



# Truckee Donner Public Utility District

**SPECIAL BOARD MEETING**  
**6:00 p.m., Tuesday, May 14, 2019**  
**TDPUD Board Room**  
**AGENDA**

Directors  
Joseph R. Aguera  
Jeff Bender  
Bob Ellis  
Tony Laliotis  
Christa Finn  
General Manager  
Michael D. Holley

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Changes to the agenda
5. Public Input – This is time set aside for the public to address the Board on any matter not on the agenda. Testimony related to any agenda item should be addressed at the time that that item is considered.  
(The public may comment on any subject that is not on the agenda. Each speaker will be limited to three minutes, but speaker time may be reduced at the discretion of the Board President if there are a large number of speakers on any given subject.)

## **DIRECTOR UPDATE**

6. This item provides time for Directors to comment on any item within the purview of the District.

## **ACTION**

7. Consideration of Extending the Current Insurance Policies for the District.  
This item involved yearly insurance contracts for the District.

## **WORKSHOP ITEM(S)**

8. District Values – General Manager, Michael Holley.  
This item involves implementing District wide Values.
9. AB1234 Ethics Training – District Counsel, Steve Gross, and Hurt & Associates, Pam Hobday.  
This item involves training related to AB1234, Ethics Training.

## **ADJOURNMENT**

The agenda is available for review at the TDPUD administrative office and the District's internet website. Posted on Friday, May 10, 2019.

Shanna D. Kuhlemier, CMC, District Clerk

A copy of the agenda packet is available for public review, during normal business hours, at the district administrative office located at 11570 Donner Pass Road. Public participation is encouraged. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the Districts public meetings. If particular accommodations for the disabled are needed (i.e. disability-related aids, or other services), please contact the District Clerk at (530) 582-3980 or ShannaKuhlemier@tdpud.org, at least 24 hours in advance of the meeting.

## Agenda Item # 7



# ACTION

**To:** Board of Directors  
**From:** Brandon Perry  
**Date:** May 14, 2019  
**Subject:** Consideration of Extension of Current Insurance Policies for Property, Equipment, Earthquake, Flood, General Liability, Auto, Excess, Cyber, Pollution, and Crime

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### 1. WHY THIS MATTER IS BEFORE THE BOARD

The District's annual property, equipment, earthquake, flood, general liability, auto liability, excess, cyber, pollution, and crime insurance coverage ends June 1, 2019 and requires Board approval for renewal.

### 2. HISTORY

Due to the complexity of its insurance requirements, the District utilizes insurance brokerage services. In March, 2018, the District Board of Directors awarded the contract for insurance brokerage services for annual property, liability and cyber coverage to InterWest Insurance Services for up to a three-year term (2018-2020).

### 3. NEW INFORMATION

The District worked with Matt Bauer and Tony Pozas with InterWest to complete the necessary letters and applications to obtain competitive bids for the insurance package.

InterWest solicited quotes from over 35 insurance companies for the policy period June 1, 2019 - June 1, 2020 and considered carriers based on insurance needs, price and rating of the company.

Due to business reasons, Special District Risk Management Authority, rescinded its original offer to quote the policy. This was due primarily to the high fire exposure in the area. TDPUD property is valued at approximately \$74M.

Most carriers that InterWest approached refused to quote TDPUD based on reasons including increased risk in the area of property coverage. This is primarily due to the perceived threat of wildfires following major fires in California in 2018.

Staff received a quote from Interwest utilizing Joint Powers Risk and Insurance Management Authority (JPRIMA) for a period of June 1, 2019 to April 1, 2020. Coverage via JPRIMA is for a 3 year term.

The proposed premium from Interwest for the JPRIMA policy is \$669,969.00, which is an approximately 125% increase from the prior year's cost. Additionally, the period of coverage is decreased from 12 months to 10 months for this cost increase.

Based on receiving only one quote for the insurance renewal for this period, and the substantial increase, staff requested a 1 month extension on the current policy in order to obtain additional quotes. These additional quotes are being requested from InterWest and ACWA / JPIA.

The additional proposal will be from the Association of California Water Agencies Joint Powers Insurance Authority's (ACWA) Joint Powers Insurance Authority (JPIA). Coverage via ACWA / JPIA is for a 3 year term.

InterWest does not have a provider agreement with ACWA / JPIA to provide insurance coverage. Staff contacted ACWA / JPIA for a quote that will be available between May 15<sup>th</sup> and May 17<sup>th</sup>. Requirements for obtaining coverage from ACWA / JPIA include ratification of agreements to join the ACWA and ACWA / JPIA. Additionally, both organizations have to approve the addition of TDPUD to their JPA.

The estimated premium from ACWA / JPIA is \$273,133.00 which is a decrease of approximately 8% increase from the prior year's cost. Staff will apply for ACWA membership and necessary approvals if needed to obtain such insurance. This amount does not include membership or management fees from ACWA / JPIA.

#### **4. FISCAL IMPACT**

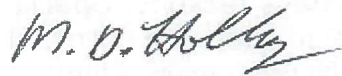
The approved FY19 budget does include funds for this insurance contract. All additional funds needed will be included in the formation of the FY20 budget, currently being compiled for Board consideration.

#### **5. RECOMMENDATION**

Authorize the General Manager to execute a contract extension of up to 2 months with Travelers Insurance and InterWest in order to obtain additional quotes for coverage with the best possible terms and conditions for the District.



Brandon Perry  
Human Resource / Risk Manager



Michael D. Holley  
General Manager