

Water & Wastewater Systems and Risk Management

Kentucky Public Service Commission
2011 Training Seminars

Presented by:

Kentucky Association of Counties
Risk Management Team

AGENDA

1. What is Risk Management/Loss Control
2. Importance of Knowing and Acknowledging the Problem
3. Some Risk Management Issues and Best Practices
4. Comments & Questions

Definition of Risk Management and Loss Control

- ▣ **Risk Management** is a process that identifies loss exposures faced by an organization and selects the most appropriate techniques for treating such exposures.
- ▣ **Loss Exposure** is any situation or circumstance in which a loss is possible, regardless of whether a loss occurs.

GOALS OF A RISK MANAGEMENT PROGRAM

1. Reduce the number injuries
2. Reduce the number of claims
3. Become more defensible in court

Steps in the Risk Management Process

1. Identify loss exposures
2. Analyze the loss exposures
3. Select appropriate techniques for treating the loss exposures and develop a comprehensive program
4. Implement the program
5. Monitor the results and make changes accordingly

How do we identify loss exposures?

We conduct an audit or survey!

- ▣ Self-inspection
- ▣ Third party inspection
- ▣ Encourage employee involvement in maintaining a safe workplace

HOW DO WE ANALYZE OUR EXPOSURES?

REVIEWING PAST EXPERIENCES

1. Insurance claims
2. Near miss incident reports
3. First reports of injury
4. Findings from audits or surveys

Developing techniques for managing risk

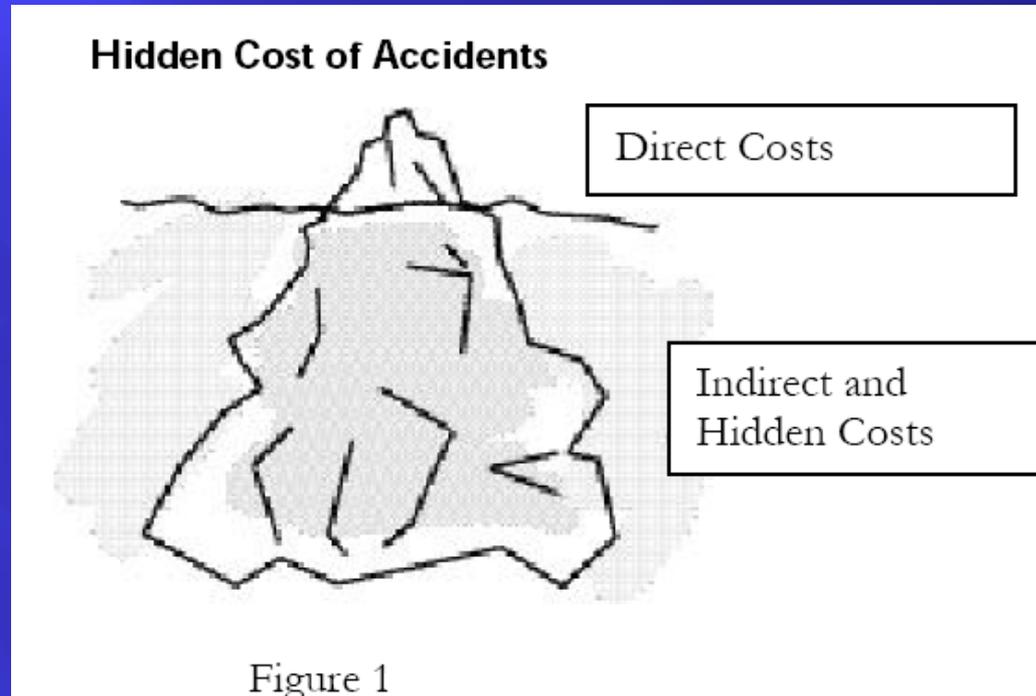
1. Insurance
2. Policies and Procedures
3. Claim Management
4. Hiring Practices
5. Strong legal representation
6. Unwavering commitment from all levels of management toward loss control and risk management
7. Core values within the organization

Safety & Cost

- ▣ We all understand the importance of “employee and citizen safety” to the water district:
 - ▣ bodily health and family

- ▣ But as a manager, you are responsible also for ‘costs to the District’:
 - lost time, productivity, health care, repair, replacement

DIRECT AND INDIRECT COSTS OF ACCIDENTS



Total costs of an accident are like an iceberg

The indirect costs of accidents are usually greater than the direct costs. A conservative estimate is that for every \$1 of direct accident costs, there is \$3 of indirect costs. Some studies indicate the hidden costs can be 4 to 10 times the insured costs.

People often try to minimize the costs of accidents by saying that they are covered by insurance. Insurance, however, covers only a portion of the total accident cost. Moreover, as accident losses increase, so will a company's insurance premiums. It is clear that directly and indirectly, accidents reduce profitability.

HIDDEN COSTS OF AN ACCIDENT

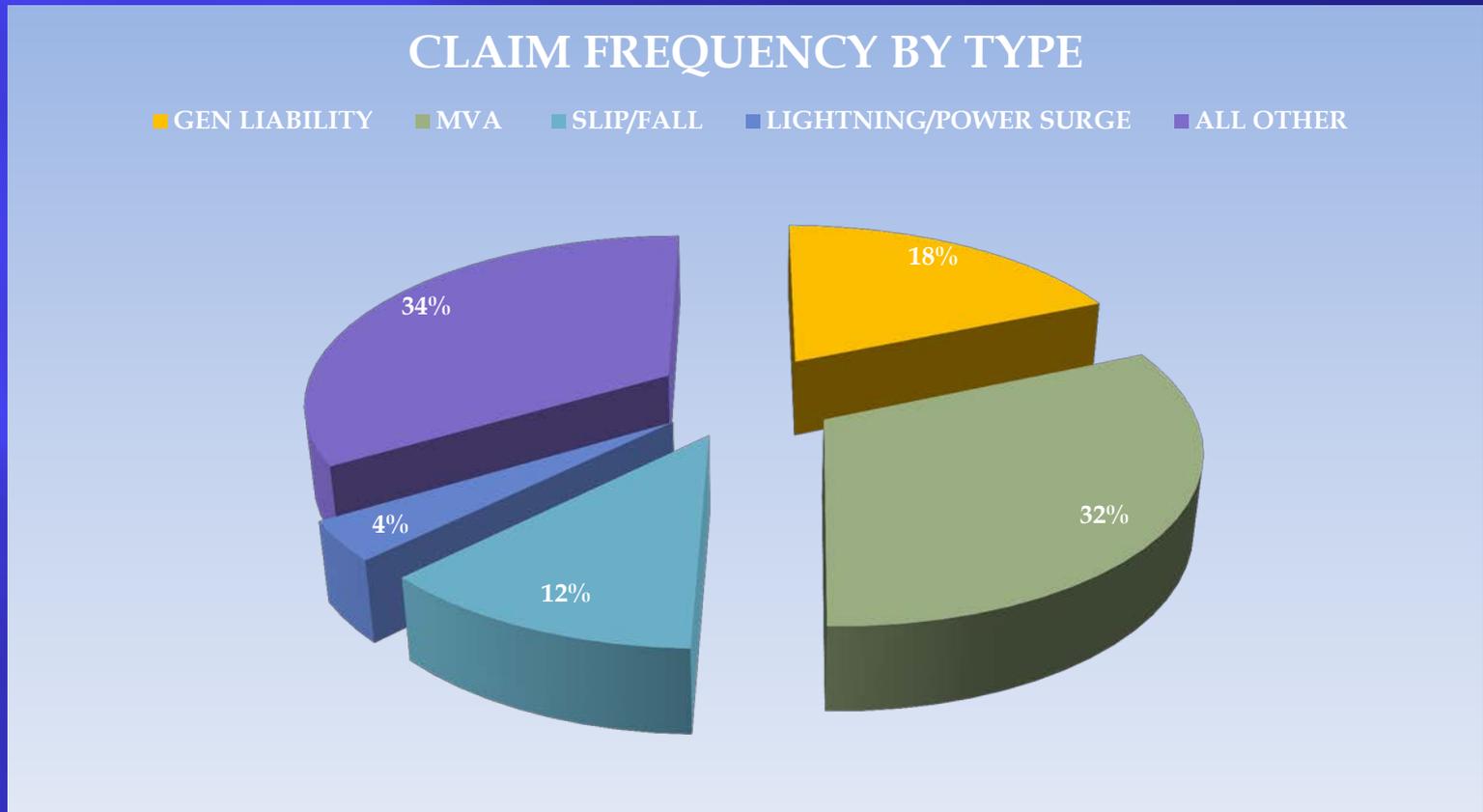
- Production loss/worker distraction
- Training costs/replacement worker
- Loss of skill/efficiency – slowed production
- Paperwork
- Administrative time
- Loss of morale
- Legal issues
- Medical expenses
- Wages
- Equipment
- Workers Compensation

HIDDEN SAVINGS IN ACCIDENT PREVENTION

- Employees will not be injured or killed.
- Property and materials will not be destroyed.
- Production will flow more smoothly.
- You will have more time for other management duties of your job.
- Increased employee security at work.

Claims Analysis / Frequency

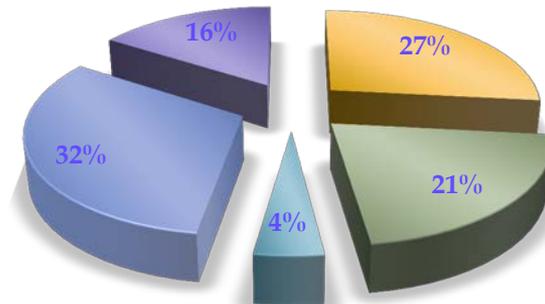
▣ Frequency by Type



Claims Analysis / Severity

CLAIM SEVERITY BY TYPE

- MVA
- SLIP/FALL
- LIGHTNING/POWER SURGE
- ALL OTHER
- GENERAL LIABILITY

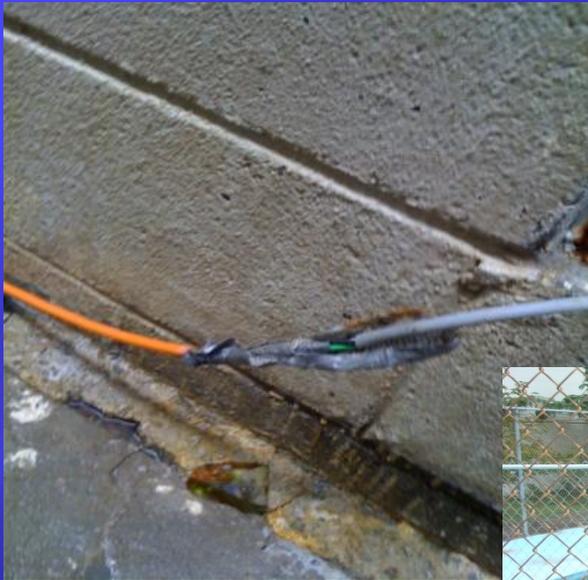


Elements in a Risk Management Program

Loss Exposure Surveys

Loss Control Surveys are conducted to allow:

- ❑ An on-site review of the operational and physical plant of the member insured's exposure to risk.
- ❑ A roster outlining the risk identification, along with recommendations to reduce the exposure to loss.



Safety Tidbits!

SAFETY IS A CORE VALUE!

- ▣ Why do we keep hitting our selves?
- ▣ Keeping your back safe
- ▣ Avoiding Slips, Trips & Falls
- ▣ Safety is everyone's responsibility

Issue: Employment Practices

- ▣ Most Frequent Suits Against Water Districts, Commissioners and Employees:
 - Disciplinary and Termination Cases
 - Discrimination Cases
 - Employee Benefits/Sick Leave; Comp. Time, Family Medical Leave Act and other types of leave, etc.

Issue: Workers' Comp in KY

- ▣ Arising out of and...
- ▣ In the course of employment
- ▣ 66 2/3
- ▣ Importance of reporting
- ▣ Accident/Incident/Near-miss reporting

Best Practice: Employment Practices Training

On-line training that will provide: Sample Document Library / and the below specific training chapters: www.mycommunityworkplace.org

- ▣ Preventing Workplace Sexual Harassment
- ▣ Preventing Workplace Discrimination
- ▣ Preventing Wrongful Termination
- ▣ Promoting Ethical Behavior
- ▣ Promoting Child Safe Environment

LEGAL ISSUES

- ▣ Personal liability for board members and employees
- ▣ Hold Harmless agreements
- ▣ Legal liability for organization
- ▣ Negligence
- ▣ Employee dishonesty
- ▣ Sub-contractor safety and contracts
- ▣ Lease and rental agreements

FLEET SAFETY

- ▣ Multiple exposures related to a single event
 - Bodily injuries (multiple claims)
 - Property damage
 - Tort liability

FLEET SAFETY

- ▣ Defensive driving training
- ▣ Written vehicle policy
- ▣ Pre-trip inspections
- ▣ Maintenance records
- ▣ Accident investigations (Preventable vs. Unpreventable)
- ▣ Motor Vehicle Records examination
- ▣ Distracted driving
- ▣ Cell phone and Texting While Driving (TWD)

Theft Prevention

- ▣ Security systems with video recording
- ▣ Audible alarms
- ▣ Fencing
- ▣ Key boxes
- ▣ Signs
- ▣ Direct signals
- ▣ Management policies
- ▣ Employee bonds/background checks
- ▣ Video surveillance

LIGHTNING/SURGE PROTECTION

- ▣ Lightning and surge protection surveys
- ▣ Protective equipment
- ▣ Increasing use of technology
- ▣ Equipment replacement cost
- ▣ Cost of equipment failure
 - Damage to property of others
 - Interruption of business continuity
 - Loss of vital information

SAFETY PROGRAMS

Safety programs should be related to exposures regarding the organization.

They should be in writing and given to each employee. It should be verified that each employee has a comprehensive understanding of each safety policy.

All members/employees of the organization should be expected to follow the policies.

Recommended Safety Programs

- ▣ Vehicle safety
- ▣ Personal Protective Equipment (PPE)
- ▣ Hazardous Energy – Lock Out/Tag Out (LOTO)
- ▣ Electrical Safety
- ▣ Fire Safety
- ▣ Slip/Fall prevention – Housekeeping
- ▣ Trenching and Excavation
- ▣ Aerial Lifts

Recommended Safety Programs

- ▣ Confined Spaces
- ▣ Material Safety Data Sheets (MSDS)
- ▣ Fall protection
- ▣ Work zone safety
- ▣ Emergency Action Plans
- ▣ Workplace violence
- ▣ Ladder safety
- ▣ Ergonomics

OSHA

- ▣ Kentucky OSHA
- ▣ Compliance Programs
- ▣ Training
- ▣ Audits
- ▣ Injury reporting

Standard Operating Procedures

- ▣ Employee policies
- ▣ Emergency Action Plans
- ▣ Customer complaints
- ▣ Violations or citations
- ▣ Employee discipline and termination
- ▣ Employee benefits/wages
- ▣ Security measures

Best Practice: Vehicle Record

- ▣ Allow Commissioners access to review MVR's for any employee/ prospective employee driving insured vehicles, including non-owned vehicles.

Issue: Back Safety

- ▣ 195,150 back work-related injuries in 2009
- ▣ True or False?
 - Very painful...
 - Results in only a short term disability...
 - Are inexpensive to diagnose and treat...
- ▣ Causes
 - Poor posture
 - Out of shape
 - Tension & stress
 - Aging & disease
 - Impact & repetitive trauma

Issue: Back Safety

- ▣ Heavy lifting
- ▣ Twisting at the waist
- ▣ Reaching & lifting
- ▣ Lifting & carrying objects with awkward shapes
- ▣ Working in awkward, uncomfortable positions

Best Practice: Back Injury Prevention

- ▣ Assessment
- ▣ Before you lift
- ▣ Lifting the load
- ▣ Carrying the load
- ▣ Setting the load down

Issue: Slips, Trips & Falls

- ▣ 212,760 slip, trip & fall work-related injuries in 2009
- ▣ Same Level
- ▣ Different Level

Best Practice: Avoiding & Falls

- ▣ Housekeeping Slips, Trips
- ▣ Wet & slippery surfaces
- ▣ Obstacles in walkways
- ▣ Lighting
- ▣ Footwear
- ▣ Individual behavior

Best Practices: Avoiding Slips, Trips & Falls

- ▣ Uneven surfaces
- ▣ Stairs
- ▣ Ladders
- ▣ Docks/Ramps

SAFETY IS NO ACCIDENT ...

and it costs less!

Typical Cost of Insurance and Deductibles

<u>Typical Cost</u>	<u>Deductibles</u>
General Liability	\$0
Auto Physical Damage	\$500
Errors & Omissions	\$1,000
Employment Practices	\$1,000
Law Enforcement	\$1,000
Property	NO Co-insurance

Some information about KACo

KY Association of Counties

Serving KY Counties

“SINCE 1974”

Denny Nunnelley

Executive Director/CEO

Brian Roy, Deputy Director

Mark Miller, Director of Insurance

Roger Recktenwald, Director of Research and
Planning

Loss Control Staff

KACo serves all counties which are sub-divided into four loss control regions.



Jeff Thompson
Region # 1



Corey McIlvoy
Region # 2



Dwayne Litton
Region # 3



Steve Clary
Region # 4

Loss Control Contacts and Region by ADD

Loss Control Region # 1

Jeff Thompson

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Pennyrile ADD

Green River ADD

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N. KY ADD

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Barren River ADD

Lincoln Trail ADD

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Loss Control Region # 4

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Buffalo Trace ADD

FIVCO ADD

Big Sandy ADD

Gateway ADD

Kentucky River ADD

Some Especially Cool KACo Services

Who Is Covered ?

- ▣ All the standard categories, plus
- ▣ Broadest definition of who is an insured member: the water district, commissioners, employees & volunteers
- ▣ Primary non-owned auto

Driving Simulator Training

KACo and Paducah Area Transit System Bring Simulator Technology to You



It is important that vehicle operators are given the best state of the art training available. With computer based simulator training, we can bridge the gap from classroom instruction to on the road training. Allowing drivers to safely train in controlled environments.

Firearms Simulator Training...

but....not so much for youall...

(= No!)

Services

- Emergency Power and Board-Up
- Reconstruction
- Dehumidification
- Water Extraction
- Electronics Recovery
- Machine Refurbishment
- Contents Restoration
- General Contracting
- Mold Remediation
- Fine Arts Restoration
- Remodeling
- Consulting
- Education/ Training
- Odor Elimination
- Water Extraction
- Valuable records Recovery

Single-Source Accountability

Questions / Comments



Thank you for your time !