



September 27, 2023

Governing Board Communication

Agenda Item B-3

TO: MERA Governing Board

FROM: Heather Plamondon, Executive Officer

SUBJECT: Approve a Resolution to Join the California Special District Association (CSDA) and Approve the Agreement for Insurance Coverage with Special District Risk Management Association (SDRMA).

Recommended Action:

1. Approve a Resolution to Join the California Special District Association (CSDA) and;
2. Authorize the Executive Officer to bind both Property and Liability Insurance per the Quote and terms provided by SDRMA to include all MERA Sites to be effective September 29, 2023 through June 30, 2024, and;
3. Authorize the Executive Office to cancel the existing Property Insurance with Alliant and collect the unused premium to be used to pay the SDRMA Premium, and;
4. Authorize the Executive Officer to reject the Liability Quote from Alliant that would be effective on September 29, 2023.

Background:

MERA uses Alliant Insurance for both the property insurance and liability insurance coverage. The policies are split between the Special Property Insurance Program and the Special Liability Insurance Program and they are on different cycles. Property is July 1-June 30 and Liability is October 1-September 30. The total for both the Property and Liability Insurance through Alliant was \$212,574.70, significantly higher than our budget of \$163,000 which was based on the 22-23 premiums.

At the June 28 GB Meeting staff indicated that we would be looking for alternatives to Alliant in the event that we could find a more cost effective option that would still provide the necessary coverage for our Sites and Equipment.

Staff has received a proposal from SDRMA to provide both Property and Liability Insurance in one policy that will provide sufficient coverage for our needs that will begin on September 29, 2023. The cost of the SDRMA Policy will be prorated from \$148,910.36. The new combined policy will run from July 1 -June 30 with an annual renewal.

In order to obtaining the insurance through the SDRMA, MERA must become an Associate Member of the California Special District Association, this membership will cost MERA \$1634.00 per year, and will provide MERA with the benefit of the SDRMA Pooled insurance as well as other Association Services, such as access to Finance Planning.

Fiscal Impact:

The cost for the Alliant Policies is a combined \$212,574.70, the Board approved the use of reserve funds to offset the difference from our approved budget. Staff will recover the unused premium, upon cancelation of the Alliant Policy, which should be approximately \$150,000 and will use that to cover the cost of the SDRMA policy and the CSDA Membership.