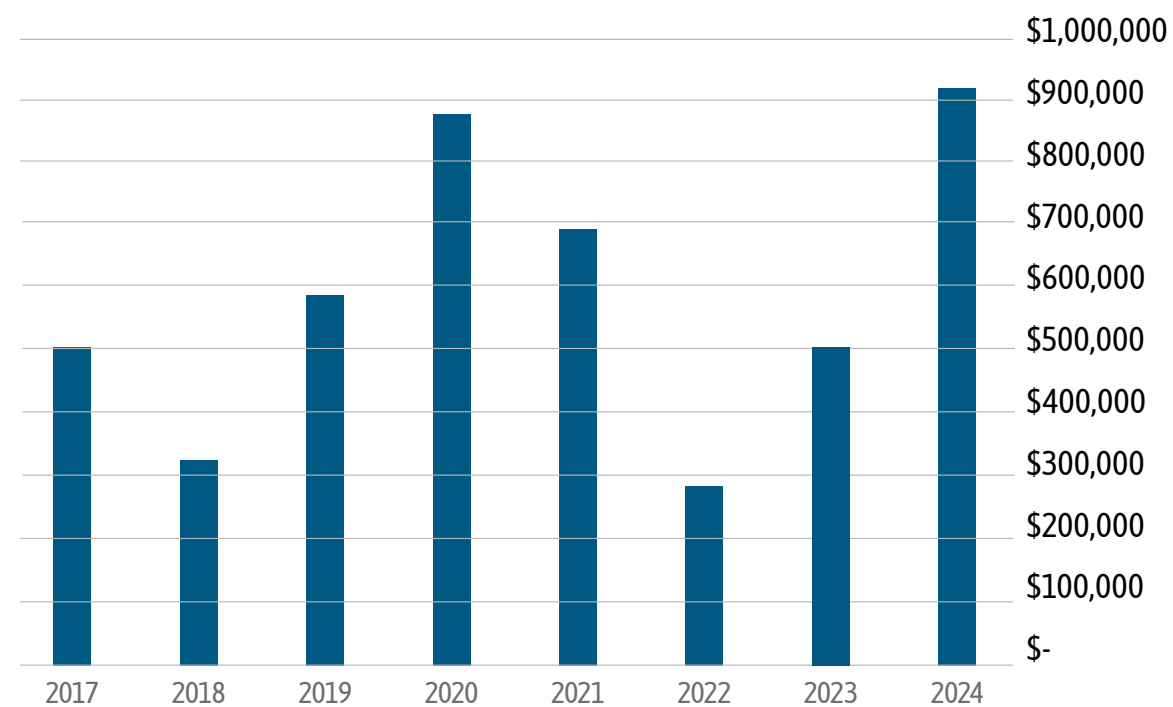
**"Whether through innovative technology, community education, or environmental stewardship, we must be committed to turning words into action."**

When wastewater is not treated properly, it can pollute our water sources, damage natural habitats, and cause serious illnesses.





Our annual claim payments have been below actuarial projections for several years. However, we are watching claim payment trends carefully because 2024 (\$926,643) was 1.62 times greater than the average (\$572,706) since 2009. Claim payments have only exceeded \$800,000 three times during this time span. The low point was \$283,416 in 2022. It isn't time to sound the alarms because 2024 included final payments for our largest claim in pool history that dated back to the 2017-18 policy year. After closing this large claim, we were able to release \$365,000 of excess claim reserves which bolstered our net income for 2024.



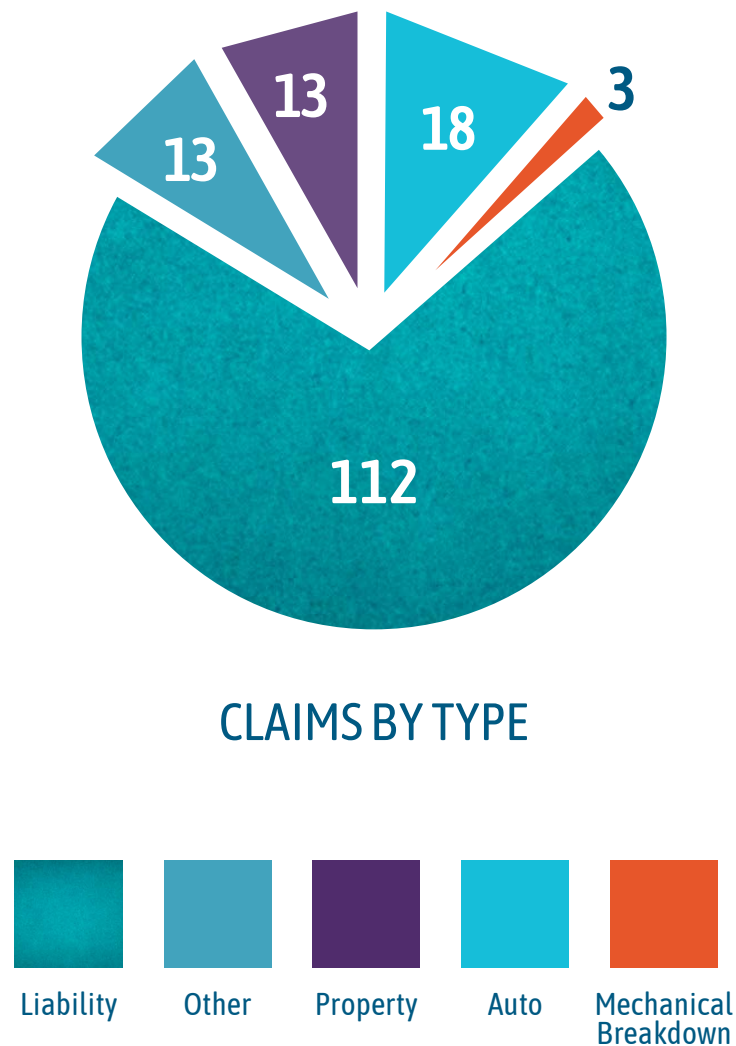
CLAIMS PAID ON CURRENT LOSSES

**"Water is the most critical resource issue of our lifetime and our children's lifetime. The health of our waters is the principal measure of how we live on the land."**

Wastewater treatment plants treat the water that goes down our drains before discharging it back into the environment.

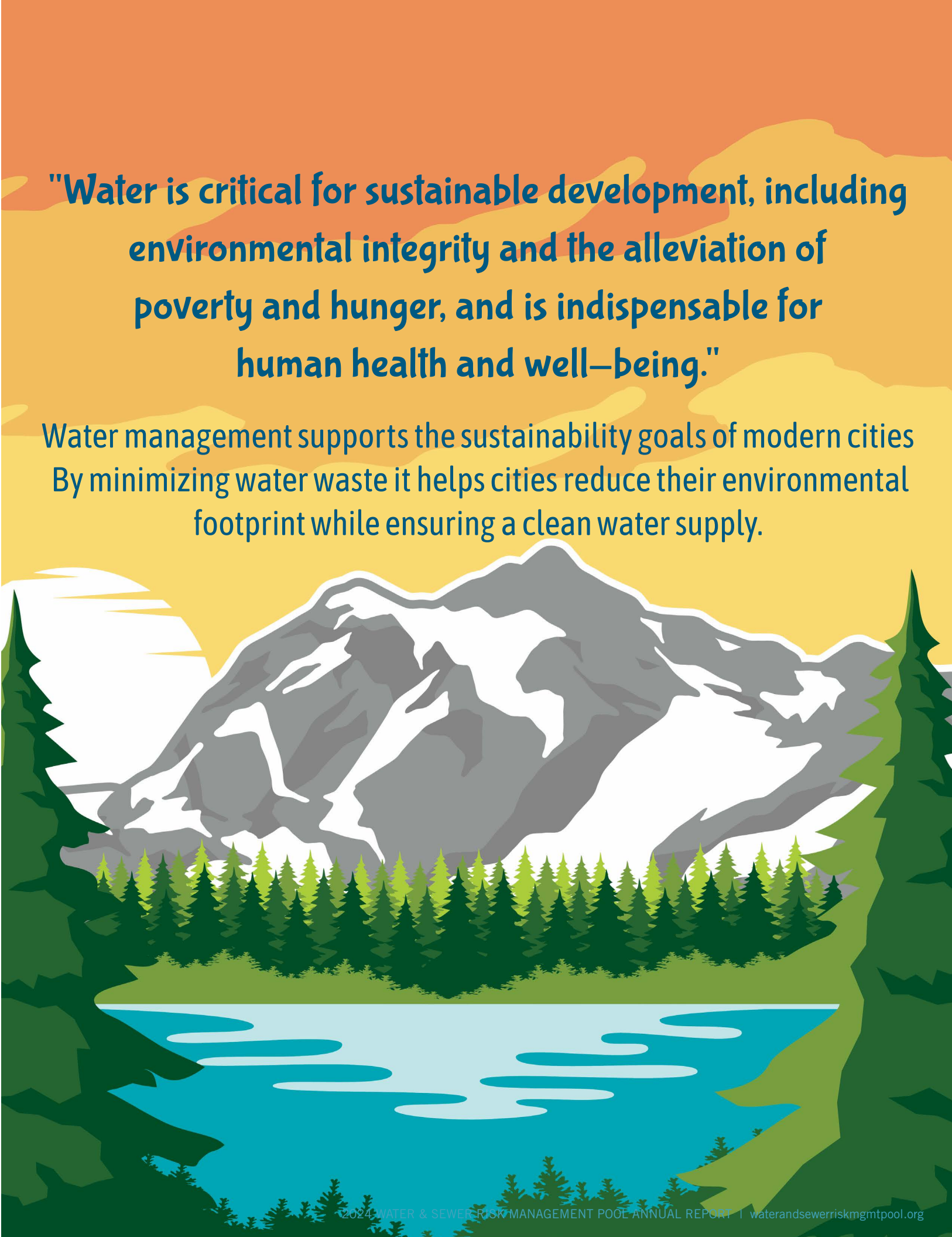


We recorded 159 claims in 2024. The majority of claims we handle every year are liability related. Our most frequently reported liability claims are employment practices, sewer-related and water-related. In 2024, there were 13 EPL claims for a total net incurred cost of \$16,769.50. Sewer-related claims totaled \$155,190.34 over 22 claims. There were 45 water-related claims totaling \$253,274.83 in incurred costs in 2024.



**"Water is critical for sustainable development, including environmental integrity and the alleviation of poverty and hunger, and is indispensable for human health and well-being."**

Water management supports the sustainability goals of modern cities. By minimizing water waste it helps cities reduce their environmental footprint while ensuring a clean water supply.





## ISLANDS

Camano Vista Water District  
Cape San Juan Water District  
Cattle Point Water District  
Clinton Water District  
Crockett Lake Water District  
Fisherman Bay Sewer District

Juniper Beach Water District  
Kitsap County #7 Sewer District  
Mackaye Harbor Water District  
Saratoga Water District  
Vashon Sewer District  
Water District #19

## OLYMPIC PENINSULA

Belfair Water District  
East Gig Harbor Water District  
Grays Harbor County Water District #1  
Grays Harbor County Water District #2  
Hartstene Pointe Water and Sewer District  
Holmes Harbor Sewer District  
North Perry Avenue Water District  
Sunland Water District  
Sunnyslope Water District  
Trails End Water District  
West Sound Utility District  
Wollochet Sewer District

## NORTH SOUND

Acme Water District  
Birch Bay Sewer and Water District  
Glacier Water District  
Lake Whatcom Water and Sewer District  
Point Roberts Water District  
Skagit County Sewer District #1  
Skagit County Sewer District #2  
Skagit County Water District #1  
Whatcom County Water District #2  
Whatcom County Water District #7

## PUGET SOUND

Alderwood Water and Wastewater District  
Cascade Alliance  
Cedar River Water and Sewer District  
Clearview Agency  
Covington Water District  
Cross Valley Water District  
Fall City Water District  
Highland Water District  
Highlands Utility District  
Kapowsin Water District  
King County Water District #49  
King County Water District #54  
King County Water District #90

King County Water District #125  
Lake Meridian Water District  
Lakehaven Water and Sewer District  
Lakewood Water District  
Mukilteo Water and Wastewater District  
NE Sammamish Sewer and Water District  
Regional Water Supply System  
Sammamish Plateau Water  
Skyway Water and Sewer District  
Union Hill  
Valley View Sewer District  
Valley Water District  
Woodinville Water District

## SW WASHINGTON

Beacon Hill Water and Sewer District  
Clark Regional Wastewater District  
Discovery Alliance  
Lewis County Water District #2  
Lewis County Water Sewer District #4

## EASTERN WASHINGTON

Greater Bar Water District  
Inchelium Water District  
Kittitas County Water District #5  
Lake Wenatchee Water District  
Lenora Water and Sewer District  
Snoqualmie Pass Utility District  
Steptoe Water and Sewer District  
Terrace Heights Sewer District  
Walla Walla Housing Authority  
Williams Lake Sewer District





BALANCE SHEET



Assets & Liabilities Over the Past Seven Years

		2024	2023	2022	2021	2020	2019	2018
ASSETS								
Cash and Equivalents	\$	4,505,238	\$ 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	\$	7,574,370	\$ 6,445,150	\$ 5,529,254	\$ 5,153,449	\$ 4,176,255	\$ 3,182,652	\$ 2,938,534
Other (including prepaids)	\$	2,014,229	\$ 1,906,324	\$ 1,409,695	\$ 1,262,362	\$ 879,711	\$ 651,267	\$ 537,077
Capital Assets	\$	-	\$	\$	\$ 266	\$ 797	\$ 1,872	\$ 3,733
Subscription Asset - Software		46,204						
Net Pension Asset	\$	103,479	\$ 131,035	\$ 117,123	\$ 305,821	\$		
Right of Use Asset (Office Lease)	\$	28,386	\$ 28,705	\$ 211,473	248,253			
Deferred Outflows - Pension OPEB	\$	137,260	\$ 105,477	\$ 121,141	\$ 45,711	\$ 47,393	\$ 39,157	\$ 33,907
TOTAL ASSETS AND OUTFLOWS		\$ 14,409,166	\$ 12,687,683	\$ 11,452,843	\$ 10,718,485	\$ 8,791,124	\$ 7,850,551	\$ 6,992,260
LIABILITIES								
Accounts Payable	\$	32,623	\$ 9,925	\$ 8,241	\$ 191,56	\$ 53,368	\$ 70,757	\$ 74,751
Claim Reserves Current Year	\$	878,000	\$ 1,108,000	\$ 1,053,000	\$ 1,004,000	\$ 810,000	\$ 639,000	\$ 451,000
Unearned Member Allocations	\$	7,584,243	\$ 6,461,635	\$ 5,545,722	\$ 5,161,221	\$ 4,129,706	\$ 3,409,930	\$ 3,020,940
Subscription Liability - Software		38,238						
Claim Reserves Prior Year	\$	556,000	\$ 691,000	\$ 725,000	\$ 691,000	\$ 575,000	\$ 458,000	\$ 300,000
Finance Lease Liability	\$	33,137	\$ 32,396	\$ 230,052	259,616			
Compensated Absences	\$	75,238	\$ 66,638	\$ 50,611	\$ 44,081	\$ 36,343	\$ 23,804	\$ 20,208
Net Pension Liability	\$	43,550	\$ 56,498	\$ 67,604	\$ 29,151	\$ 118,699	\$ 110,873	\$ 138,787
Deferred Inflows - Pension	\$	41,512	\$ 71,195	\$ 118,765	\$ 313,840	\$ 33,648	\$ 63,398	\$ 53,572
Other Post Ret. Benefits Payable	\$	165,926	\$ 252,243	\$ 306,573	\$ 452,348	\$ 444,971	\$ 299,454	\$ 336,454
TOTAL LIABILITIES & INFLOWS		\$ 9,448,467	\$ 8,749,530	\$ 8,105,568	\$ 7,974,413	\$ 6,201,735	\$ 5,075,216	\$ 4,395,712
NET POSITION		\$ 4,960,699	\$ 3,938,153	\$ 3,347,275	\$ 2,744,072	\$ 2,589,389	\$ 2,775,335	\$ 2,596,548
TOTAL LIABILITIES & NET POSITION		\$ 14,409,166	\$ 12,687,683	\$ 11,452,843	\$ 10,718,485	\$ 8,791,124	\$ 7,850,551	\$ 6,992,260

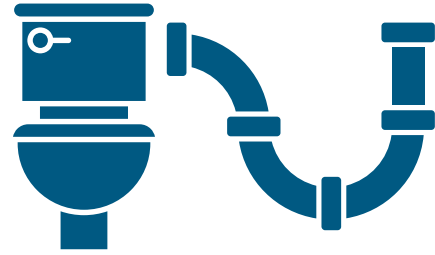
INCOME STATEMENT



Analysis of Income and Expenditures

	2024	2023	2022	2021	2020	2019	2018
<b>OPERATING REVENUES</b>							
Member Assessments	\$ 7,225,695	\$ 5,467,764	\$ 5,037,537	\$ 4,021,601	\$ 3,384,538	\$ 2,965,794	\$ 2,848,932
Other	\$ 167,626	\$ 132,564	\$ 148,062	\$ 117,751	\$ 67,908	\$ 65,076	\$ 78,795
<b>TOTAL REVENUES</b>	<b>\$ 7,393,321</b>	<b>\$ 5,600,328</b>	<b>\$ 5,185,599</b>	<b>\$ 4,139,352</b>	<b>\$ 3,452,446</b>	<b>\$ 3,030,870</b>	<b>\$ 2,927,727</b>
<b>OPERATING EXPENSES</b>							
Insurance	\$ 5,239,923	\$ 3,975,993	\$ 3,433,372	\$ 2,346,311	\$ 1,464,181	\$ 1,220,166	\$ 1,063,907
Claim Reserve Adjustment	\$ (365,000)	\$ 21,000	\$ 83,000	\$ 310,000	\$ 288,000	\$ 346,000	\$ 38,000
Claims Paid on Current Losses	\$ 926,643	\$ 506,187	\$ 283,416	\$ 681,782	\$ 871,261	\$ 573,742	\$ 324,951
Wages, Benefits and Payroll Taxes	\$ 567,252	\$ 541,230	\$ 369,610	\$ 415,757	\$ 620,470	\$ 391,894	\$ 384,227
Legal	\$ 74,660	\$ 56,542	\$ 182,623	\$ 65,545	\$ 114,839	\$ 95,648	\$ 132,598
Office Supplies	\$ 31,596	\$ 26,807	\$ 30,540	\$ 34,458	\$ 26,744	\$ 32,432	\$ 27,552
Travel	\$ 1,942	\$ 2,870	\$ 4,018	\$ 1,774	\$ 7,474	\$ 10,122	\$ 15,760
Accounting & Auditing	\$ 53,734	\$ 43,735	\$ 36,082	\$ 40,942	\$ 37,665	\$ 36,959	\$ 37,930
Rent	\$	\$	\$	\$	\$ 45,118	\$ 43,089	\$ 39,741
Interest Expense Office Lease	\$ 11,212	\$ 2,729	\$ 12,315	\$ 13,722			
Amortization	\$ 36,434	\$ 27,944	\$ 36,780	\$ 36,780			
Claims Audit	\$ -	\$	\$ 4,900	\$			
Claims Adjusting	\$ 49,299	\$ 24,071	\$ 52,793	\$ 13,612	\$ 23,179	\$ 122,976	\$ 103,617
Seminars	\$ 10,933	\$ 18,434	\$ 19,938	\$ 10,630	\$ 16,232	\$ 32,407	\$ 35,270
Actuarial	\$ 9,200	\$ 8,900	\$ 8,700	\$ 9,000	\$ 10,550	\$ 12,300	\$ 7,900
Telephone	\$ 7,673	\$ 5,811	\$ 5,935	\$ 5,857	\$ 5,911	\$ 6,847	\$ 5,918
Depreciation	\$	\$	\$ 266	\$ 531	\$ 1,075	\$ 1,861	\$ 2,735
Dues, Subscriptions, Meetings	\$ 3,289	\$ 116	\$ 5,765	\$ 2,600	\$ 6,416	\$ 4,877	\$ 10,124
Promotion	\$ 6,289	\$ 6,954	\$ 10,342	\$ 6,050	\$ 14,951	\$ 6,662	\$ 5,426
EC Expense Reimbursement	\$ -	\$	\$	\$	\$ 573	\$ 1,145	\$ 4,469
Postage	\$ 1,404	\$ 1,444	\$ 1,292	\$ 1,557	\$ 1,322	\$ 1,861	\$ 1,791
State Risk Manager Assessment	\$ 11,720	\$ 7,325	\$ 2,930	\$ 7,325	\$ 11,720	\$ 11,720	\$ 11,720
Consultants	\$ 45,397	\$ 6,050	\$ 5,100	\$ 5,950	\$ 160,750	\$ 10,550	\$ 13,725
Other	\$ 162	\$ 283	\$ 1,026	\$ 101	\$ 4,709	\$ 343	\$ 195
<b>TOTAL EXPENSES</b>	<b>\$ 6,723,762</b>	<b>\$ 5,284,425</b>	<b>\$ 4,010,284</b>	<b>\$ 4,010,284</b>	<b>\$ 3,733,140</b>	<b>\$ 2,963,601</b>	<b>\$ 2,267,556</b>
Interest Income	\$ 336,556	\$ 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	\$ 16,431	\$ 67,674					
<b>NET INCOME</b>	<b>\$ 1,022,546</b>	<b>\$ 590,878</b>	<b>\$ 603,203</b>	<b>\$ 157,214</b>	<b>\$ (185,946)</b>	<b>\$ 178,787</b>	<b>\$ 722,446</b>





WHAT WE DO

## OUR MISSION

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

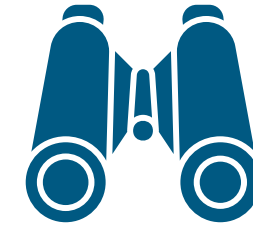


WHAT'S IMPORTANT TO US

## 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

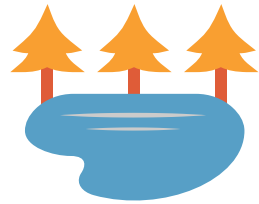
Strengthen Relationships with Members

Improve Coverage

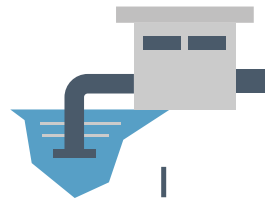
Broaden Our Membership Base

# WHO WE ARE

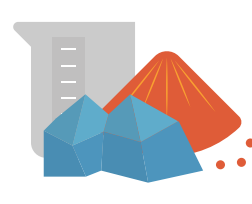
WATER RESOURCE



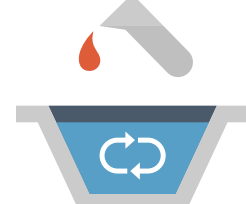
PUMP STATION



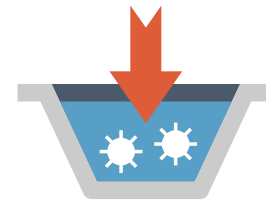
CHEMICAL



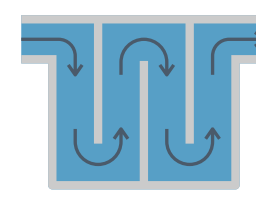
CHEMICAL



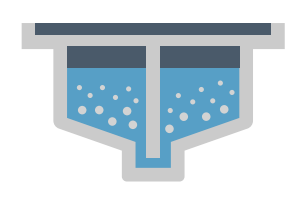
DISINFECTION



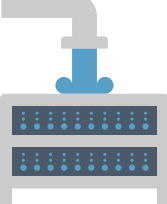
DISINFECTION



SEDIMENTATION



FILTRATION



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

[waterandseweriskmgmtpool.org](http://waterandseweriskmgmtpool.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

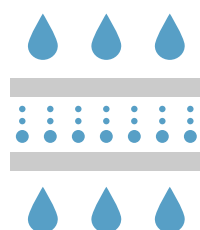
Bennett Law, PLLC  
Joseph P. Bennett, J.D.

### ACTUARIAL SERVICES

Bickmore  
Mike Harrington, Becky Richard

### CPA SERVICES

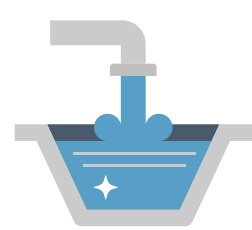
Baber & Mason - Certified Public Accountants  
Phillip C. Baber, CPA



FILTRATION



QUALITY CONTROL



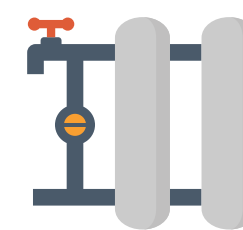
STORAGE



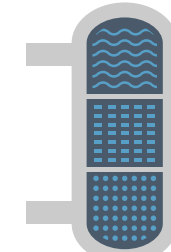
STORAGE



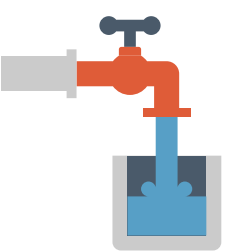
DISTRIBUTION



FILTRATION



FILTRATION



CONSUMPTION