



LAS VIRGENES MUNICIPAL WATER DISTRICT
4232 Las Virgenes Road, Calabasas CA 91302

MINUTES
SPECIAL MEETING

9:00 AM

September 23, 2016

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Wayne Lemieux.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.**, by Board President Peterson in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road in Calabasas. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Len Polan, Lee Renger, and Glen Peterson

Absent: None

Staff Present: David Pedersen, General Manager
Don Patterson, Director of Finance and Administration
David Lippman, Director of Facilities and Operations
Carlos Reyes, Director of Resource Conservation and Public Outreach
Josie Guzman, Clerk of the Board
Wayne Lemieux, District Counsel

2. APPROVAL OF AGENDA

Director Caspary moved to approve the agenda as presented. Motion seconded by Director Lewitt. Motion carried unanimously.

3. **PUBLIC COMMENTS**

None.

4. **ACTION ITEMS**

A Property and General Liability Insurance

Accept the proposal from Tolman & Wiker Insurance Services, LLC, to purchase general liability and property insurance from Argonaut Insurance Company/Trident Public Risk Solutions, in an aggregate amount of \$738,362, for the term of October 1, 2016 through September 30, 2017; and authorize the General Manager to execute the related contracts and forms.

General Manager David Pedersen provided introductory remarks.

Don Patterson, Director of Finance and Administration, presented the report.

Greg Johnson, representing The Johnson Group, Ltd., provided a detailed comparison of the property and casualty insurance proposals received from Tolman & Wiker Insurance Services, LLC (Tolman & Wiker), the Joint Powers Risk and Insurance Management Authority (JPRIMA), and the Association of California Water Agencies-Joint Powers Insurance Authority (ACWA-JPIA). He responded to several questions posed by the Board.

A discussion ensued regarding the term of an agreement with ACWA-JPIA and consideration of earthquake and flood insurance.

General Manager David Pedersen recommended the Board consider adding cyber coverage at a future date, increase the limit for earthquake and flood coverage to \$40 million, and purchase terrorism coverage with an \$11 million limit. He noted that ACWA-JPIA had removed its exclusion for liability arising from effluent disposal to Malibu Creek and that they have a good track record for their Retrospective Premium Adjustment. He stated that ultimately the pricing between the three programs was comparable and suggested the Board focus its attention of differences in coverage. Specifically, Mr. Pedersen suggested the Board consider dam liability coverage, condemnation and inverse condemnation coverage, and failure to supply coverage. He recommended that the Board accept the proposal from Tolman & Wiker.

Jeff Dodds, representing Tolman & Wiker Insurance Services, LLC, stated that the summaries provided by Mr. Johnson were very thorough and he would defer his comments.

Karen Thesing, representing ACWA-JPIA, provided a summary of ACWA-JPIA's background and accreditation. She noted that ACWA-JPIA's total annual premium for coverage, including cyber coverage, would be \$507,715.

Director Polan moved to accept the proposal from Tolman & Wiker Insurance Services, LLC, to purchase general liability and property insurance from Argonaut Insurance Company/Trident Public Risk Solutions, in an aggregate amount of \$738,362, for the term of October 1, 2016 through September 30, 2017; and authorize the General Manager to execute the related contracts and forms. Motion seconded by Director Lewitt.

Board President Peterson discussed the District's previous coverage through ACWA-JPIA. He noted that the District receives workers' compensation and health coverage through ACWA-JPIA. Ms. Thesing stated that the District's workers' compensation premium would be reduced by \$15,000 should the District accept ACWA-JPIA's proposal.

Board President Peterson noted that many lawsuits were filed against the District during a time when it did not have insurance coverage. He spoke in support of coverage through ACWA-JPIA.

Board President Peterson moved for a substitute motion to accept the proposal from ACWA-JPIA.

Ms. Thesing responded to questions related to ACWA-JPIA's panel of attorneys and the Board's ability to approve or reject claims filed against the District should the Board enter into an agreement with ACWA-JPIA.

Mr. Dodds expressed concern that the District would be unable to go through litigation in an arbitration situation without having an insurance carrier.

Ms. Thesing responded to a question regarding the scope of coverage for cyber security.

Substitute motion seconded by Director Lewitt.

Don Patterson, Director Finance and Administration, responded to a question regarding the difference between the proposals received from Tolman & Wiker and ACWA-JPIA

Mr. Dodds expressed concern regarding inverse condemnation against the District should a resident file a lawsuit due to diminution of property value. District Counsel Wayne Lemieux commented that he had not seen diminution of property value due to inverse condemnation.

A discussion ensued regarding the District's ability to handle claims filed against the District should the District enter into an agreement with ACWA-JPIA. General Manager David Pedersen noted staff was concerned regarding this issue and noted that the Board currently has more discretion and control for approving and rejecting claims.

Roll call vote on substitute motion:

Ayes: Directors Renger and Peterson

Noes: Directors Caspary, Lewitt, and Polan

Abstain: None

Absent: None

Motion failed.

Roll call vote on original motion:

Ayes: Caspary, Lewitt, Polan, and Renger

Noes: Peterson

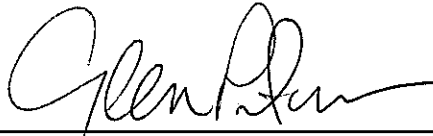
Abstain: None

Absent: None

Motion carried.

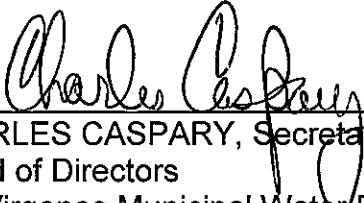
5. **ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at **11:28 p.m.**



GLEN PETERSON, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



CHARLES CASPARY, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)