



Board of Directors
Agenda Meeting
Tuesday, April 14, 2020 at
1:00 PM
Valley Sanitary District
Board Room, 45-500 Van
Buren Street



*****SPECIAL NOTICE – Telephonic Accessibility*****

Pursuant to Paragraph 11 of Executive Order N-25-20, executed by the Governor of California on March 12, 2020, as a response to mitigating the spread of coronavirus known as COVID-19, during the April 14, 2020, regular meeting of Valley Sanitary District Board of Directors members of the public will be allowed to attend and address the Board of Directors during the open session of the meeting telephonically.

Members of the public wanting to listen to the open session of the meeting may do so by calling (425) 436-6376 and when prompted, enter access code 166514. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, are requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District's Clerk of the Board at hevans@valley-sanitary.org.

Page

1. CALL TO ORDER

1.1. Roll Call

1.2. Pledge of Allegiance

2. PUBLIC COMMENT

This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.

3. CONSENT CALENDAR

Consent calendar items are expected to be routine and noncontroversial, to be acted upon by the Board of Directors at one time, without discussion. If any Board

member requests that an item be removed from the consent calendar, it will be removed so that it may be acted upon separately.

- 3.1. Approve March 24, 2020, Regular Meeting and March 31, 2020, Special Meeting Minutes 5 - 14
[3.1 24 Mar 2020 Minutes.pdf](#)
[3.1 31 Mar 2020 Minutes.pdf](#)
- 3.2. Approve Warrants for March 19 to April 8, 2020 15 - 16
[3.2 Warrants March 19 to April 8, 2020.pdf](#)

4. NON-HEARING ITEMS

- 4.1. Adopt a Resolution Providing for the Election of Members of the Board of Directors by Five Wards, Establishing the Boundaries and Identification Number of Each Ward, Establishing the Election Order of Each Ward, and Directing Staff to Notify the Riverside County Registrar of Voters 17 - 24
[4.1 Staff Report Adopting Map Establishing Election Wards.pdf](#)
[4.1 Attachment A Resolution 2020-1128 District Wards.pdf](#)
[4.1 Exhibit A to Resolution 2020-1128 Tan Map.pdf](#)
- 4.2. Set Public Hearing Date to Adopt the VSD Comprehensive Budget for Fiscal Year 2020/2021 25 - 26
[4.2 Staff Report Budget Public Hearing Date.pdf](#)
[4.2 Attachment A Notice of Public Hearing.pdf](#)
- 4.3. Approve the Annual Renewal of the Property, General liability, Management Liability, Inland Marine, Auto, Umbrella, and Earthquake Insurance Coverage by Desert Cornerstone Insurance Service, Inc. for Fiscal Year 2020/2021 in an Amount Not to Exceed \$114,783 27 - 108
[4.3 Staff Report Comprehensive Insurance Presentation.pdf](#)
[4.3 Attachment A Insurance Proposal.pdf](#)
[4.3 Attachment B VSD Pollution Liability.pdf](#)
- 4.4. Authorize the Purchase of a 25HP Floating Brush Aerator from ECS House Industries in an Amount Not to Exceed \$38,670 109 - 114
[4.4 Staff Report Purchase New House Aerator.pdf](#)
[4.4 Attachment A 25hp Aerator Proposal.pdf](#)

- 4.5. Consider LAFCO Elections and Give Direction to Board President 115 - 119
[4.5 2020 SDSC Ballot Instructions.pdf](#)
[4.5 2020 SDSC Ballot.pdf](#)
[4.5 Instant Voting Runoff Election Process.pdf](#)

- 4.6. Staff Update 120 - 124
[4.6 Staff Report 4-9-2020.pdf](#)
[4.6 Development Services Report 2020 April 7.pdf](#)

5. GENERAL MANAGER'S ITEMS

General Manager's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.

- 5.1. Update on COVID-19 and Potential Direction to Staff

6. DIRECTOR'S ITEMS

Director's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.

7. INFORMATIONAL ITEMS

- 7.1. Recognize April 20-April 24, 2020, as National Environmental Education Week, sponsored by the National Environmental Education Foundation (NEEF). Each day has a theme and the theme for Monday, April 20, is Water Quality. Find more information at: <https://www.neefusa.org/education/eeweek>

8. ADJOURNMENT

Pursuant to the Brown Act, items may not be added to this agenda unless the Secretary to the Board has at least 72 hours advance notice prior to the time and date posted on this notice.

In compliance with the Americans with Disabilities Act, access to the Board Room and Public Restrooms has been made. If you need special assistance to participate in this meeting, please contact Valley Sanitary District (760) 235-5400. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA TITLE II).

All public records related to open session items contained on this Agenda are available upon request at the Administrative Office of Valley Sanitary District located at 45-500 Van Buren Street, Indio, CA 92201. Copies of public records are subject to fees and charges for reproduction.

UNOFFICIAL UNTIL APPROVED

VALLEY SANITARY DISTRICT MINUTES OF REGULAR BOARD MEETING March 24, 2020

*****SPECIAL NOTICE – Telephonic Accessibility*****

Pursuant to Paragraph 11 of Executive Order N-25-20, executed by the Governor of California on March 12, 2020, as a response to mitigating the spread of coronavirus known as COVID-19, during the March 24, 2020 regular meeting of Valley Sanitary District Board of Directors, members of the public will be allowed to attend and address the Board of Directors during the open session of the meeting telephonically.

Members of the public wanting to listen to the open session of the meeting were able to do so by calling (425) 436-6376 and when prompted, enter access code 166514. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, were requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District's Clerk of the Board at hevans@valley-sanitary.org.

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held at the District offices, 45-500 Van Buren Street, Indio, California, on Tuesday, March 24, 2020.

1. CALL TO ORDER

President Mike Duran called the meeting to order at 1:01 p.m.

1.1 Roll Call

Directors Present via Telephone:

Mike Duran, Dennis Coleman, William Teague

Directors Present:

Debra Canero, Scott Sear

Staff Present:

Beverli A. Marshall, General Manager, Holly Gould, Ron Buchwald, and Joanne Padgham (via telephone)

Guests via Telephone:

Robert Hargreaves, Best Best & Krieger

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.

None.

3. CONSENT CALENDAR

- 3.1 Approve March 17, 2020 Regular Meeting Minutes
 - 3.2 Approve Warrants for March 5 to March 18, 2020
-

ACTION TAKEN:

MOTION:

Director Teague made a motion to approve the consent calendar as presented. Secretary Canero seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

MINUTE ORDER NO. 2020-2999

4. PUBLIC HEARING

- 4.1 Public Hearing to Receive Input from the Community Regarding the Boundaries and the Composition of Wards to be Established for Ward-Based Elections

- General Notice and Call
- President Announces Public Hearing Procedures
- General Manager's Report
- President Declares Public Hearing Open
- Public Comments
- President Declares Public Hearing Closed
- Board Discussion

General Manager Beverli Marshall gave a presentation of the three (3) proposed maps defining the five (5) wards. Being no public present President Duran declared the public hearing open and closed at 1:16 p.m. It was the census of the board that they favored the tan map most. The board will vote on the ward map at the next regular board meeting on April 14, 2020.

5. NON-HEARING ITEMS

- 5.1 Adopt Resolution 2020-1126 Proclaiming a Local Emergency Due to the COVID-19 Virus

The County of Riverside recommended VSD adopt this resolution so if the District needed to act, could do so. Mr. Hargreaves stated that if federal, state and county guidelines start to differ, the District would follow the requirements that are most stringent. Director Coleman asked if this resolution puts the District in line to receive funding. Ms. Marshall stated that staff has already started tracking for FEMA funding.

ACTION TAKEN:

MOTION:

Secretary Canero made a motion to adopt Resolution No. 2020-1126 Proclaiming a Local Emergency Due to the Novel Coronavirus (COVID-19). Director Coleman seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

RESOLUTION NO. 2020-1126

- 5.2 Modify Administration & Finance Manager Job Description to Change Title to Business Services Manager and to Change from FLSA Non-Exempt Status for the Purpose of Overtime

The staffing analysis identified that the Administrative & Finance Manager classification is typically exempt in the comparable agencies. In addition, the current title is out of date. The proposed classification is more in line with the comparable agencies. The wage and benefits for the new classification are included in the proposed Exempt Employees Manual. Directors Canero, Sear, and Duran feel that due to the COVID-19 pandemic, it is not the proper time to approve this. Secretary Canero requested more justification for the switch. Director Coleman agreed with the change and pointed out that the change would be made for the Fiscal Year 2020/21. Ms. Marshall clarified that this was included in the draft budget. Director Teague stated he felt it was appropriate and important but understands the concerns of his fellow board members. President Duran requested Ms. Marshall to bring the item back in 60 to 90 days.

- 5.3 Modify Chief Plant Operator Job Description to Change Title to Facility Operations Manager and to Change from FLSA Non-Exempt Status for the Purpose of Overtime

The staffing analysis identified that the Chief Plant Operator classification is typically exempt in the comparable agencies. In addition, the current title is out of date. The proposed classification is more in line with the comparable agencies. The wage and benefits for the new classification are included in the proposed Exempt Employees Manual. Vice President Sear feels, like in the previous item, it should be put on hold during the uncertainty of the COVID-19 pandemic. Director Coleman stated that even if it gets deferred to leave it in the budget for next fiscal year. President Duran requested Ms. Marshall to bring the item back in 60 to 90 days.

- 5.4 Approve the Human Resources Specialist Job Description

The staffing analysis identified that there is a need for a position that is responsible for human resources tasks and support for the Business Services Manager. The District has not established such a classification. The typical position at comparable agencies is a Human Resources Specialist, which is a non-exempt, confidential position. The wage and benefits for the new classification are included in the draft O & M Budget for Fiscal Year 2020/21. As of now all the functions of this position are falling on the shoulders of

other staff members. President Duran and Secretary Canero felt that due to the COVID-19 pandemic that implementing this position should be placed on hold.

ACTION TAKEN:

MOTION: Director Coleman made a motion to approve the Human Resources Specialist classification for the Fiscal Year 2020/21. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Coleman, Sear, Teague

NOES: Canero, Duran

ABSENT: None

ABSTAIN: None

MINUTE ORDER NO. 2020-3000

5.5 Adopt VSD Exempt Employees Manual Establishing Terms and Conditions of Employment

Ms. Marshall request this item be brought back before the board at a later date. The board agreed.

5.6 Discuss and Consider Adopting a New VSD Logo Image

The Board adopted the VSD Strategic Plan 2020, which identified rebranding as a priority. Staff created a number of logos for the board to choose from. Once adopted, staff will work to implement the artwork on applicable items as the budget allows. It was the consensus of the board that logo #2 paid homage to our current logo and felt fresh.



ACTION TAKEN:

MOTION: Vice President Sear made a motion to adopt the new VSD logo above. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

ABSENT: None

ABSTAIN: None

MINUTE ORDER NO. 2020-3001

5.7 Discuss Allowing District Directors to Enroll in the CalPERS Medical Plans Offered by the District to its Employees

On December 10, 2019, the Board adopted resolution 2019-1125 setting the directors' annual stipend for medical expenses at the PEMHCA minimum amount. The District does not currently allow directors the option of enrolling in one of the CalPERS medical plans that are offered to District employees. Several directors have expressed interest in being allowed to do so. CalPERS regulations and Government Code sections 53200 – 53210 allow local agencies to offer health and welfare benefits to their elected officials, subject to certain limits. Vice President Sear and Secretary Canero felt this was a nice benefit to offer and could help attract more people to be interested in becoming a board member. Director Coleman felt that during the COVID-19 epidemic was not the right time to increase a board benefit. Director Teague suggested bringing this item back to the board in July or August 2020.

6. **GENERAL MANAGER'S ITEMS**

6.1 Oral Update on COVID-19

Ms. Marshall reported that staff is following the bouncing ball between federal, state and county guidelines. She put out a press release on the placement of the field medical unit that will be placed at the Riverside County Fairgrounds within our District. She has reached out to everyone possible to stay informed. She informed the board that she and Mr. Buchwald, District Engineer, have been keeping track of the latest COVID-19 situation through emails, phone calls and webinars. The District is closed to the public at this time. It is being discovered that the Coronavirus can survive in the sewer, so the District has provided extra PPE equipment to staff members. Alternating work schedules and social distancing are being implemented.

7. **DIRECTOR'S ITEMS**

Director's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.

Board members expressed their gratitude for Ms. Marshall's leadership and thanked her for her hard work and information pertaining to the COVID-19 pandemic. Secretary Canero complemented Ms. Marshall her artistic talent on her logo design. Mr. Hargreaves stated that the District is doing very well amidst the Coronavirus pandemic.

8. **INFORMATIONAL ITEMS**

8.1 Recognize April 6 – April 12, 2020, as National Public Health Week, sponsored by the American Public Health Association. Each day has a theme and the theme for Thursday, April 9, is Environmental Health, which encourages advocacy and action to support science and funding for environmental health issues like clean water. Find more information at: <http://www.nphw.org/nphw-2020/environmental-health>

9. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 3:11 p.m. The next regular board meeting will be held April 14, 2020.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

UNOFFICIAL UNTIL APPROVED

VALLEY SANITARY DISTRICT MINUTES OF SPECIAL BOARD MEETING March 31, 2020

*****SPECIAL NOTICE – Telephonic Accessibility*****

Pursuant to Paragraph 11 of Executive Order N-25-20, executed by the Governor of California on March 12, 2020, as a response to mitigating the spread of coronavirus known as COVID-19, during the March 31, 2020 regular meeting of Valley Sanitary District Board of Directors, members of the public will be allowed to attend and address the Board of Directors during the open session of the meeting telephonically.

Members of the public wanting to listen to the open session of the meeting were able to do so by calling (425) 436-6376 and when prompted, enter access code 166514. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, were requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District's Clerk of the Board at hevans@valley-sanitary.org.

A special Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held at the District offices, 45-500 Van Buren Street, Indio, California, on Tuesday, March 31, 2020.

1. CALL TO ORDER

President Mike Duran called the meeting to order at 1:00 p.m.

1.1 Roll Call

Directors Present via Telephone:
Mike Duran, Dennis Coleman

Directors Present:
Debra Canero, Scott Sear

Directors Absent:
William Teague

Staff Present:
Beverli A. Marshall, General Manager, Holly Gould, Ron Buchwald, and Joanne Padgham (via telephone)

Guests via Telephone:
Robert Hargreaves, Best Best & Krieger

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.

None.

3. CONSENT CALENDAR

None.

4. NON-HEAING ITEMS

- 4.1 Adopt a Resolution 2020-1127 Establishing Designation of VSD's Authorized Agents

Staff will be applying for FEMA federal funding assistance for expenses related to the current COVID-19 virus pandemic. In order to receive reimbursement for this emergency work, there are three CalOES forms that need to be completed and returned to CalOES. One of the forms, CalOES form 130 (Attachment A) is a resolution establishing the designation of Valley Sanitary District's authorized agents that needs to be adopted by the Board of Directors and certified by the Clerk of the Board.

ACTION TAKEN:

MOTION:

Director Coleman made a motion to adopt Resolution No. 2020-1127 CalOES Form 130. Secretary Canero seconded the motion.

Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear

NOES: None

ABSENT: Teague

ABSTAIN: None

RESOLUTION NO. 2020-1127

- 4.2 Adopt the VSD Emergency Administration Leave Policy: COVID-19 to be Effective Retroactive to March 27, 2020

On March 27, 2020, the General Manager issued a directive that all staff will work alternative schedules in response to the COVID-19 virus pandemic. Staff was split into two teams, Team A and Team B, and will work one week on and one week off. This is consistent with other similar agencies providing essential services. The team that is not at work must be available and will be paid Emergency Administrative Leave per the terms of the policy.

ACTION TAKEN:

MOTION:

Director Coleman made a motion to adopt the Emergency Administration Leave Policy retroactive to March 27, 2020.

Secretary Canero seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear

NOES: None

ABSENT: Teague

ABSTAIN: None

MINUTE ORDER NO. 2020-3002

4.3 Adopt VSD Emergency Telecommuting Policy to be Effective Retroactive to March 23, 2020

On or about March 4, 2020, Governor Newsom Declared a State of Emergency in California and on March 12, 2020 signed Executive Order N-25-20 to formalize state actions to limit the spread and manage certain impacts of a Novel Coronavirus disease also known as COVID-19. As events have unfolded, additional measures to contain and slow the spread of the virus have been ordered by federal, state or county health officials. On March 20, 2020, the General Manager notified employees that are in an at-risk group that they could participate in a telecommute arrangement. This is consistent with other similar agencies providing essential services. Four employees are taking advantage of this option.

ACTION TAKEN:

MOTION:

Director Coleman made a motion to adopt the Emergency Telecommuting Policy retroactive to March 23, 2020. Secretary Canero seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear

NOES: None

ABSENT: Teague

ABSTAIN: None

MINUTE ORDER NO. 2020-3003

5. GENERAL MANAGER'S ITEMS

5.1 Oral Update on COVID-1and Potential Direction from the Board

Ms. Marshall reported they have begun staffing the field medical unit located at the Riverside County Fairgrounds. Staff has started the alternate schedules of Team A and Team B, one week on and one week off. Since we have utilized temporary employees from Aqua Staffing the District is able to implement this schedule. The District does have some employees in the at-risk group, and they are now working from home. The gates are now currently closed, and a call box has been installed. The RV dump pad is also closed. Ms. Marshall had The Desert Sun newspaper reach out to her regarding flushable wipes and the problems they cause. It is being discovered that the Coronavirus can survive in the sewer, so the District has provided extra PPE equipment to staff members. Alternating work schedules and social distancing are being implemented. President Duran thanked Ms. Marshall and staff for the great work they are doing. Director Coleman thanked staff for preparing the FEMA documents in a timely manner. Ms. Marshall stated that staff has been fantastic and patient and have really stepped up to continue to provide service.

6. DIRECTOR'S ITEMS

Director's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.

None.

7. **INFORMATIONAL ITEMS**

None.

8. **ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 1:31 p.m. The next regular board meeting will be held April 14, 2020.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

DISBURSEMENTS
Approved at the Board Meeting of
April 14, 2020

38091 Colonial Life	PR 02/21/2020 - 03/05/2020 PD 03/13/2020	\$300.02
38091 Colonial Life	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$300.02
38092 Southern California Gas Company	* Atlas Fee for Job 41-2020-03-00124	\$67.50
38093 Vantage Point Transfer Agents - ICMA	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$1,395.00
38094 AIC Coating Services, Inc.	* Warranty Inspection Clarifier #3	\$780.00
38095 Alliance Integration	Keyfobs	\$100.00
38096 American Material Company	Gloves	\$2,640.45
38096 American Material Company	Restock Shop Supplies	\$1,688.89
38096 American Material Company	Restock Shop Supplies	\$961.57
38097 Analytical Technology, Inc.	Thermoelectric Cooler	\$208.50
38097 Analytical Technology, Inc.	Autochem Air Pump Assembly	\$882.78
38098 Aqua Staffing	Temporary Staffing Week Ending 3/27/2020	\$8,347.90
38099 Around The Clock Call Center	Call Center Service March 2020	\$122.80
38100 Automation Pride	* Call Box Kiosk for Front Gate	\$12,122.45
38100 Automation Pride	Install Exit Loop on South Gate	\$1,450.00
38101 Calif. Water Environment Assn.	Certificate & Membership Renewal	\$296.00
38101 Calif. Water Environment Assn.	Membership Renewal	\$192.00
38102 Caltest Analytical Laboratory	Monthly NPDES Testing	\$415.50
38103 Carollo Engineering, Inc	* Sewer Siphon Replacement Project	\$22,916.50
38104 Carquest Auto Parts	New Charges for March 2020	\$166.78
38105 Cintas Corp	Restock First Aid Cabinets	\$113.98
38105 Cintas Corp	Uniforms, Mats, Towels, Etc for Week of 03/19/2020	\$548.10
38105 Cintas Corp	Uniforms, Mats, Towels, Etc for Week of 03/26/2020	\$645.79
38106 Consolidated Electrical Distributors, Inc.	Restock Shop Supplies	\$277.62
38106 Consolidated Electrical Distributors, Inc.	Connectors	\$185.17
38107 Debra Canero	CASA DC Travel Reimbursement	\$197.00
38108 Dennis Coleman	CASA DC Travel Reimbursement	\$291.36
38109 Endura Steel, Inc.	Stainless Steel Pipe	\$549.53
38110 Equipment Direct	Hand Sanitizer	\$375.26
38111 Ferguson Enterprises #1350	Coupler	\$18.20
38112 Grainger	Glass Filters	\$293.95
38113 Hach Company	Buffer Solution & Reagent	\$324.65
38113 Hach Company	Nutrient Solution	\$45.01
38114 Harris & Associates	* PADM for Collection System Phase 2	\$16,459.50
38116 Innovative Document Solutions	Monthly Copy Machine Maintenance	\$160.51
38117 Innovative Federal Strategies LLC	Federal Advocacy for March 2020	\$6,000.00
38118 IPT Holdings, LLC	Scalp Gate Actuator Rebuild	\$3,041.93
38119 Kaman Industrial Technologies	Exhaust Fan Repair	\$67.18
38120 McMaster-Carr Supply Co.	Sheet Metal & Pipe	\$699.67
38120 McMaster-Carr Supply Co.	Parts for Grit Air Line	\$852.83
38121 Municipal Resource Group, LLC	Classification Audit	\$7,677.95
38122 NBS Government Finance Group	Annual Sewer Services Administration Fee	\$9,514.86
38123 Northern Safety Co.	Headgear & Goggles	\$297.11
38124 Pitney Bowes, Inc.	Postage Meter Rental	\$127.24
38125 Praxair Distribution, Inc.	Tank Rentals	\$117.16
38126 Purchase Power	Postage Refill	\$35.80
38127 Rauch Communication Consultants, Inc.	Strategic Planning through February 2020	\$2,460.00
38128 ReadyRefresh by Nestle	Bottled Water for March 2020	\$831.77
38129 Rudy's Pest Control	Pest Control for April 2020	\$185.00
38130 Safety-Kleen Systems, Inc.	Antifreeze Service	\$105.00
38130 Safety-Kleen Systems, Inc.	Used Oil Service	\$202.80
38130 Safety-Kleen Systems, Inc.	Oil Drum Service	\$278.36
38130 Safety-Kleen Systems, Inc.	Non Hazardous Solids Service	\$800.26
38131 SC Fuels	Unleaded & Diesel Fuel	\$2,213.74
38132 Southwest Networks, Inc.	* Monitor for Ops Building Workstation	\$168.13
38132 Southwest Networks, Inc.	Technical Support for March 2020	\$1,567.50
38132 Southwest Networks, Inc.	BDR Storage for May 2020	\$699.00
38132 Southwest Networks, Inc.	Office 365 Licenses 2020/2021	\$5,430.00
38133 Spot Out	Water Damage Repairs & Restoration Old House	\$5,549.47
38134 Staples Advantage	New Charges for March 2020	\$4,078.78
38135 State Water Resources Control Board	Certificate Renewal	\$150.00
38136 State Water Resources Control Board	Certificate Renewal	\$150.00
38137 Superior Protection Consultants	Plant Security for March 2020	\$6,448.00
38138 Superior Ready Mix Concrete, L.P.	Road Base	\$428.22

38138 Superior Ready Mix Concrete, L.P.	Road Base	\$1,546.02
38138 Superior Ready Mix Concrete, L.P.	Road Base	\$357.14
38139 Tops 'N Barricades Inc.	Safety Vests	\$39.69
38139 Tops 'N Barricades Inc.	Plant Signage	\$1,454.75
38140 Trittech Software Systems	Asset Management Licenses	\$9,000.00
38141 Underground Service Alert	Dig Alerts for March 2020	\$140.35
38141 Underground Service Alert	Dig Safe Board Fees	\$68.99
38142 United Way of the Desert	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$25.00
38143 Univar Solutions	Ferric Chloride	\$5,651.09
38143 Univar Solutions	Sodium Bisulfite	\$5,603.83
38143 Univar Solutions	Sodium Hypochlorite	\$7,218.64
38144 WaterTrax USA, Inc.	Annual Subscription 5/1/2020-4/30/2021	\$5,382.12
38145 YSI Inc	Flygt Submersible Pump	\$31,266.40
38146 Yellow Mart	Work Boots	\$217.48
38147 High Tech Mailing Services	Prop 218 Notice	\$14,366.64
201203251 Umpqua Bank	New Charges for February 2020	\$14,344.78
202003252 TASC	FSA-Administration Fees - 04/01/2020 - 06/30/2020	\$197.61
202003253 CalPERS 457	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$1,000.00
202003261 Standard Insurance Company	Dental and Vision Insurance for April 2020	\$2,349.34
202003271 Paychex - Direct Deposit	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$65,911.13
202003272 Paychex - Fee	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$185.39
202003273 Paychex - Garnishment	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$210.46
202003274 Paychex - Tax	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$30,736.76
202003275 MassMutual	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$10.00
202003275 Nationwide Retirement Solution	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$2,385.00
202003276 CalPERS Retirement	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$16,726.11
202003301 Indio Water Authority	Hydrant Agreement for February 2020	\$491.71
202003302 TASC	PR 03/06/2020 - 03/19/2020 PD 03/27/2020	\$296.14
202003311 Domino Solar LTD	Electricity for February 2020	\$9,073.11
202003312 Imperial Irrigation District	Electricity for February 2020	\$40,280.28
202003313 Standard Insurance Company	Life and Disability Insurance for April 2020	\$1,145.48
202004011 Indio Water Authority	Water for February 2020	\$861.01
202004012 Imperial Irrigation District	Electricity for February 2020	\$353.68
202004013 Verizon Wireless	Cell Service for March 2020	\$770.34
202004101 SPOK, Inc.	Pager Service for April 2020	\$23.77
202004102 SoCal Gas	Natural Gas for March 2020	\$374.13
202004103 Burrtec Waste & Recycling Svcs	Grit Removal for March 2020	\$2,709.21
202004103 Burrtec Waste & Recycling Svcs	Trash Service for April 2020	\$234.97
202004121 Time Warner Cable	Telephone Service for April 2020	\$1,141.60
202004122 Frontier Communications	Telephone Service for April 2020	\$300.80
202004101 Paychex - Direct Deposit	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$64,979.82
202004102 Paychex - Fee	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$170.47
202004103 Paychex - Garnishment	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$210.46
202004104 Paychex - Tax	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$30,201.55
202004105 MassMutual	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$10.00
202004106 Nationwide Retirement Solution	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$2,385.00
202004107 CalPERS 457	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$1,000.00
202004108 CalPERS Retirement	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$16,728.09
202004131 TASC	PR 03/20/2020 - 04/02/2020 PD 04/10/2020	\$296.14
*Capital Expenditures		\$526,450.53



**Valley Sanitary District
Board of Directors Meeting
April 14, 2020**

TO: Board of Directors

FROM: Beverli A. Marshall, General Manager

SUBJECT: Adopt Ordinance Providing for the Election of Members of the Board of Directors by Five Wards, Establishing the Boundaries and Identification Number of Each Ward, Establishing the Election Order of Each Ward, and Directing Staff to Notify the Riverside County Registrar of Voters

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

Executive Summary

The purpose of this report is for the Board to decide which of the draft Ward maps will be used for future District elections.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 6: Improve Planning, Administration, and Governance.

Fiscal Impact

There is no fiscal impact from this discussion.

Background

The California Voting Rights Act (CVRA) was enacted in 2001 to address disparities between ethnic demographics and elected officials. The CVRA prohibits special districts like VSD from using the “at-large” method of election that may impair the ability of a protected class from electing candidates of its choice or influencing the outcome of an election to their benefit. In other words, without ward-based elections, their voice might be diluted by the combined total of all voters.

To date, over 300 cities and special districts have changed to district-based elections. AB 350 established the steps to transition to proceed. Adoption of a resolution indicating the District’s intent to move At-Large to By-Ward elections was the first official step in the process, which was completed on October 22, 2019. The timeline for the process, with a target of the November 2020 General Election, is as follows.

- December 17, 2019 Public Hearing to Discuss Map Criteria #1
- January 14, 2020 Public Hearing to Discuss Map Criteria #2

March 10, 2020	Public Hearing to Discuss Draft Maps #1
March 24, 2020	Public Hearing to Discuss Draft Maps #2
April 14, 2020	Board Adopts Map Establishing Wards
April 15, 2020	Notify Riverside County Registrar of Voters
November 3, 2020	General Election – Three Wards (TBD)

Recommendation

Staff recommends that the Board of Directors adopt an ordinance providing for the election of members of the Board of Directors by five wards, establishing the boundaries and identification number of each ward, establishing the election order of each ward, and directing staff to notify the Riverside County Registrar of Voters.

Attachments

Attachment A: Resolution 2020-1128
Exhibit A: Tan Map

RESOLUTION NO. 2020-1128

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY DISTRICT DECLARING ITS INTENTION TO TRANSITION FROM AT-LARGE TO BY-WARD ELECTIONS AND SETTING FORTH THE PROCESS FOR TRANSITIONING TO BY-WARD ELECTIONS

WHEREAS, Board members of the Valley Sanitary District (“District”) are currently elected by at-large elections, as each member is elected through a District-wide vote; and

WHEREAS, the California Voting Rights Act (“CVRA”) became law in 2003 and provides a means for prospective plaintiffs to allege racially polarized voting and to seek a change from a jurisdiction’s at large election system to a different system, typically a by-district or by-ward election system where only registered voters within a specific ward may vote for a candidate running from their specific ward, and also allows for the recovery of a plaintiff’s attorneys’ fees; and

WHEREAS, a violation of the CVRA may be established if it is shown that racially polarized voting has combined with an at-large voting system to impair the ability of a protected class of voters to elect candidates of its choice or to influence the outcome of an election; and

WHEREAS, “racially polarized voting” under the CVRA means voting in which there is a difference between the choice of candidates or other electoral choices that are preferred by voters in a protected class and in the choice of candidates and electoral choices preferred by voters in the rest of the electorate; and

WHEREAS, has not received a notice from a resident of the District, or an attorney representing a resident, asserting that the District’s at-large election system may violate the CVRA; and

WHEREAS, the District does not believe that its election system violates the CVRA or any other similar law; and

WHEREAS, the District Board has nevertheless determined due to the high cost of litigation, including the potential payment of plaintiff’s attorneys’ fees, that the public interest is better served by initiating a process for transition to a ward-based election system in order to avoid the costs associated with defending a lawsuit under the CVRA; and

WHEREAS, the California Legislature has provided in Elections Code § 10010 a method whereby a jurisdiction may expeditiously transition to a district- or ward-based election system and avoid the high cost of litigation under the CVRA by its adoption of AB 350; and

WHEREAS, the Board of Directors of the Valley Sanitary District (District) adopted Resolution No. 2020-1124 on October 22, 2019, declaring its intent to transition from at-large to by-ward elections; and

WHEREAS, at public hearings on December 17, 2019, and January 14, 2020, the public was invited to provide input regarding the composition of the District's wards before any draft maps were drawn, and the Board of Directors discussed and considered the same; and

WHEREAS, the demographer prepared three draft maps, and the District held two public hearings on March 10, 2020, and March 24, 2020, during which all members of the public who wanted to provide input on the draft maps or the timing and sequencing of elections could do so; and

WHEREAS, following the conclusion of the March 24, 2020, public hearing, the Board of Directors gave direction to staff to draft an Resolution to transition the District to by-Ward elections, adopt the voting ward map prepared by the demographer that is referred to as "Tan Map," and putting Wards B, D, and E on the ballot for the District's first regular election of Board members following adoption of this Resolution with the remaining Wards A and C on the ballot for the election thereafter; and

WHEREAS, throughout the process, the District reached out to the public for its input, and the Board of Directors has satisfied all legal prerequisites to the enactment of this Resolution; and

WHEREAS, the purpose of this Resolution is to enact a resolution providing for the election of the members of the Board of Directors of the Valley Sanitary District in five single-member wards as reflected in **Exhibit A** to this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Valley Sanitary District assembled at a regular meeting this 14th day of April, 2020, as follows:

Section 1 Incorporation of Recitals.

All of the foregoing recitals are true and correct, and the Board so finds and determines. The recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2 Transition to By-Ward Election.

The District hereby finds that its election system will transition from at-large elections to by-ward elections, beginning with its next regular election of members of the Board of Directors.

Section 4 Establishment of Wards.

The District hereby establishes five Director wards in the Valley Sanitary District. The boundaries and identifying number of each ward shall be as described on the Valley Sanitary District Ward Map attached hereto as "**Exhibit A**," a copy of which shall also be on file in the District office.

Section 5 Election Process.

A. Members of the Board of Directors shall be elected in the electoral wards established by this Resolution and subsequently reapportioned as provided for in State law. Elections shall take place “by ward,” meaning that one Director shall be elected from each ward, by the voters of that ward alone.

B. No term of any member of the Board of Directors that commenced prior to the effective date of this Resolution shall be affected by the adoption of this Resolution.

C. A Director elected or appointed to represent a ward must reside in, and be a registered voter in, that ward, and any candidate for the Board must reside in, and be a registered voter in, the ward in which he or she seeks election at the time nomination papers are issued.

D. Notwithstanding any other provision of this Resolution, the Directors in office at the time this Resolution takes effect shall continue in office until the expiration of the term to which he or she was elected. In the event a vacancy occurs before the expiration of the term of a Director in office at the time this Resolution takes effect, a person who is appointed or elected by special election to fill such vacancy may reside anywhere within the corporate boundaries of the District.

E. The term of each Director elected to the Board of Directors shall remain four years.

Section 6 Implementation.

The by-ward election system shall be implemented, beginning at the next regular election of the Board of Directors, as follows:

A. Members of the Board of Directors shall be elected in Wards B, D, and E beginning at the next regular election of the Board of Directors, and every four years thereafter; and

B. At the next regular election of the Board of Directors following the election of Members of the Board of Directors in Wards B, D, and E, members of the Board of Directors shall be elected in Wards A and C, and every four years thereafter.

Section 7 Adjustment of Boundaries

Pursuant to Elections Code section 22000, as it may be amended from time to time, the Board of Directors shall adjust the boundaries of any or all of the districts following each decennial federal census to ensure that the districts are in compliance with all applicable provisions of law.

Section 8

The Board of Directors finds that the Resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3) because it can be seen with certainty that

there is no possibility that the activity in question may have a significant effect on the environment.

Section 9

The President of the Board of Directors shall sign this Resolution and the Secretary of the Board of Directors shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption. Within 15 days after adoption of this Resolution, a summary of the Resolution shall be published with the names of those directors voting for and against this Resolution and a certified copy of the full text of this Resolution, along with the names of those Directors voting for and against this Resolution, shall be posted in the District offices.

Section 10

If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

Passed, approved, and adopted this 14th day of April 2020, by the following roll call vote:

AYE:
NAY:
ABSENT:
ABSTAIN:

VALLEY SANITARY DISTRICT



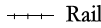



Mike Durant, President

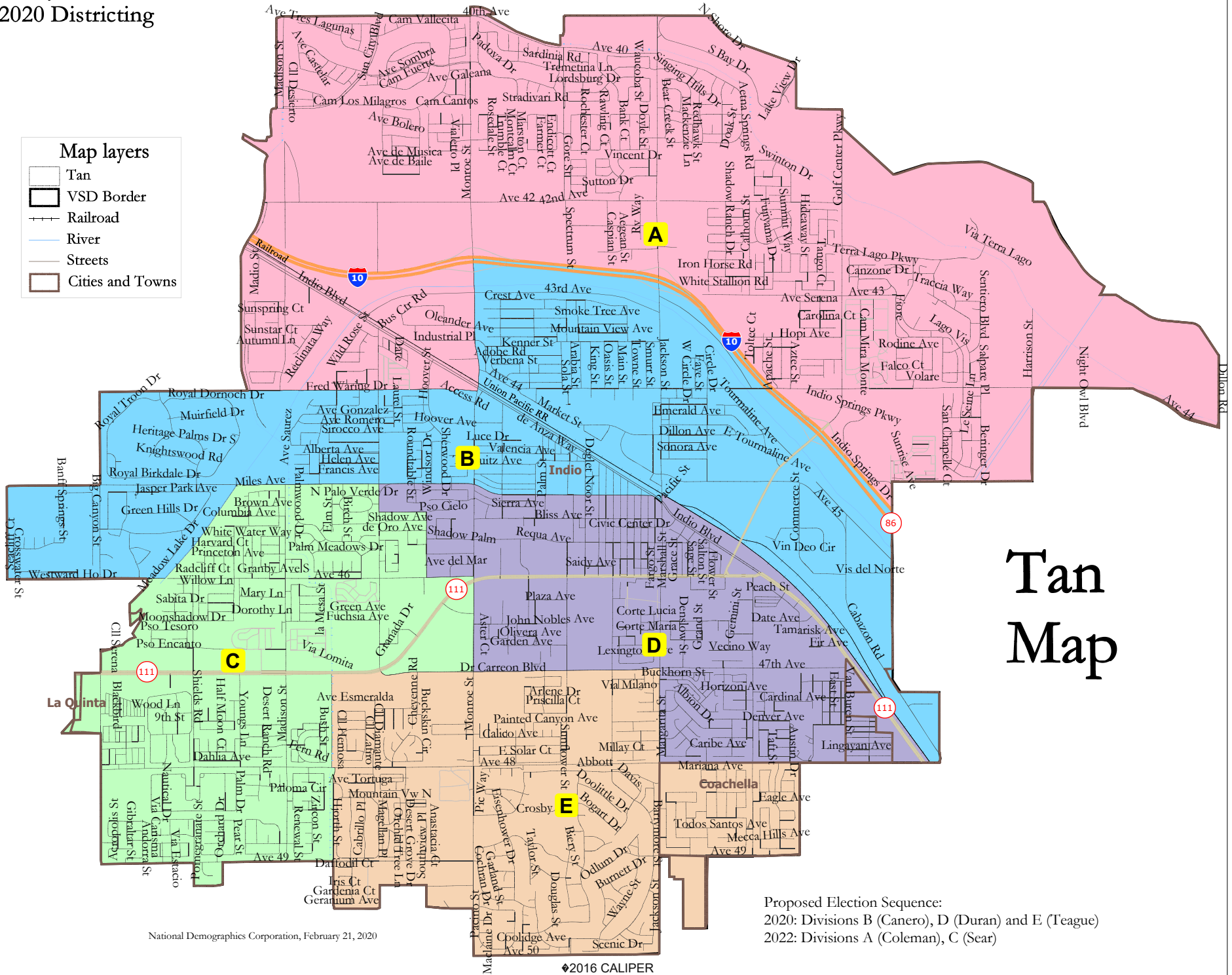
ATTEST

Debra Canero, Secretary

Valley Sanitation District 2020 Districting

Map layers

-  Tan
-  VSD Border
-  Railroad
-  River
-  Streets
-  Cities and Towns



National Demographics Corporation, February 21, 2020

©2016 CALIPER

Valley Sanitation District - Tan Map

District		A	B	C	D	E	Total
	Total Pop	15,109	15,357	14,856	15,581	14,232	75,135
	Deviation from ideal	82	330	-171	554	-795	1,349
	% Deviation	0.55%	2.20%	-1.14%	3.69%	-5.29%	8.98%
Total Pop	% Hisp	55%	78%	73%	87%	70%	73%
	% NH White	38%	20%	22%	8%	26%	23%
	% NH Black	2%	1%	2%	3%	2%	2%
	% Asian-American	4%	1%	2%	1%	2%	2%
Citizen Voting Age Pop	Total	11,514	8,643	9,389	7,214	8,749	45,509
	% Hisp	50%	66%	65%	84%	59%	63%
	% NH White	44%	29%	31%	12%	35%	32%
	% NH Black	2%	2%	2%	3%	3%	3%
	% Asian/Pac.Isl.	4%	2%	2%	1%	2%	2%
Voter Registration (Nov 2018)	Total	8,451	5,746	6,799	3,849	5,644	30,489
	% Latino est.	48%	64%	63%	87%	63%	62%
	% Spanish-Surnamed	43%	57%	56%	78%	57%	56%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%
	% NH White est.	47%	33%	34%	10%	34%	34%
	% NH Black	2%	2%	2%	2%	2%	2%
Voter Turnout (Nov 2018)	Total	5,295	3,261	3,812	1,700	3,072	17,140
	% Latino est.	40%	52%	54%	83%	52%	52%
	% Spanish-Surnamed	36%	46%	49%	75%	46%	47%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%
	% NH White est.	54%	44%	42%	12%	45%	44%
	% NH Black	3%	3%	3%	3%	2%	3%
Voter Turnout (Nov 2016)	Total	5,770	4,098	4,753	2,459	3,909	20,988
	% Latino est.	38%	67%	59%	86%	58%	58%
	% Spanish-Surnamed	34%	60%	53%	77%	52%	52%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	1%	1%	1%
	% NH White est.	54%	25%	35%	9%	39%	36%
	% NH Black est.	5%	3%	3%	2%	1%	3%
ACS Pop. Est.	Total	18,676	15,874	16,322	15,129	14,578	80,580
Age	age0-19	28%	31%	29%	31%	26%	29%
	age20-60	49%	51%	53%	54%	54%	52%
	age60plus	22%	18%	18%	15%	20%	19%
Immigration	immigrants	21%	30%	25%	40%	28%	29%
	naturalized	47%	34%	40%	34%	36%	38%
Language spoken at home	english	54%	33%	43%	24%	43%	40%
	spanish	41%	64%	53%	75%	56%	57%
	asian-lang	3%	1%	2%	0%	1%	2%
	other lang	3%	2%	1%	0%	1%	1%
Language Fluency	Speaks Eng. "Less than Very Well"	18%	34%	24%	43%	28%	29%
Education (among those age 25+)	hs-grad	62%	54%	65%	50%	66%	60%
	bachelor	15%	6%	10%	7%	9%	9%
	graduatedegree	10%	3%	5%	2%	4%	5%
Child in Household	child-under18	29%	30%	31%	36%	28%	31%
Pct of Pop. Age 16+	employed	56%	52%	58%	54%	58%	56%
Household Income	income 0-25k	14%	34%	25%	34%	20%	25%
	income 25-50k	22%	28%	26%	34%	29%	27%
	income 50-75k	19%	18%	19%	16%	24%	19%
	income 75-200k	41%	19%	27%	15%	26%	26%
	income 200k-plus	4%	1%	2%	1%	2%	2%
Housing Stats	single family	98%	79%	86%	60%	73%	80%
	multi-family	2%	21%	14%	40%	27%	20%
	rented	22%	39%	30%	45%	37%	34%
	owned	78%	61%	70%	55%	63%	66%

Total population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2013-2017 American Community Survey and Special Tabulation 5-year data.



**Valley Sanitary District
Board of Directors Meeting
April 14, 2020**

TO: Board of Directors
THROUGH: Beverli A. Marshall, General Manager
FROM: Joanne Padgham, Administration & Finance Manager
SUBJECT: **Set Public Hearing Date to Adopt the Comprehensive Budget for Fiscal Year 2020/21**

<input checked="" type="checkbox"/> Board Action	<input type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

Executive Summary

The purpose of this report is for the Board to set a public hearing date of June 9, 2020 to adopt the final fiscal Year 2020/21 budget and approve the Public Hearing Notice for publishing in the Desert Sun.

Fiscal Impact

None at this time.

Background

This item is for the Board to set a budget hearing date for the fiscal year 2020/21 Operations and Maintenance Budget and Capital Improvement Program. Additionally, notice of the Public Hearing will be advertised in the Desert Sun, a newspaper of general circulation, on April 26, 2020 and May 10, 2020.

Recommendation

To approve the Public Hearing Notice for publishing in the Desert Sun.

Attachments

Attachment A: Public Hearing Notice

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, the 9th day of June 2020, at 1:00 P.M. at the regular meeting place of the Governing Board of the Valley Sanitary District, 45-500 Van Buren Street, Indio, California, said Board will hold a public hearing regarding the proposed Comprehensive Budget and Capital Improvement Program, Fees & Charges resolutions, and the resolution establishing the Appropriations Limit for the Fiscal year beginning July 1, 2020, and ending June 30, 2021. The Board will consider written and public comments. Written comments should be addressed to Board Secretary, Valley Sanitary District, 45-500 Van Buren St., Indio, CA 92201. Your letter must identify the property you own by service address, be signed by the owner of record, and be received prior to the close of the Public Hearing on June 11, 2020.

After completion of the Public Hearing, the Board may vote to approve adopting said fees and budget. If you would like more information about the proposed Comprehensive Budget and Capital Improvement Program, Fees and Charges, or Appropriations Limit, please call 760-238-5400.

BY ORDER OF THE BOARD OF DIRECTORS
OF THE VALLEY SANITARY DISTRICT

Beverli A. Marshall, General Manager

Publish: April 26, 2020
May 10, 2020



**Valley Sanitary District
Board of Directors Meeting
April 14, 2020**

TO: Board of Directors
THROUGH: Beverli A. Marshall, General Manager
FROM: Joanne Padgham, Administration & Finance Manager
SUBJECT: **Annual Renewal of the Property, General Liability, Management Liability, Inland Marine, Auto, Umbrella, and Earthquake Insurance Coverage by Desert Cornerstone Insurance Service, Inc. for Fiscal Year 2020/21 in an Amount Not to Exceed \$291,148**

<input checked="" type="checkbox"/> Board Action	<input checked="" type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

Executive Summary

The purpose of this report is for the Board to discuss the insurance renewal proposal from Desert Cornerstone Insurance Service.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 6: Improve Planning, Administration, and Governance.

Fiscal Impact

The total cost for the covered programs is \$291,148 and is included in the proposed Comprehensive Budget for FY 2020/21.

Background

Hugh Curtis from Desert Cornerstone Insurance Service, Inc. will present the insurance renewal proposal for the 2020/21 fiscal year. Desert Cornerstone Insurance Service, Inc. currently insures the District for property, general liability, management liability, inland marine, auto, umbrella and earthquake. The 12-month coverage period is from July 1, 2020 – June 30, 2021.

Paul Fuller, the expert on the Environmental Pollution Policy, renewed in March 2020, will give a presentation to the Board about this coverage and answer any questions the Board may have.

Recommendation

Staff recommends that the Board authorize the General Manager to renew the District's insurance coverage for property, general liability, management liability, inland marine, auto, umbrella, and earthquake for Fiscal Year 2020/21 and make the related payment to Desert Cornerstone Insurance Service, Inc. in an amount not to exceed \$291,148.

Attachments

Attachment A: Insurance Proposal – Desert Cornerstone Insurance Service, Inc.

Attachment B: VSD Pollution Liability Policy

April 14, 2020

Valley Sanitary District
45-500 Van Buren
Indio, CA 92201

Dear Beverli and Joanne:

The renewal Business Package policy and Earthquake policies for Valley Sanitary District renew July 1, 2020. Enclosed are the renewal quotes along with the Statement of Values.

The business package renewal premium is \$114,783 and includes the Property, General Liability, Management Liability, Inland Marine, Auto and Umbrella. This is up about \$7,500 from last year due to a program rate increase of 2.9%, the addition of one vehicle (the 2019 Ford F250), and the increase in employee count, which affects the General Liability and Management Liability pricing. The attached proposal breaks down the cost of each area of coverage.

The property Total Insured Value remains the same as last year to \$39,006,621.

The primary general liability coverage has an occurrence limit of \$1,000,000 and an annual aggregate of \$3,000,000. Extension of liability limits on all policies is through an umbrella policy with limits of \$10,000,000 per occurrence and \$10,000,000 aggregate. There is no General Liability deductible. These limits may be increased upon approval by the carrier if you wish to consider increasing the umbrella.

The Earthquake is written separately, and we are providing a total \$40,000,000, which includes a \$2,000,000 Business Interruption limit. The total Earthquake premium is \$176,365 (up from \$167,560 last year). The rate increase is primarily due to rate inadequacy and country-wide property losses due to wildfires, which affects the reinsurance market. We can keep the earthquake premium the same as last year by increasing the deductible from 10% to 15%.

The renewal premium for all policies is \$291,148, which is up from \$274,785 last year but still lower than \$293,505.13 from 2018. We will need to have the Signature Pages signed and returned before binding coverage. We are also including the invoice for renewal premium as per attached.



Desert Cornerstone
INSURANCE SERVICE^{INC.}

The pollution liability coverage is not included here, as it was renewed on March 1, 2020 and sent under separate cover via email on April 3, 2020.

Thank you for allowing us the privilege of providing this coverage for Valley Sanitary District. I will be happy to answer any questions you or the Board may have. As always, I appreciate your business and value you as a client.

Sincerely,

A handwritten signature in black ink that reads 'Hugh K. Curtis'. The signature is fluid and cursive, with a long horizontal flourish extending from the end.

Hugh K. Curtis



INSURANCE PROPOSAL
Valley Sanitary District

EFFECTIVE DATE
7/1/2020

PRESENTED BY:
Desert Cornerstone Insurance Services



PROGRAM MANAGER
www.alliedpublicrisk.com
Allied Community Insurance Services, LLC
Agency License No. 733176
CA License No. 0L01269



PREMIUM SUMMARY

NOTE: This proposal is prepared from information supplied to us on the application submitted by your insurance broker. It may or may not contain all terms requested on the application. Proposed coverages are provided by the Allied Public Risk WaterPlus policy forms and are subject to the terms, exclusions, conditions and limitations of those policy forms. Actual policies should be reviewed for specific details. Specimen policies are available from your insurance broker.

PAGE	COVERAGE SECTION	PREMIUM
3-7	SECTION 1. PROPERTY (Property, Equipment Breakdown & Mobile Equipment)	\$ 38,513.00
8	SECTION 2. COMMERCIAL CRIME	\$ 1,500.00
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$ 32,951.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (POML) (Wrongful Acts, Employment Practices, Employee Benefits, Privacy & Network Risk)	\$ 8,695.00
12	SECTION 5. BUSINESS AUTO	\$ 16,149.00
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$ 15,960.00

	TOTAL ANNUAL PREMIUM (excludes state-imposed taxes, surcharges, and fees)	\$ 113,768.00
	TERRORISM PREMIUM	\$ 715.00
	FULLY EARNED POLICY FEE	\$ 300.00
	STATE-IMPOSED TAXES, SURCHARGES, AND FEES	\$ N/A
	TOTAL AMOUNT DUE* *Payment is due in accordance with the producer agreement.	\$ 114,783.00

NOTES:

INSURED: Valley Sanitary District
EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 1. PROPERTY*

*IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Special Causes of Loss
- Proprietary
- Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	\$39,006,621
Blanket Coverage Extension: A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	\$2,000,000
Equipment Breakdown / Boiler & Machinery:	Included
Mobile Equipment (Scheduled):	\$690,875
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	\$100,000
Mobile Equipment (borrowed, rented & leased):	\$300,000
Earthquake (earth movement excluded):	N/A
Flood Zone AE:	N/A
Flood Zone X (unshaded):	N/A

DEDUCTIBLES:

\$1,000	Property
\$1,000	Mobile Equipment
\$1,000	Equipment Breakdown (aboveground & less than 50 feet belowground)
\$2,500	Equipment Breakdown (greater than 50 feet belowground)
N/A	Earthquake (earth movement excluded)
N/A	Flood Zone X (per occurrence)
N/A	Flood Zone AE ¹ (per occurrence)
N/A	Flood Zone AE ¹ (per damaged structure / per occurrence)
	¹ the greater of the deductibles will be applied
N/A	Wind/Hail ² (per occurrence)
N/A	Wind/Hail ² (per damaged structure / per occurrence)
	² the greater of the deductibles will be applied

POLICY HIGHLIGHTS:

- Blanket Policy Limits
- Blanket Coverage Extension Limits
- No Coinsurance Penalty
- Equipment Breakdown
- Broad Definition of Covered Property
- Proprietary Coverage Extensions

VALUATION:

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

INSURED: Valley Sanitary District
EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SPECIAL COVERAGES:

- **New Locations Or Newly Constructed Property:**
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense Expense.
- **Pollution Remediation Expenses:**
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the policy period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**
Pays up to \$100,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**
Pays up to \$100,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.



KEY DEFINITIONS

■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire-extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Glass which is part of a building or structure;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 1000 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 1000 feet of premises described in the Declarations;
- Underground vaults and machinery.

■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.



KEY DEFINITIONS *(continued)*

■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions.

■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises;
- Dumpsters, concrete trash containers, or permanent recycling bins;
- Hydrants; or
- Electric utility power transmission and distribution lines and related equipment owned by the insured.

■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
 - a. Insulating or refractory material;
 - b. Buried vessel or piping;
 - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - (1) Feed water piping between any boiler and its feed pump or injector;
 - (2) Boiler condensate return piping; or
 - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
 - d. Structure, foundation, cabinet or compartment containing the object;
 - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
 - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
 - g. Felt, wire, screen, die, extrusion, late, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



PROPERTY SUBLIMITS:

Coverage	Limit
Accounts Receivable	\$500,000
Valuable Papers and Records	\$500,000
Contamination	\$100,000
Tools and Equipment Owned by Your Employees	\$5,000
Personal Effects and Property of Others	\$5,000
Outdoor Property (unscheduled)	\$25,000
New Locations or Newly Constructed Property	\$1,000,000
Business Personal Property at New Locations	\$1,000,000
Utility Services - Direct Damage	\$250,000
Utility Services – Business Income and Extra Expense	\$250,000
Dependent Business Premises	\$250,000
Property at Other Locations	\$250,000
Pollution Remediation Expense (specified cause of loss)	\$250,000
Pollution Remediation Expense (covered cause of loss)	\$100,000
Contract Penalties	\$100,000
SCADA Upgrades	\$100,000
Property in Transit	\$100,000
Backup/Overflow of Water from Sewer, Drain, Sump	\$100,000
Fine Arts	\$25,000
Limited Coverage for “Fungus”, Wet Rot or Dry Rot	\$25,000
Trees, Shrubs & Plants (maximum \$1,000 any one item)	\$25,000
Indoor and Outdoor Signs (unscheduled)	\$25,000
Arson Reward	\$10,000
Fire Department Service Charge	\$5,000
Non-Owned Detached Trailers	\$5,000
Cost of Inventory or Adjustment	\$5,000
Patterns, Dies, Molds, Forms	\$2,500
Fire Protection Devices	\$2,500
Debris Removal	25% of scheduled limit
Ordinance or Law Provision	25% of scheduled limit

NOTES:

Premium is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

Earthquake and Flood coverages are excluded.

INSURED: Valley Sanitary District
EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 2. COMMERCIAL CRIME*

***IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary
- Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
\$500,000	\$250,000	\$250,000	\$5,000	\$250,000	\$100,000	\$100,000	\$100,000

DEDUCTIBLE:

\$1,000 each claim

DESIGNATED EMPLOYEE BENEFIT PLAN(S):

POLICY HIGHLIGHTS:

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

NOTES:

INSURED: Valley Sanitary District
EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 3. COMMERCIAL GENERAL LIABILITY *

***IS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Occurrence
- Proprietary

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Per Occurrence	\$1,000,000
General Aggregate	\$3,000,000
Products & Completed Operations Aggregate	\$3,000,000
Personal & Advertising Injury Limit	\$1,000,000
Damage to Premises Rented to You	\$1,000,000
Medical Payments	\$10,000

DEDUCTIBLE:

N/A

POLICY HIGHLIGHTS:

- Duty to Defend
- Broad Definition of Insured
- Fellow Employee
- Per Location Aggregate
- Blanket Additional Insured Endorsement

OPTIONAL COVERAGES INCLUDED IN QUOTE:

INSURED: Valley Sanitary District
EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SPECIAL COVERAGES:

- **Water & Wastewater Testing Errors & Omissions:**
Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.
- **Failure To Supply:**
Coverage is provided for bodily injury or property damage arising out of the failure of any insured to adequately supply water.
- **Waterborne Asbestos:**
Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.
- **Contractual Liability - Railroads:**
Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- **Pollution:**
Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:
 - Potable water which you supply to others;
 - Chemicals you use in your water or wastewater treatment process;
 - Natural gas or propane gas you use in your water or wastewater treatment process;
 - Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
 - Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
 - Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
 - Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
 - Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
 - Sudden and accidental events that are neither expected nor intended by an Insured. However, no coverage is provided under this exception for petroleum underground storage tanks.

NOTES:

INSURED: Valley Sanitary District
EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY *

***IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Occurrence

DEFENSE COSTS:

- Outside the Limits of Liability

LIMITS:

Wrongful Acts	\$1,000,000	per act
Employment Practices <i>(including third party discrimination)</i>	\$1,000,000	per offense
Employee Benefit Plans	\$1,000,000	per offense
Injunctive Relief	\$5,000	per act
	\$3,000,000	aggregate limit

PRIVACY LIABILITY AND NETWORK RISK¹:

Privacy & Network Security Wrongful Acts	\$1,000,000	per act
Breach Consultation Services	\$50,000	per act
Breach Response Services	\$50,000	per act
Public Relations & Data Forensics	\$50,000	per act

¹Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date: 7/1/2018. Privacy Deductible: \$1,000.

SPECIAL COVERAGES:

- Inverse Condemnation: Yes

DEDUCTIBLE

\$1,000 each claim including expenses

RETROACTIVE DATE:

POLICY HIGHLIGHTS:

- Duty To Defend
- Broad Definition of Named Insured including Past and Future Employees
- Outside Directorship
- Punitive Damages are Covered Where Insurable by Law
- No Intentional Acts, Assault & Battery or Bodily Injury Exclusions

NOTES:

INSURED: Valley Sanitary District
EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



SECTION 5. BUSINESS AUTO*

***IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- ISO Business Auto

PORTFOLIO:

	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
"No-Fault" or Statutory Personal Injury Protection (each person)	No Coverage	N/A
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$50,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV

DEDUCTIBLE:

Liability: None
 Comprehensive: \$500
 Collision: \$500

NOTES:

Please refer to Auto terms provided for per unit coverage.

Business Auto		
45-500 Van Buren Indio, CA 92201		
Liability Limit	Liability Deductible	Type of Fleet
\$1,000,000		Fleet

Non-Owned Auto		
Coverage	Limit / Deductible	Premium
Liability	See Above	
Number of Employees	26	\$199
	NOA Premium :	\$199

Vehicle Schedule				
Vehicle #	Year Make/Model	Class Code	VIN #	Type
1	1994 Ford/F-450	21499	1FDLF47G2REA10689	Truck
2	2000 Ford/Truck	01499	1FTNF20FXEYEB47798	Truck
3	2004 International/Vactor	40499	1HTWGADT4J026232	Truck
4	2000 Ford/Truck	21499	3FDPF7562YMA44170	Truck
5	2009 Ford/F-150	01499	1FTRW14849FB02441	Truck
6	2010 Ford/F-350	01499	1FDWF3A56AEA95913	Truck
7	2014 Kenworth/T400	50499	1NKBLJ0X8EJ405381	Truck Tractor
8	2014 Ford/F150	01499	1FTFW1CF7EKD33533	Truck
9	2014 Ford/F150	01499	1FTMF1CM7EKF39019	Truck
10	2017 Ford/Video Inspection Van	31499	1FTXE4FS6HDC01126	Truck
11	2018 Ford/F-150	01499	1FTMF1CB6JKC64364	Truck
12	2017 Ford/F-150	01499	1FTMF1EP2HKD82818	Truck
13	2009 Sewer Equipment/	68499	1S9KU15129C381728	Trailer
14	2018 Shorelander Trailer/Boat Trailer	68499	1MDP1AM16JA626266	Trailer
15	2019 Ford/F-250	01499	1FT7X2A65KEE88439	Truck

Vehicles

Business Auto		
45-500 Van Buren Indio, CA 92201		
Liability Limit	Liability Deductible	Type of Fleet
\$1,000,000		Fleet

Non-Owned Auto		
Coverage	Limit / Deductible	Premium
Liability	See Above	
Number of Employees	26	\$199
	NOA Premium :	\$199

Vehicle Schedule				
Vehicle #	Year Make/Model	Class Code	VIN #	Type
1	1994 Ford/F-450	21499	1FDLF47G2REA10689	Truck
2	2000 Ford/Truck	01499	1FTNF20FXEYEB47798	Truck
3	2004 International/Vactor	40499	1HTWGADT4J026232	Truck
4	2000 Ford/Truck	21499	3FDPF7562YMA44170	Truck
5	2009 Ford/F-150	01499	1FTRW14849FB02441	Truck
6	2010 Ford/F-350	01499	1FDWF3A56AEA95913	Truck
7	2014 Kenworth/T400	50499	1NKBLJ0X8EJ405381	Truck Tractor
8	2014 Ford/F150	01499	1FTFW1CF7EKD33533	Truck
9	2014 Ford/F150	01499	1FTMF1CM7EKF39019	Truck
10	2017 Ford/Video Inspection Van	31499	1FTXE4FS6HDC01126	Truck
11	2018 Ford/F-150	01499	1FTMF1CB6JKC64364	Truck
12	2017 Ford/F-150	01499	1FTMF1EP2HKD82818	Truck
13	2009 Sewer Equipment/	68499	1S9KU15129C381728	Trailer
14	2018 Shorelander Trailer/Boat Trailer	68499	1MDP1AM16JA626266	Trailer
15	2019 Ford/F-250	01499	1FT7X2A65KEE88439	Truck

Vehicles

Vehicle # 1	Cost New: \$18,800	Territory: 069	Total Premum:	\$779
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$540	
Medical	\$5,000		\$40	
Comp	\$500		\$34	
Collision	\$500		\$60	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 2	Cost New: \$22,600	Territory: 069	Total Premum:	\$796
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$49	
Collision	\$500		\$88	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 3	Cost New: \$280,135	Territory: 069	Total Premum:	\$2,152
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$1,292	
Medical	\$5,000		\$40	
Comp	\$500		\$127	
Collision	\$500		\$588	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 4	Cost New: \$30,000	Territory: 069	Total Premum:	\$806
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$540	
Medical	\$5,000		\$40	
Comp	\$500		\$40	
Collision	\$500		\$81	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 1	Cost New: \$18,800	Territory: 069	Total Premum:	\$779
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$540	
Medical	\$5,000		\$40	
Comp	\$500		\$34	
Collision	\$500		\$60	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 2	Cost New: \$22,600	Territory: 069	Total Premum:	\$796
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$49	
Collision	\$500		\$88	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 3	Cost New: \$280,135	Territory: 069	Total Premum:	\$2,152
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$1,292	
Medical	\$5,000		\$40	
Comp	\$500		\$127	
Collision	\$500		\$588	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 4	Cost New: \$30,000	Territory: 069	Total Premum:	\$806
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$540	
Medical	\$5,000		\$40	
Comp	\$500		\$40	
Collision	\$500		\$81	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 5	Cost New: \$23,000	Territory: 069	Total Premium:	\$796
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$49	
Collision	\$500		\$88	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 6	Cost New: \$25,000	Territory: 069	Total Premium:	\$822
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$58	
Collision	\$500		\$105	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 7	Cost New: \$413,744	Territory: 069	Total Premium:	\$3,393
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$1,446	
Medical	\$5,000		\$40	
Comp	\$500		\$237	
Collision	\$500		\$1,565	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 8	Cost New: \$26,761	Territory: 069	Total Premium:	\$882
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$72	
Collision	\$500		\$151	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 9	Cost New: \$20,295	Territory: 069	Total Premum:	\$848
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$66	
Collision	\$500		\$123	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 10	Cost New: \$190,313	Territory: 069	Total Premum:	\$1,350
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$609	
Medical	\$5,000		\$40	
Comp	\$500		\$110	
Collision	\$500		\$486	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 11	Cost New: \$55,000	Territory: 069	Total Premum:	\$1,076
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$98	
Collision	\$500		\$319	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 12	Cost New: \$45,000	Territory: 069	Total Premum:	\$1,023
Coverage	Limit / Deductible		Premium	
Liability	See Above		\$514	
Medical	\$5,000		\$40	
Comp	\$500		\$93	
Collision	\$500		\$271	
Uninsured	\$1,000,000		\$105	
Underinsured	\$1,000,000		Incl	

Vehicle # 13	Cost New: \$40,855	Territory: 069	Total Premum: \$164
Coverage	Limit / Deductible		Premium
Liability	See Above		\$51
Medical	\$5,000		\$4
Comp	\$500		\$29
Collision	\$500		\$80

Vehicle # 14	Cost New: \$1,200	Territory: 069	Total Premum: \$99
Coverage	Limit / Deductible		Premium
Liability	See Above		\$51
Medical	\$5,000		\$4
Comp	\$500		\$15
Collision	\$500		\$29

Vehicle # 15	Cost New: \$40,000	Territory: 069	Total Premum: \$964
Coverage	Limit / Deductible		Premium
Liability	See Above		\$514
Medical	\$5,000		\$40
Comp	\$500		\$90
Collision	\$500		\$215
Uninsured	\$1,000,000		\$105
Underinsured	\$1,000,000		Incl

Business Auto Policy Level Totals

Liability	\$8,840
Medical	\$528
Uninsured	\$1,365
Comprehensive	\$1,167
Collison	\$4,249
Total	\$16,149
Vehicle Totals	\$15,950
Drive Other / Hired Auto / Non Owned Total	\$199

Taxes & Fees

Item #	State	Line of Business	Description	Tax Code	Return Method	Rating Method	Basis	Basis Value	Factor	Premium
1	CA	BusinessAuto	Vehicle Fee	CA Veh Fee	Fully Earned	Per	TotalVehicles	15	1.76	26.40

Policy Totals

Business Auto	\$16,149.00
Taxes and Surcharges	\$26.40
Policy Total	\$16,175.40



SECTION 6. COMMERCIAL EXCESS LIABILITY *

***IS THIS SECTION IS INCLUDED IN THE PROPOSAL? Yes**

CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary
- Following Form

LIMITS:

\$10,000,000 / \$10,000,000

RATING BASIS:

- On file with underwriter
- Non auditable

SCHEDULED UNDERLYING POLICIES:

Commercial General Liability - Yes

Hired and Non-Owned Auto Liability - Yes

Public Officials & Management Liability - Yes

Wrongful Acts - Yes

Employment Practices - Yes

Employee Benefit Plans - Yes

Owned Auto Liability - Yes

Employer's Liability (minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000) - No

Other:

NOTABLE EXCLUSION:

- Workers' Compensation

NOTES:

Employers' Liability subject to Allied World security requirements.

INSURED: Valley Sanitary District

EFFECTIVE DATE: 7/1/2020

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



ARROWHEAD

Special Risk Division

701 B Street, Suite 2100, San Diego CA 92101

We are pleased to provide you with the following quotation. Please review it carefully. Coverages, terms and conditions may be different or more restrictive than what was requested.

Quote Valid Until: 6/30/2020 12:01 AM; Local time at the location of the property involved Account Number: 80875

Written request to bind is needed prior to the expiration of this quote or the quote will be considered closed

Named Insured: VALLEY SANITARY DISTRICT, INC. Term: 6/30/2020 to 6/30/2021
Mailing Address: 45-500 VAN BUREN, INDIO, CA 92201

Renewal of 50961 New Business

Layer 1 Carrier Listing:

QBE Specialty Insurance Company	
Everest Indemnity Insurance Company	\$25,000,000
General Security Indemnity Company of Arizona	\$10,000,000

NON ADMITTED CARRIERS - Current rating may be found at ambest.com

Earthquake only Including Earthquake, Excluding Flood, Excluding Earthquake Sprinkler Leakage

- Terrorism (TRIPRA of 2007)
- Building Ordinance: Excluded

If excess - BO coverage applies only if all underlying carriers are including with no sublimits

\$ 40,000,000 (100.00%) part of \$ 40,000,000 Primary
Limits apply per occurrence and in the aggregate for the following: Earthquake

- Including Time Element -
 - Business Income
 - Extra Expense
 - BI deductible if different from PD:
- Excluding Time Element
 - Minimum EQ Deductible:

Unit is defined as: a) Each Separate Building or Structure
 b) Contents in each Separate Building or Structure
 c) Property in the Yard
 d) Business Income/Extra Expense

- | | |
|--|---|
| <input checked="" type="checkbox"/> Real Property | <input checked="" type="checkbox"/> Business Personal Property |
| <input checked="" type="checkbox"/> Business Income | <input checked="" type="checkbox"/> Tenant Improvements/Betterments |
| <input checked="" type="checkbox"/> Extra Expense | <input type="checkbox"/> Machinery and Equipment |
| <input type="checkbox"/> Leasehold Interests | <input type="checkbox"/> Accounts Receivable |
| <input type="checkbox"/> Contingent Business Income | <input type="checkbox"/> Valuable Papers |
| <input type="checkbox"/> Per Submission | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Foundations, walls, walkways | |
| <input checked="" type="checkbox"/> underground piping3MM | |

Property Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Time Element including Extra Expense	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Territory/Locations: Per SOV on file with company, limited to CA only.

\$ 41,860,300

- Company Form
- Company Excess Follow Form (subject to review and approval of form we are to follow)
Copy of policy we are to follow must be received within 75 days of effective date or we will issue our
- Manuscript Form (subject to approval of final executed policy form and approval of form we are following if following form)
Manuscript form and copy of policy we are to follow must be received within 75 days of effective date or we will issue our form

If doing Excess Follow Form or Manuscript Form, we require a complete copy of the policy we are following which is subject to approval prior to issuing our policy. Our policy will not be issued without it.

- Pollution (Company Form)
- Asbestos / Contamination (Company Form)
- Mold (Company Form)
-
- Flood - locations located in 100 year flood plain
- Flood - locations located in 100 year flood plain, X500, X(Shaded) and B flood zones
- Building Ordinance, Increased Cost of Construction and Demolition
- Exclude but allow BO/ICC/Demo losses to erode the aggregate
- Boiler and Machinery
- Cyber Exclusion Endorsement
- Underlying Sublimited Coverages Exclusion
- All Risk Perils (Including Windstorm)
- Ensuing Loss
- War Exclusion
- Nuclear/Radioactive/Biological and Chemical Exclusion
- CONTRACTORS EQUIP-SCHEDULED & UNSCHED

- Warrant All Risk Underlyer

- Debris Removal clause (Company Form)
- Excess Limit of Liability and Participation Clause (Company Form)
- Drop Down clause applicable only to covered locations, perils and interests
- Statement of Values form
-

	25% Minimum Earned
TRIPRA of 2007 Premium: rejected	Not included in premium above
Total Premium 170,000	
 Catastrophe Analysis Fee:	 Fully Earned
Inspection Fee:	Fully Earned
SLA Fees: \$ 5,525	

Plus applicable SLA Taxes and Fees - broker is responsible for the calculation of these taxes and fees, payment to the appropriate SLA office and filing of the SLA form. Broker is responsible for maintaining signed insurance applications and acknowledgement of state fraud warnings.

TOTAL: \$176,365

This quote does not guarantee the addition of additional locations/coverages at the account rate or any rate. Should coverage be bound, the agreement to add additional locations/coverages is subject to carrier approval.

Quote Subject to:

The option of 15% ded is offered at 155,000 TRIA:80,000
 Fees : the same as 10% ded option

Please note that the quoted terrorism premium and endorsements are valid only if the Terrorism Risk Insurance Program is extended beyond 12/31/20 with no change to structure or terms. A conditional terrorism exclusion endorsement will be attached to your policy. If TRIPRA is not extended or substantially changes, the endorsement will exclude coverage for terrorism. A copy of the endorsement is enclosed.

This quote may vary from coverage requested.

This quote is a summary of coverage and may not be all encompassing. In the event of difference, policy language will prevail. Locations covered under this policy may be subject to inspection and underwriting action may be taken if the exposure is found to be different than the submitted application.

<https://www.bbinsurance.com/ccpa-privacy-notice/>
<https://www.munichre.com/us-non-life/en/general/privacy-statement.html>

Notice Regarding Surplus Lines Filing Confirmation and TRIPRA Rejection Forms

On all accounts effective 2/1/2019 and later, we will be using DocuSign to collect Surplus Lines Filing Confirmations and TRIPRA rejection notices. These notices and forms will no longer be appended to your Quotes or Binders.

PLEASE NOTE THAT AT THE TIME OF BINDING YOU MUST ADVISE US IF THE INSURED HAS ELECTED OR REJECTED THE PURCHASE OF TRIPRA COVERAGE. BINDERS CANNOT BE SENT UNTIL THIS INFORMATION IS PROVIDED.

After your account is bound, you will receive separate emails with instructions to complete the Surplus Lines Filing confirmation and TRIPRA Rejection forms in DocuSign. You will also be able to reassign or forward the request to another party for completion.

After all documents are signed they will automatically be returned to your underwriter and no further action will be required on your part.

NOTICE TO POLICYHOLDERS

POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

This Notice has been prepared in conjunction with the **POTENTIAL** implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (“Program”) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program is subject to a termination date of December 31, 2020 unless extended by the federal government. A decision by the federal government on whether the Program will be extended needs to be made. If the Program terminates, or is extended with certain changes prior to, or during the term of your policy, then the treatment of terrorism under your policy may change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to potential coverage restrictions to your policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

POTENTIAL CHANGE DURING THE TERM OF YOUR POLICY:

Whether you accepted or rejected certified acts of terrorism coverage, a Conditional Exclusion of Terrorism is being attached to your policy (see attached). Its provisions will become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:

- If the federal Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) terminates with respect to the type of insurance provided under this policy. (TRIPRA is scheduled to terminate at the end of **December 31, 2020** unless extended by the federal government); or
- If TRIPRA is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- If TRIPRA is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or
- If TRIPRA is extended with changes that increase insurers' statutory percentage deductible under TRIPRA for terrorism losses, or decrease the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you.

This conditional exclusion endorsement treats terrorism as follows:

Coverage for injury, loss or damage arising out of a terrorism incident is excluded only if:

- The total of all insured damage to all types of property (including business interruption losses sustained by owners or occupants of damaged property), from the incident, exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; or
- For certain coverages, fifty or more persons sustain death or serious physical injury; or

(To determine whether the threshold for property damage (\$25 million) and, for certain coverages, persons injured (fifty) is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them shall be considered to be one incident of terrorism.)

- The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
- The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material; or
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the terrorism was to release such materials.

See the definition of terrorism in the conditional exclusion endorsement for purposes of the terrorism exclusion.

Please note: Variations of the above exclusion may apply, depending on the applicable state. Refer to your policy to determine the exact terms and conditions of the conditional terrorism endorsement(s) applicable to you.

If you have questions about this notice, contact your agent or broker.

Schedule of Applicable Fees

Catastrophe Analysis Fee \$ 600

Everest Indemnity Insurance Company - \$ 200.00
General Security Indemnity Company of Arizona - \$ 200.00
QBE Specialty Insurance Company - \$ 200.00

Inspection Fee \$ 240

Everest Indemnity Insurance Company - \$ 80.00
General Security Indemnity Company of Arizona - \$ 80.00
QBE Specialty Insurance Company - \$ 80.00

Property Schedule

Loc#	Description	Street	City	State	Zip	Building	Contents	Total TIV by Location
1-1	Administration Building	45-500 Van Buren	Indio	CA	92201	\$ 700,000.00	\$ 300,000.00	\$ 1,000,000.00
1-2	Fence	45-500 Van Buren	Indio	CA	92201	\$ 610,000.00	\$ -	\$ 610,000.00
1-3	Lab Building	45-500 Van Buren	Indio	CA	92201	\$ 1,000,000.00	\$ 100,000.00	\$ 1,100,000.00
1-4	Operations Building	45-500 Van Buren	Indio	CA	92201	\$ 1,000,000.00	\$ 100,000.00	\$ 1,100,000.00
1-5	Gas Tanks and Pumps	45-500 Van Buren	Indio	CA	92201	\$ 21,000.00		\$ 21,000.00
1-6	Shop/ O&M Office	45-500 Van Buren	Indio	CA	92201	\$ 103,000.00	\$ 107,000.00	\$ 210,000.00
1-7	Maintenance Bldg	45-500 Van Buren	Indio	CA	92201	\$ 250,000.00		\$ 250,000.00
1-8	Security Fence	45-500 Van Buren	Indio	CA	92201	\$ 612,460.00		\$ 612,460.00
1-9	Block Wall	45-500 Van Buren	Indio	CA	92201	\$ 127,706.00		\$ 127,706.00
1-10	Shaded Structure	45-500 Van Buren	Indio	CA	92201	\$ 406,155.00		\$ 406,155.00
1-11	Old ASP Pump House	45-500 Van Buren	Indio	CA	92201	\$ 103,000.00		\$ 103,000.00
1-12	Storage Building	45-500 Van Buren	Indio	CA	92201	\$ 52,000.00	\$ 62,000.00	\$ 114,000.00
1-13	Pumps, Cyclone Separators Grit Classifiers, Fowl Air Blowers Aerated	45-500 Van Buren	Indio	CA	92201	\$ 103,000.00	\$ 470,000.00	\$ 573,000.00
1-14	Blower Building	45-500 Van Buren	Indio	CA	92201	\$ 160,000.00	\$ 1,700,000.00	\$ 1,860,000.00
1-15	Generator	45-500 Van Buren	Indio	CA	92201	\$ 151,000.00		\$ 151,000.00
1-16	Aeration Basin - 4 tanks	45-500 Van Buren	Indio	CA	92201	\$ 682,000.00	\$ 1,165,000.00	\$ 1,847,000.00
1-17	Anoxic Tanks, Mixers & Accessories	45-500 Van Buren	Indio	CA	92201	\$ 309,000.00	\$ 230,000.00	\$ 539,000.00
1-18	6 Pumps, Hoist, Gates, Valves and Instruments	45-500 Van Buren	Indio	CA	92201	\$ 950,000.00	\$ 842,000.00	\$ 1,792,000.00
1-19	Frequency drives, instrumentations	45-500 Van Buren	Indio	CA	92201	\$ -	\$ 493,000.00	\$ 493,000.00
1-20	2 Bars, screens, conveyor, compactor	45-500 Van Buren	Indio	CA	92201	\$ 295,000.00	\$ -	\$ 295,000.00
1-21	Electrical instrumentation	45-500 Van Buren	Indio	CA	92201	\$ 86,000.00	\$ 10,000.00	\$ 96,000.00
1-22	Pond Aeration Control Center	45-500 Van Buren	Indio	CA	92201	\$ 82,300.00	\$ 124,000.00	\$ 206,300.00
1-23	Diesel Generator #2	45-500 Van Buren	Indio	CA	92201	\$ 20,000.00	\$ 77,000.00	\$ 97,000.00
1-24	Mix Liquor Channel	45-500 Van Buren	Indio	CA	92201	\$ 262,000.00	\$ 244,000.00	\$ 506,000.00
1-25	3 Circular Secondary Clarifiers	45-500 Van Buren	Indio	CA	92201	\$ 2,000,000.00	\$ 715,000.00	\$ 2,715,000.00
1-26	RAS Pump Station #1	45-500 Van Buren	Indio	CA	92201	\$ 190,000.00	\$ 295,000.00	\$ 485,000.00
1-27	RAS Pump Statuib #2	45-500 Van Buren	Indio	CA	92201	\$ 120,000.00	\$ 210,000.00	\$ 330,000.00
1-28	Drain Pump Station #2	45-500 Van Buren	Indio	CA	92201	\$ 120,000.00	\$ 112,000.00	\$ 232,000.00
1-29	Polymer Building	45-500 Van Buren	Indio	CA	92201	\$ 111,000.00	\$ 166,000.00	\$ 277,000.00
1-30	Belt Press Building	45-500 Van Buren	Indio	CA	92201	\$ 390,000.00	\$ 1,300,000.00	\$ 1,690,000.00
1-31	Power Building A	45-500 Van Buren	Indio	CA	92201	\$ 90,000.00	\$ 230,000.00	\$ 320,000.00
1-32	Del 7/1/2020: Power Building B	45-500 Van Buren	Indio	CA	92201			\$ -
1-33	Del 7/1/2020: Power Building C	45-500 Van Buren	Indio	CA	92201			\$ -
1-34	Chlorine Contact Chamber 3, Plant Water System	45-500 Van Buren	Indio	CA	92201	\$ 2,000,000.00	\$ 505,000.00	\$ 2,505,000.00
1-35	Sodium Hydrochlorite Building	45-500 Van Buren	Indio	CA	92201	\$ 525,000.00	\$ 475,000.00	\$ 1,000,000.00
1-36	CCT2 Feed Vault	45-500 Van Buren	Indio	CA	92201	\$ 140,000.00		\$ 140,000.00
1-37	Dechlorination Building #2	45-500 Van Buren	Indio	CA	92201	\$ 92,000.00	\$ 130,000.00	\$ 222,000.00
1-38	Outfall & Vaults	45-500 Van Buren	Indio	CA	92201	\$ 32,000.00		\$ 32,000.00
1-39	Aerated Grit Tanks	45-500 Van Buren	Indio	CA	92201	\$ 650,000.00		\$ 650,000.00
1-40	Ferric Chloride Building	45-500 Van Buren	Indio	CA	92201	\$ 150,000.00		\$ 150,000.00
1-41	Primary Sed Tanks	45-500 Van Buren	Indio	CA	92201	\$ 5,250,000.00		\$ 5,250,000.00
1-42	Digester & Mixing Equipment	45-500 Van Buren	Indio	CA	92201	\$ 6,500,000.00		\$ 6,500,000.00
1-43	Gas Scrubber & Boiler Facility	45-500 Van Buren	Indio	CA	92201	\$ 1,000,000.00		\$ 1,000,000.00
1-44	Flare & Equipment	45-500 Van Buren	Indio	CA	92201	\$ 600,000.00		\$ 600,000.00
2-1	Lift Station	Hepburn/Barrymore/Garbo, Indian Palms	Indio	CA	92201	\$ 100,000.00		\$ 100,000.00
3-1	Lift Station	84229 Avenue 48 & Bataan	Indio	CA	92201	\$ 103,000.00		\$ 103,000.00
4-1	Lift Station	Vandenbug & Pic Way at Indian Palms	Indio	CA	92201	\$ 90,000.00		\$ 90,000.00
5-1	Calhoun Lift Station	Shields Road & Avenue 46	Indio	CA	92201	\$ 506,000.00		\$ 506,000.00
5-2	Del 7/1/2020: Pond Contact Chamber/Pond Discharge	Shields Road & Avenue 46	Indio	CA	92201	\$ -		\$ -
						\$ 28,844,621.00	\$ 10,162,000.00	\$ 39,006,621.00

Total Combined Insurance Value: \$ 39,006,621.00

PLEASE ADD CHANGES BELOW:

April 2, 2020

Valley Sanitary District
45-500 Van Buren
Indio, CA 92201

Dear Joanne and Beverli:

Enclosed is the renewal policy for the separate Pollution Liability coverage. The policy provides a \$1,000,000 limit of liability including Defense, with an additional \$100,000 of Defense "Outside the Limits". We can increase this limit to \$2,000,000 for approximately \$6,000 - \$8,000. Please let me know if you are interested, and I will get a firm quote.

Coverage A is for on-site Pollution Liability and Coverage B provides your off-site pollution activities cover. Piping Infrastructure throughout the territory is deemed an Onsite Activity/Insured Location. That gives you first and third-party coverage (direct damage coverage and third-party liability claim coverage).

This year, the carrier is using a new base policy form that has significantly updated and expanded the base coverage. Please see the Base Site Pollution Coverage comparison attached. The new form includes the following highlights:

- Coverage Retroactive Dates on the Dec Page rather than lengthy endorsements to add retroactive dates
- Waste disposal facilities definition are now consolidated into non-owned location definition – matches most all carriers approach on this coverage – expands coverage by removing exclusion for waste disposal facilities in bankruptcy (as its very hard for an insured to determine such with so many waste firms using LLC structures.
- Emergency cleanup costs are now included in all coverage, **increased to 15 days for discovery and 30 days for reporting and removed the 72-hour start and stop restriction.** Previously, the discovery was limited to first 7 days and reporting was required in 21 days)
- **Pollution Incidents from cyber incidents are now covered**
- **Building related illness is now covered under bodily injury**
- Now includes **expanded medical monitoring** when required by court order
- Removed strikes, riot or civil commotion from war/hostile acts exclusion
- Narrowed cancellation clause for material increases in risk to apply to specified risks

The carrier has also increased the sublimit for supplemental claims defense limit outside the policy limits and Environmental Crisis Management to \$250,000 each versus \$100,000 and \$50,000 respectively last year.

Besides all that are policy still provides:

- Coverage for Punitive Damages where allowable by law;
- Claim Notification "as soon as practicable";
- \$10k stipend for insured's expenses when testifying on our behalf (for a claim proceeding);
- 90 Day automatic ERP;
- 90 Day Notice of Cancellation Provision;
- Midnight Dumping / Illicit abandonment coverage included;
- Green Standards giveback, providing \$50k for restoration with green building materials;

The Environmental Pollution product is written through Allied Public Risk's JPRIMA facility (CalMutuals Joint Powers Risk & Insurance Management Authority). It has its own Managing Director as well as a general counsel, regulatory counsel, CPA, and auditor.

Annual premium is quoted at \$13,143 (up a little from \$13,025 last year), and this has been paid in full.

Thank you for allowing me to provide this important coverage for you as I feel it is an important wrap around to your existing General Liability policy coverage.

Sincerely,



Hugh K. Curtis



MEMORANDUM OF COVERAGE (MOC) COMMON COVERAGE CONDITIONS

This Memorandum of Coverage (MOC) is between all of enrolled named members of the California Association of Mutual Water Companies Joint Powers Risk and Insurance Management Authority (JPRIMA), a California public entities risk pool operating under Sections 990.4 and 990.8 of the Government Code and other provisions of law. The purpose of this MOC is to set forth the terms on which the JPRIMA's members have agreed to pool certain first and third-party risks among their membership on a fully reinsured basis. None of the parties to the MOC are entitled to rely on any contract interpretation principle which would require the interpretation of ambiguous language against the drafter of an agreement. This MOC shall be applied according to the principles of contract law, giving full effect to the intent of the enrolled named members of the JPRIMA adopting this MOC. The enrolled named members participating in this pool understand and acknowledge that their fully-reinsured risk-pooling arrangement governed by this MOC is not insurance nor is it subject to regulation under the Insurance Code. As the JPRIMA is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have any obligation to provide Cumis counsel to a Covered Party in a disputed coverage situation, as an insurer might have under Civil Code Section 2860.

Throughout this MOC, words and phrases referencing insurance jargon are deemed to reference self-insurance jargon. Examples would be as follows: Insured to Enrolled Named Member; Policy to MOC; Insurer to JPRIMA; Premium to Contributions; etc.

This Form together with the Common Policy Declarations, Schedule of Forms and Endorsements, Property Owner's / Operator's Environmental Risk Management Toolkit, and Endorsements #1 through #16 complete the above numbered MOC.

The issuing Joint Powers Authority for this fully reinsured product is CalMutuals JPRIMA. The 100% reinsurer is Navigators Specialty Insurance Company (Navigators). This endorsement is intended to convert the above referenced Navigator's forms and endorsements from insurance to self-insurance.

Authorized Representative: _____


(Paul Fuller)

March 1, 2020

Date

THANK YOU FOR BEING OUR POLICYHOLDER



**COMMERCIAL LINES
ENVIRONMENTAL
INSURANCE POLICY**

A STOCK COMPANY



**NAVIGATORS SPECIALTY INSURANCE COMPANY
1 Penn Plaza, New York, New York 10119**

THIS POLICY CONSISTS OF:

- **DECLARATIONS**
- **ONE OR MORE COVERAGES OR COVERAGE PARTS. A COVERAGE OR COVERAGE PART CONSISTS OF:**
 - **ONE OR MORE COVERAGE FORMS**
 - **APPLICABLE FORMS AND ENDORSEMENTS**

This policy is issued under the authority of the Department of Insurance of the State of New York. The Department of Insurance is not responsible for the accuracy or completeness of the information provided herein. The information is provided for informational purposes only and should not be relied upon for any financial or legal decision. The information is subject to change without notice and may be updated periodically. The information is not intended to constitute an offer of insurance or any other financial product. The information is not intended to be used for any purpose other than that for which it was intended. The information is not intended to be used for any purpose other than that for which it was intended.



877 – NAVG – ENV *

(6284) (368)

ALERT Local Emergency Response Services
Follow Your Company's Emergency Response Procedures
Receive Assistance from The Hartford Environmental Hotline

The Hartford Environmental Response Center provides 24-hour emergency spill response services to policyholders in the United States. The center is staffed by trained professionals who can provide immediate assistance and guidance to policyholders in the event of a spill. The center is available to policyholders in the United States and is a key component of The Hartford's Environmental Response Services.

Q: What is The Hartford Environmental Emergency Spill Response Hotline?

The Hartford Environmental Response Center provides 24-hour emergency spill response services to policyholders in the United States. The center is staffed by trained professionals who can provide immediate assistance and guidance to policyholders in the event of a spill. The center is available to policyholders in the United States and is a key component of The Hartford's Environmental Response Services.

Q: What are my responsibilities?

Policyholders are responsible for reporting spills to the appropriate authorities and for following the instructions of the Environmental Response Center. Policyholders should also ensure that they have adequate spill response resources in place and that they are familiar with their company's emergency response procedures.

Q: If I call the hotline, does that satisfy my claim reporting requirements?

Calling the hotline does not satisfy claim reporting requirements. Policyholders must still report the spill to their broker and file a claim with their insurer. The hotline is a service provided by The Hartford to assist policyholders in the event of a spill.

Q: Does the policy pay for these services?

The policy may pay for these services, depending on the terms and conditions of the policy. Policyholders should consult their policy and their broker for more information. The Hartford Environmental Response Center is a service provided by The Hartford to assist policyholders in the event of a spill.

Q: Who Answers the Call?

The Hartford Environmental Response Center is staffed by trained professionals who can provide immediate assistance and guidance to policyholders in the event of a spill. The center is available 24 hours a day, 7 days a week. The center is a key component of The Hartford's Environmental Response Services.

*** Pre-printed labels are available to include in your corporate Emergency Response Plan or to place in vehicles. Please contact your underwriter or email envendorsements@navg.com.**

The material in this policyholder disclosure does not bind the company in any manner. This policyholder disclosure is provided for informational purposes only, and is not intended to be a representation of coverage that may exist in any particular situation under a policy issued by Navigators Insurance Company or its wholly owned subsidiary, Navigators Specialty Insurance Company. All conditions of coverage, terms and limitations are defined and provided for in the policy. Programs or products may not be available in all states and policy features may vary by state. Please consult your insurance broker and review the policy for coverage limitations, restrictions, exclusions, terms and conditions.

OFAC ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

U.S. ECONOMIC AND TRADE SANCTIONS LIMITATIONS CLAUSE

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under the trade or economic sanctions, laws or regulations of the United States of America.

The United States of America trade or economic sanctions, laws or regulations shall include, but not be limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms, conditions and exclusions of this Policy remain unchanged.

COMMON POLICY DECLARATIONS

POLICY NUMBER: CH20ESPJP0002IC

RENEWAL OF POLICY NUMBER: CH19ESPJP0002NC

COVERAGE IS PROVIDED BY

Navigators Specialty Insurance Company

ITEM 1. NAMED INSURED	Valley Sanitary District
Mailing Address:	45500 Van Buren St Indio, CA, California 92201
ITEM 2. POLICY PERIOD	From: 3/1/2020 To: 3/1/2021 at 12:01 A.M., Standard Time at your mailing address shown above.
Agent or Broker Office Address:	Allied Public Risk, LLC (Chicago, IL) 300 S. Wacker Drive, Suite2424 Chicago, IL 60606

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A LIMIT IS INDICATED. WHERE NO LIMIT IS SHOWN, THERE IS NO COVERAGE.

ITEM 3. LIMIT OF LIABILITY, DEDUCTIBLE:

COVERAGE(S)	DEDUCTIBLE	EACH OCCURRENCE LIMIT	COVERAGE SECTION AGGREGATE LIMIT
A. POLLUTION LIABILITY FOR YOUR INSURED SITE(S)	\$10,000	\$1,000,000	\$1,000,000
B. POLLUTION LIABILITY FOR YOUR OFF-SITE ACTIVITIES	\$10,000	\$1,000,000	\$1,000,000
FUNGUS/LEGIONELLA DEDUCTIBLE:	\$10,000	Supplemental Claim Expense Limit:	\$250,000

POLICY AGGREGATE LIMIT \$1,000,000

ITEM 4. CLAIMS-MADE COVERAGE RETROACTIVE DATES:

COVERAGE A	7/1/2019
COVERAGE B	7/1/2019
COVERAGE A FUNGUS/LEGIONELLA	7/1/2019

ITEM 5. POLICY PREMIUM

Total Premium shown is payable at Policy Inception

MINIMUM EARNED PREMIUM	25.00%
TOTAL PREMIUM	\$11,949
TRIA PREMIUM	N/A

Terrorism Coverage Declined

THESE POLICY DECLARATIONS AND THE SUPPLEMENTAL DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

COUNTERSIGNED :

Date:

2/27/2020

BY:



AUTHORIZED REPRESENTATIVE

SCHEDULE OF FORMS AND ENDORSEMENTS

The following are the forms attached to and forming a part of the policy at inception:

Endt No.	Endorsement Title	Form No.
	OPUS Policy Cover	OPUS Cover Letter (01/20)
	NAV ENV Policy Jacket (Non-NY)	NAV NSIC ENV POLICY JCKT (01/11)
	Emergency Response Policy Holder Notice	NAVE ENV ERS (02/11)
	OFAC Endorsement	NAV-ML-002 (11/12)
	Common Policy Declarations	NAV-ESP TLKT II DEC (5/19) Form No. DC01 (05/19)
	Schedule of Forms and Endorsements	NENV Forms List 01 (03/13)
	Site Pollution Liability Toolkit II	NAV ESP TLKT II (05/19)
	California Complaint Notice	NSIC CA NOTICE (09/16)
	Producer Compensation Notice	Form G-3418-0-NAVG (09/19)
	Notice of Claim Form	NENV CN 01 (04/17)
1	JPRIMA Program Coverage Amendatory Endorsement (With Odor Givebacks)	NENV MANUSCRIPT (03/13)
2	JPRIMA Program Other Insurance Amendatory Endorsement	NENV MANUSCRIPT (03/13)
3	JPRIMA Program Schedule of Insured Contract Endorsement	NENV MANUSCRIPT (03/13)
4	JPRIMA Program Insured Site Amendatory Endorsement	NENV MANUSCRIPT (03/13)
5	Coverage(s) A & B Fungus/Legionella Sublimits Endorsement	NENV MANUSCRIPT (03/13)
6	Absolute Perfluoroalkyl substances, Polyfluoroalkyl Substances (PFOA, PFAS, GENX) And Aqueous Film-Forming Foam Exclusion Endorsement	NENV MANUSCRIPT (03/13)
7	Environmental Crisis Management Endorsement	NENV 9111 (05/19)
8	Full Terrorism Exclusion (Including Certified Act of Terrorism) Endorsement	NENV 9103 (05/19)
	Back Policy Cover	Back Cover (01/20)



SITE POLLUTION LIABILITY TOOLKIT II

THIS POLICY CONTAINS CLAIMS-MADE INSURING AGREEMENTS THAT APPLY ONLY WHEN A CLAIM IS FIRST MADE AGAINST AN INSURED AND REPORTED TO US WHILE THE POLICY IS IN FORCE. PLEASE READ THE ENTIRE FORM CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine your rights and duties and what is and is not covered.

Throughout this policy the words “you” and “your” refer to the **named insured** shown in the Declarations, and any other person or organization qualifying as a **named insured** under this policy. The words “we”, “us” and “our” refer to the company, listed in the Declarations, providing this insurance.

The word “insured” means any person or organization qualifying as such under **SECTION II. WHO IS AN INSURED**. Words and phrases other than headings that appear in **bold type** have special meaning. Refer to **SECTION V. POLICY DEFINITIONS**.

In consideration of the premiums paid and upon our reliance on the statements made in the application to this policy, including any supporting documentation or information submitted in connection with the application, and in accordance with all the terms, conditions, exclusions and limitations contained in this policy, we agree to provide coverage to the insured as follows:

SECTION I. COVERAGES AND COVERAGE EXCLUSIONS

The following coverage sections apply only if scheduled with limits in the Declarations:

A. Liability for Your Insured Site(s)

1. Cleanup Costs from the Discovery of a Pollution Incident

We will pay on behalf of the insured **cleanup costs** caused from a **pollution incident** located:

- a.** at, on or under an **insured site**; or
- b.** beyond the legal boundaries of an **insured site** if the **pollution incident** migrated from an **insured site**,

that first commences on or after the Coverage A Retroactive Date stated in Item 4. of the Declarations, provided that you discover the **pollution incident** during the **policy period**, and report the **pollution incident** to us in writing as soon as practicable following discovery and during the **policy period**.

2. Third Party Claims for Bodily Injury, Property Damage or Cleanup Costs

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as **loss** resulting from any **claim(s)** for **bodily injury, property damage or cleanup costs** caused by a **pollution incident** located:

- a.** at, on or under an **insured site**; or

- b. beyond the legal boundaries of an **insured site** if the **pollution incident** migrated from an **insured site**,

that first commences on or after the Coverage A Retroactive Date stated in Item 4. of the Declarations, provided that such **claims** are first made against the insured and reported to us during the **policy period**, or, if applicable, during the **extended reporting period**.

3. Emergency Cleanup Costs

We will pay those sums that you first incur as **emergency cleanup costs** caused by a **pollution incident** located:

- a. at, on or under an **insured site**; or
- b. beyond the legal boundaries of an **insured site** if the **pollution incident** migrated from an **insured site**,

that first commences during the **policy period**. This policy applies to only those **emergency cleanup costs** incurred by you within fifteen (15) calendar days after the **pollution incident** first commences or incurred thereafter as pre-approved by us in writing. Further, you must report the **pollution incident** giving rise to such costs to us no later than thirty (30) calendar days after it first commenced.

B. Pollution Liability for Your Off-Site Activities

1. Third Party Claims for Bodily Injury, Property Damage or Cleanup Costs

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as **loss** resulting from any **claim(s)** for **bodily injury, property damage or cleanup costs** caused by a **pollution incident**:

- a. resulting from the activities of your business; and
- b. emanating from a location other than **your property(ies)**,

that first commences on or after the Coverage B Retroactive Date stated in Item 4. of the Declarations, provided that such **claims** are first made against the insured and reported to us during the **policy period**, or, if applicable, during the **extended reporting period**.

2. Emergency Cleanup Costs

We will pay those sums that you first incur as **emergency cleanup costs** caused by a **pollution incident**:

- a. resulting from the activities of your business; and
- b. emanating from a location other than **your property(ies)**,

that first commences during the **policy period**. This policy applies to only those **emergency cleanup costs** incurred by you within fifteen (15) calendar days after the **pollution incident** first commences or incurred thereafter as pre-approved by us in writing. Further, you must report the **pollution incident** giving rise to such costs to us no later than thirty (30) calendar days after it first commenced.

C. Exclusions

1. Coverage A Exclusions

Coverage **A. Pollution Liability for Your Insured Site(s)** does not apply to any **loss**:

a. Asbestos and Lead

based upon or arising out of any asbestos, asbestos-containing materials, lead, or lead-containing materials, in, upon or applied to any man-made structures or objects. However, this exclusion does not apply to:

- (1) **claim(s) for bodily injury or property damage;**
- (2) **cleanup costs** for asbestos or lead in soil, sediment, groundwater, or any other water body; or
- (3) **cleanup costs** caused by the inadvertent disturbance of lead-based paint, asbestos, or asbestos-containing materials.

However, notwithstanding the foregoing, this policy does not apply to **cleanup costs** for the removal, abatement or encapsulation of any lead-based paint, asbestos, or asbestos-containing materials not inadvertently disturbed or otherwise still present in building structures or components in a form materially similar to its original installation.

b. Material Change in Use

based upon or arising out of a change in use or operations at an **insured site** during the **policy period** which materially increases a risk covered under this policy.

c. Pollution Incidents After an Insured Site is Divested

based upon or arising out of a **pollution incident** that first commences after the date an **insured site** is sold, given away or abandoned by you.

d. Underground Storage Tank Systems

based upon or arising out of the presence or former presence of any **underground storage tank system(s)** at an **insured site**. However, this exclusion does not apply to any **underground storage tank system(s)**:

- (1) disclosed in the application for this insurance and subsequently listed on a Schedule of Underground Storage Tank System(s) endorsement attached to this policy;
- (2) removed or abandoned in-place prior to the inception date by: (a) any person or entity other than you or on your behalf; or (b) you or on your behalf in compliance with all applicable federal, state, municipal or provincial regulations; or
- (3) the existence of which is unknown to all **responsible insured(s)** as of the **inception date** of this policy.

2. Coverage B Exclusions

Coverage B. **Pollution Liability for Your Off-Site Activities** does not apply to any **loss**:

a. Non-Owned Locations

based upon or arising out of a location or facility to which any waste or materials have been delivered for the purpose of treatment, storage, processing, recycling, reuse or disposal. However, this exclusion does not apply to the treatment, storage, processing, recycling, reuse or disposal of your waste or materials sent to a **non-owned location** on or after the **Coverage B Retroactive Date** stated in Item 4. of the Declarations.

b. Products

based upon or arising out of **your products**. However, this exclusion does not apply during the period when **your products** are (1) stored or warehoused by others on your behalf, or (2) being transported by you or on your behalf.

c. Professional Liability

based upon or arising out of the rendering of or failure to render any professional services by you or on behalf of any insured including, but not limited to, providing engineering, architectural or surveying services to others; preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and supervisory or inspection activities performed as part of any related architectural or engineering activities.

Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you or on behalf of any insured in connection with **your work** and in your capacity as a construction contractor.

d. Property Damage To Your Products

based upon or arising out of **property damage** to **your products** or any part thereof.

e. Property Damage to Your Work

based upon or arising out of **property damage** to **your work**, including any materials, parts or equipment furnished in connection therewith.

However, this exclusion does not apply to **completed operations**.

f. Separately Insured Project

based upon or arising out of any project that is insured under a pollution liability policy issued by us or **our affiliate** to any **named insured** for a specific project or projects, including, but not limited to, any owner or contractor controlled insurance program(s), owner's protective policy, wrap-up policy or similar insurance under which you are covered. This exclusion does not apply to any project we expressly schedule in an endorsement to this policy as an insured project.

g. Your Property(ies)

based upon or arising out of a **pollution incident** located at, on, under or migrating from **your property(ies)**.

D. Common Policy Exclusions Applicable to All Coverages

With respect to all coverages, this policy does not apply to any **loss**:

1. Communicable Diseases

based upon or arising out of any disease or condition contracted through direct or indirect contact with or exposure to any form of infectious agent that is generally spread or passed through physical contact with or amongst persons or animals, or the bodily fluids or excrement of persons or animals.

2. Contractual Liability

based upon or arising out of the liability of others assumed by any insured in a contract or agreement. This exclusion does not apply to liability that you:

- a.** would have in the absence of the contract or agreement; or

- b. assume in a written contract or agreement that is an **insured contract**, but only if and to the extent this policy applies to such liability as of the **inception date**, or the effective date of an endorsement to this policy upon which we schedule such contract or agreement as an **insured contract**.

3. Criminal Fines, Penalties or Assessments

based upon or arising out of any criminal fines, criminal penalties or criminal assessments.

4. Employer's Liability

based upon or arising out of **bodily injury** to:

- a. your employee arising out of and in the course of:
 - (1) employment by you; or
 - (2) performing duties related to the conduct of your business; or
- b. the spouse, child, parent, brother or sister of that employee as a consequence of subpart a. immediately above.

This exclusion applies whether you may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

5. Hostile Acts / War

based upon or arising out of, be it directly or indirectly, any:

- a. war, including undeclared or civil war;
- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

6. Insured Versus Insured

based upon or arising out of any **claim(s)** made by an insured against any other insured.

However, this exclusion does not apply to **claims** initiated by:

- a. an additional insured; or
- b. third parties that are subject to an indemnification given by one **named insured** to another **named insured** in an **insured contract**.

7. Intentional Acts

based upon or arising out of a **responsible insured's**:

- a. dishonest, fraudulent, malicious, willful, deliberate or knowingly wrongful act;
- b. willful or deliberate failure to comply with any material statute, regulation, ordinance, administrative complaint, notice of violation, directive, order, or instruction made by or on behalf of any governmental body or agency; or
- c. violation of or non-compliance with any land use restriction or engineered control that exists or are to be implemented on the **insured site**.

However, this exclusion does not apply if the **responsible insured's** action was taken in good faith in reliance upon written advice of outside counsel received in advance of such failure to comply, violation, or non-compliance. Additionally, this exclusion does not apply to **emergency cleanup costs**.

8. Nuclear Liability

based upon or arising out of any nuclear or radioactive materials or by-products where any insured under this policy: (1) has been indemnified by the United States Department of Energy or any other government authority; or (2) is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or (3) is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendment thereto or for which the Price Anderson Act provides financial protection for the insured.

9. Undisclosed Pollution Incidents

based upon or arising out of any **pollution incident(s)** known by a **responsible insured** as of the **inception date** and not disclosed in the application for this policy, or any application for a policy issued by us to which this insurance is a renewal thereof. Solely with respect to **SECTION I., Coverage B. Pollution Liability for Your Off-Site Activities**, this exclusion shall apply to only those **pollution incident(s)** that result from the activities of your business.

10. Workers' Compensation and Similar Laws

based upon or arising out of any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

SECTION II. WHO IS AN INSURED

Where applicable, the following person(s) or entity(ies) are an insured under this policy:

A. Named Insureds

1. First Named Insured

The person or entity stated in Item 1. of the Declarations is the **first named insured** and is responsible for payment of the policy premium and for any policy deductible. The **first named insured** shall also serve as the sole agent acting on behalf of all insureds with respect to receipt of notice(s), including notice of cancellation or non-renewal, receipt and acceptance of any endorsement(s) or any other change(s) to this policy, return of any premium, and assignment of any interest(s) under this policy, unless any such responsibilities are otherwise designated by endorsement.

2. Named Insured

The person(s) or entity(ies) expressly endorsed onto this policy as a **named insured**, if any. Each expressly listed **named insured** has the same rights under this policy unless specified otherwise in the endorsement, or unless such rights have been given specifically to the **first named insured** in this policy or any endorsement hereto.

B. Other Named Insureds

The following person(s) or entity(ies) are also a **named insured**:

1. Employees, Officers and Directors

Any past or present directors, officers, partners, members, employees or shareholders of the **first named insured** or **named insured**, as applicable, while acting within the scope of his or her duties as such.

2. If You Are an Individual

If the **first named insured** designated in the Declarations is an individual, then the **first named insured's** spouse, but only with respect to the liability arising out of the activities of your business in which you are the sole owner.

C. Any reference throughout this policy to a spouse(s) includes a person(s) who is/are a party to a civil union as defined by any applicable state or federal law.

1. Coverage A - Broad Insured Status for Owned Entities

Solely with respect to **SECTION I.**, Coverage A. **Pollution Liability for Your Insured Site(s)**, any subsidiary, associated, affiliated, or allied company or corporation, including subsidiaries thereof, of which the **first named insured** has at least fifty percent (50%) ownership interest as of the **inception date**.

D. Additional Insureds

Any person or organization whom you agree to include as an insured in a written contract or agreement is an additional insured, but only if and to the extent the contract or agreement is executed and effective prior to the date any **claim** is first made to which this policy applies.

No coverage is afforded under this policy for any **loss** arising out of an additional insured's own liability, sole negligence, or willful or deliberate misconduct.

SECTION III. LIMITS OF LIABILITY; DEDUCTIBLE

The Limits of Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of **claims**, persons or organizations making **claims**, insureds or **pollution incidents** under this policy.

A. Related or Continuous Pollution Incidents

When multiple **claims** or types of **loss(es)** arise out of the same, related or continuous **pollution incident(s)**, then the following will apply:

1. all such same, related or continuous **pollution incident(s)** will be treated as a single **pollution incident**;
2. all such **claims** will be treated as a single **claim**; and
3. all such **claims** and **loss(es)** will be subject to one Each Incident Limit and one Deductible as outlined in Paragraph B. and F. below, respectively.

B. Each Incident Limit

Subject to Paragraphs C. and D. below, the Each Incident Limit shown in Item 3. of the Declarations is the most we will pay under this policy for all **loss** arising out of one **pollution incident**, or out of the same, related or continuous **pollution incidents**.

C. Coverage Section Aggregate Limit

Subject to Paragraph D. below, the Coverage Section Aggregate Limit shown in Item 3. of the Declarations is the most we will pay for all **loss** under that particular coverage section.

D. Policy Aggregate Limit

The Policy Aggregate Limit shown in Item 3. of the Declarations are the most we will pay for the sum total of all **loss** under this policy. The Policy Aggregate Limit shall not apply to the Supplemental Claim Expense Limit also shown in Item 3. of the Declarations.

E. Supplemental Claim Expense Limit

Notwithstanding Paragraphs **B.**, **C.**, and **D.** above, **claim expenses** covered under this policy are not subject to and will not reduce any applicable limit of liability, until such **claim expenses** exceed the Supplemental Claim Expense Limit shown in Item 3. of the Declarations. Once **claim expenses** in the aggregate equal this amount, any and all subsequent **claim expenses** will be subject to and will reduce all applicable limits of liability in the policy. We shall not be obligated to defend any **claim** or pay any **loss** once any applicable limit of liability has been exhausted.

F. Deductible

Except with respect to **claims** arising out of **fungus** or legionella pnueumophila, the Deductible shown in Item 3. of the Declarations applies to all **loss** arising out of one **pollution incident**, or out of the same, related or continuous **pollution incident(s)**.

Solely with respect to **claims** arising out of **fungus** or legionella pneumophila, the Fungus / Legionella Deductible shown in Item 3. of the Declarations applies to all **loss** arising out of **fungus** or legionella pnueumophila.

This policy applies to **loss** only in excess of the applicable deductible, which shall be paid by the **first named insured** and remain uninsured.

If the same, related or continuous **pollution incident(s)** results in **loss** arising partly out of **fungus** or legionella pneumophila and partly out of another type of **pollution incident** covered hereunder, only the highest of the applicable deductibles will apply.

If, in the defense or settlement of a **claim** or in the payment of **loss**, including the reimbursement of **emergency cleanup costs**, we pay any part or all of the deductible, then, upon our notification to you of such action taken, you are responsible to promptly reimburse us for such part of the deductible amount as has been paid by us.

G. Multiple Policy Periods

If a **claim** is first made against an insured and reported to us during the **policy period**, or, if applicable, during the **extended reporting period**, then any **claims** arising out of the same, related or continuous **pollution incident(s)** that are first made against an insured and reported to us under a subsequent policy, issued to you by us or by **our affiliates**, providing the same or similar coverage to this policy, will be deemed to have been first made and reported during the **policy period** for this policy. Furthermore, coverage for such **claims** under this policy will apply only if you have maintained with us or with **our affiliates**, on a continuous and uninterrupted basis from the time of the first such **claim** is made against an insured and reported to us, pollution liability coverage that provides the same or materially the same coverage as this policy.

SECTION IV. CONDITIONS OF INSURANCE

A. Application Representations

By accepting this policy, you understand and agree that the statements in the application, including any supporting documentation or information submitted in connection with the application for this insurance, are hereby made a part of this policy; are accurate and complete to the best of the **responsible insured's** knowledge; that those statements are based upon representations you made to us; and that we have issued this policy in reliance upon your representations.

B. Assignment

The interest of any insured under this policy is not assignable, unless and until, our consent to such assignment is endorsed hereon.

C. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

D. Cancellation

This policy may be cancelled by the **first named insured** by surrender of the policy to us, or by mailing to us a written notice stating when thereafter the cancellation is effective. If the **first named insured** cancels, earned premium will be computed in accordance with the customary short rate table and procedure after applying the Minimum Earned Premium set out in Item 5. of the Declarations. However, as of the date any **claim** or **loss** is (1) reported to us or (2) known by any **responsible insured**, the minimum earned premium shall be 100% and there will be no return premium for cancellation of this policy by you.

This insurance may be cancelled by us, but only for the following reasons:

1. failure to pay a premium when due;
2. fraud or material misrepresentation on the part of an insured, such as can be proven in a court of law; or
3. a change in use or operations at an **insured site** or **your work** which materially increases a risk under this policy.

However, cancellation for such a change identified in paragraph 3. immediately above within this condition shall either apply to **your work** or the **insured site(s)** upon which such change occurred, respectively, and will be processed via endorsement to this policy to exclude such coverage element.

Cancellation by us will be effectuated by mailing a written notice of cancellation to the **first named insured** at the address shown in the Declarations stating when cancellation will be effective, in accordance with the following schedule: the effective date of such cancellation notice will not be less than 10 days after mailing in the case of failure to pay a premium when due; or not less than 90 days after mailing in the case of cancellation for the reason(s) outlined above in Paragraph 2. or 3. of this Part **D. Cancellation**. The mailing of notice as noted shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice will become the end of the **policy period**. Delivery (where permitted by law) of such written notice either by you or by us shall be equivalent to mailing.

If we cancel this insurance, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

E. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this insurance or estop us from asserting any right under the terms of this insurance; nor shall the terms of this insurance be waived or changed, except by endorsement issued to form a part of this insurance and signed by us.

F. Consent

Where our consent and/or approval or your consent and/or approval is required under this policy, such consent shall not be unreasonably withheld, delayed, conditioned or denied.

G. Economic and Trade Sanctions

We shall not be deemed to provide cover and we shall not be liable to pay any **claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose us to any sanction, prohibition or restriction under the trade or economic sanctions, laws or regulations of the United States of America.

The United States of America trade or economic sanctions, laws or regulations shall include, but not be limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

H. Entire Agreement

By acceptance of this policy, you agree with us that this policy and any written endorsements attached hereto constitute the entire agreement between the parties. The terms, conditions and limitations of this policy can be waived or changed only by written endorsement.

I. Headings

Any headings or sub-headings that appear in this policy are intended for convenience only and in no way form a part of the terms, conditions or substance of the policy.

J. Inspection and Audit

By acceptance of this policy, you agree that we have the right, but not the obligation, to inspect or monitor on a continuing basis the activities of your business or **insured site(s)** at any reasonable time of business. If we decide to exercise this right, we will provide you or your broker or agent with reasonable notice (of at least ninety six (96) hours) as to the time and place of our inspection or monitoring, and we will seek your assistance with providing access to those locations or operations we intend to inspect or monitor.

We may, subject to our sole discretion, report orally or in writing to you on the conditions we find and recommend changes. Any such reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections, nor do we undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. Further, nothing in our inspection, monitoring or reports shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine whether any conditions are safe, or whether any operations or facilities are in compliance with laws, regulations, codes or standards.

K. Legal Action Against Us

No person or organization has a right under this policy to:

1. join us or **our affiliates** as a party or otherwise bring us or **our affiliates** into a legal suit or legal proceeding asking for damages from an insured; or

2. sue us or **our affiliates** on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

L. Other Insurance

With respect to any insured, this insurance will apply in excess of any other valid and collectible insurance, whether primary, excess, contingent or on any other basis, unless such other insurance is written only as specific excess insurance over the limit of liability of this policy.

When both this insurance and other insurance apply to any **claim** or **loss** on the same basis, then we will not be liable under this policy for a greater proportion of the **loss** than the lower of either (1) the Limits of Liability shown in the Declarations or (2) the amount determined by contribution amongst the policies, as follows:

1. Contribution by Equal Shares - if all of the other insurance permits contribution by equal shares, we will also follow this method. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the **loss** remains, whichever comes first.
2. Contribution by Limits - if any other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

Notwithstanding the foregoing, with respect to any policy issued for a specific project or projects, including, but not limited to, any owner or contractor controlled insurance program(s), owner's protective policy, wrap-up policy or similar insurance, the insurance afforded by this policy will apply only in excess and will not contribute with such other insurance.

M. Separation of Insureds / Severability

Except with respect to the Limits of Liability, or any rights or duties specifically assigned to the **first named insured**, this insurance applies:

1. as if each **named insured** were the only **named insured**; and
2. separately to each insured against whom a **claim** is made.

N. Service of Suit

It is understood and agreed that in the event of a failure by us to pay any amount claimed to be due hereunder, we, at the request of the **first named insured**, will submit to a court of competent jurisdiction within the United States of America. The foregoing shall not constitute a waiver of any of our rights to remove, remand, or transfer such suit to any other court of competent jurisdiction in accordance with the applicable statutes of the United States of America or any state therein. In any suit instituted against us upon this contract by said court, we will abide by the final decision of the court or of any appellate court in the event of an appeal.

It is further agreed that service of process upon us in such suit may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the applicable statute governing service of process in the state or jurisdiction in which a cause of action arises under this contract of insurance, or his successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this contract of insurance.

We hereby designate the President of **Navigators Specialty Insurance Company**, One Penn Plaza, 32nd Floor, New York, NY 10119, as the person to who the said Superintendent, Commissioner, or Director of Insurance is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this contract of insurance arises.

O. Subrogation

In the event of any payment under this insurance by us, we shall be subrogated to all the insured's rights of recovery against any person or organization. You agree to cooperate with us and to execute and deliver all instruments and papers and do whatever else is necessary to enforce such rights. No insured shall do anything after the payment of **loss** by us to prejudice such rights.

After the deduction of any expenses incurred by us in making a subrogation recovery, any remaining monies shall first accrue to you to the extent of any payment in excess of the limits of liability, then to us to the extent of our payment under the policy, then to you to the extent of your payment of the deductible.

Solely with respect to Coverage B, we will waive any right of recovery we may have against any person or organization because of payments we make for any **loss, cleanup costs, or emergency cleanup costs** arising out of activities of your business done under a written contract or agreement with that person or organization. This waiver of subrogation applies only to persons or organizations with which you have a written contract executed prior to when the **pollution incident** first commenced and only to the extent a waiver of subrogation is required by the contract or agreement.

P. Territory

This policy applies to pollution incident(s) taking place anywhere in the world, provided the insured's responsibility to pay loss is determined by a court of competent jurisdiction in the United States of America (including its territories or possessions), Puerto Rico and Canada, or is otherwise agreed to by us. This policy does not, and shall not be construed to, provide locally-admitted coverage in any jurisdiction other than the United States of America or Canada.

SECTION V. POLICY DEFINITIONS

A. **Bodily injury** means the following injury(ies) as sustained by any person, including, if applicable, death resulting therefrom:

1. physical injury, sickness, disease, building-related illness or other illness, including, but only in the presence of at least one of the aforesaid physical injuries or as otherwise required by court order, the cost of medical monitoring; and/or
2. mental anguish, emotional distress, or shock.

B. **Claim** or **claims** means a written demand or notice received by an insured alleging liability on your part for **bodily injury, property damage, or cleanup costs** caused by a **pollution incident** to which this insurance applies.

C. **Claim expenses** means:

1. all reasonable and necessary fees charged by legal counsel designated by us, or, with our prior written consent, by you; and/or
2. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of any **claim**, suit or proceeding arising in connection therewith, if incurred by us, or, with our prior written consent, by you.

Claim expenses does not include any salary, overhead or other charges by an insured for any time spent in cooperating in the defense and investigation of any **claim** or circumstance which might lead

to a **claim** notified under this insurance, except as outlined in **SECTION VI.**, Paragraph **B. Your Assistance and Cooperation.**

- D. Cleanup costs** means those reasonable and necessary expenses incurred in order to investigate, test, monitor, abate, remove, remediate, neutralize, clean or dispose of soil, sediment, groundwater, surfacewater, or other contamination arising from a **pollution incident** to the extent required by **environmental law**, or in the absence of **environmental law**, recommended in writing by an **environmental professional** as necessary for the protection of human health and the environment.

Cleanup costs also includes reasonable and necessary expenses incurred by an insured with our written consent, to repair, replace, or restore real or personal property to substantially the same condition it was in prior to being damaged in the course of incurring **cleanup costs**, however, such expenses will not include any costs associated with any improvements or betterments, except to the extent that such betterment includes the use of materials meeting **green standards** to repair, replace, or restore the damaged property.

Except for **green standards**, with respect to a **pollution incident** at, on or under an **insured site**, the allowable costs to repair, replace, or restore real or personal property as noted will not exceed the actual cash value of the real or personal property immediately prior to incurring any **cleanup costs**.

- E. Completed operations** means **your work** that have been completed and does not include **your work** that have been abandoned by you. **Your work** will be deemed completed at the earliest of the following times:

1. when all of **your work** called for in your contract have been completed;
2. when all **your work** to be performed at a **jobsite** have been completed if your contract calls for work at more than one **jobsite**; or
3. when that part of **your work** performed at the **jobsite** has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Your work that may need service, maintenance, correction, repair or replacement, but which are otherwise complete as noted above, will be deemed completed and treated as **completed operations**.

- F. Cyber attack** means:

1. any unauthorized access to or unauthorized use or modification of a network owned, operated or controlled by you, or by a third party service provider on your behalf (hereinafter "network") through hacking or otherwise;
2. denial of service attacks against a network;
3. the infection of a network by malicious code;
4. a ransomware attack; or
5. a zero-day attack;

For purposes of this definition, a network includes a computer system including electronic data, software, hardware, firmware, data storage devices, mobile devices, and electronic components and equipment residing on or forming part of a computer system.

- G. Emergency cleanup costs** means those reasonable and necessary expenses incurred by you in order to investigate, test, monitor, abate, remove, remediate, neutralize, clean or dispose of soil, sediment groundwater, surfacewater, or other contamination in response to a **pollution incident** that:
1. first commences during the **policy period**;
 2. presents an imminent and substantial danger to human health or the environment; and
 3. requires an immediate response by you in order to mitigate or reduce potential **loss** to which coverage under this policy applies or would apply but for the absence of a **claim** against you.

- H. Environmental laws** means any federal, state, provincial, or local law, including, but not limited to, statutes, rules, ordinances, guidance documents, regulations, and all amendments thereto, including state voluntary cleanup or risk-based corrective action guidance, and governmental, judicial, or administrative orders or directives, applicable to a **pollution incident**.
- I. Environmental Professional** means a person designated by us, or, by you with our prior written consent and approval, that is certified or licensed as a Certified Industrial Hygienist (CIH) by the American Board of Industrial Hygiene, a Professional Engineer (P.E.), or a Professional Geologist (P.G.), or other certified or licensed professional with the applicable state environmental regulatory agency. We may require that certain minimum professional criteria be met, including a demonstration that the individual has experience with similar projects as the one giving rise to **cleanup costs** or **emergency cleanup costs** under the policy, and the maintenance of adequate errors and omissions insurance.
- J. Extended Reporting Period** means the Automatic Extended Reporting Period or, if applicable, the Supplemental Extended Reporting Period, as outlined in **SECTION VIII.** of this policy.
- K. First Named Insured** means the person or entity stated in Item 1. of the Declarations, and subject to the responsibilities outlined in **SECTION II., Paragraph A.1.** of this policy.
- L. Fungus** means any form of mold, living or not living, mildew, or fungi, including mycotoxins, spores or byproducts produced or released by fungi.
- M. Green standards** means the following standards, products, methods, and processes for improving the environment, increasing energy efficiency, and enhancing safety and property protection:
1. LEED® Green Building Rating System™ of the U.S. Green Building Council;
 2. Green Globes™ Assessment and Rating System;
 3. ENERGY STAR®;
 4. National Fire Protection Association codes;
 5. Underwriter Laboratories standards; or
 6. other local or international codes.
- N. Inception date** means the first date set forth in Item 2. of the Declarations.
- O. Insured contract** means:
1. a written contract or agreement submitted to and approved by us, and listed on a Schedule of Insured Contracts endorsement attached to this policy; or
 2. solely with respect to coverage **B. Pollution Liability for Your Off-Site Activities:**
 - a. your obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; or
 - b. that part of any other contract or agreement pertaining to **your work** (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **bodily injury, property damage** or **cleanup costs** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- P. Insured site** means any real property that is both (1) owned, operated, leased, rented, or managed by you as of the **inception date** and (2) listed in the application for this insurance.
- Q. Jobsite** means a location where **your work** is performed, but does not include any **insured site(s), non-owned location(s), or your property(ies).**

- R. Loss** means:
1. monetary awards or settlements of compensatory damages for **bodily injury** or **property damage**, including, where insurable by law, any punitive, exemplary, or multiple damages, and any civil fines, penalties, or assessments for **bodily injury** or **property damage**;
 2. **cleanup costs** and **emergency clean-up costs** to which this insurance applies; or
 3. **claim expenses** related to Paragraphs 1. and 2. above.
- S. Named insured** means person(s) or entity(ies) outlined in **SECTION II.**, Paragraph **A. Named Insureds**, and referred to as you or your throughout this policy.
- T. Natural Resource Damages** means injury to or destruction of land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including any resources that are the subject of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)); or any State, Provincial, or local government; or any foreign government; or any Indian Tribe; or, if such resources are subject to a trust restriction or alienation, by any member of an Indian tribe, including any reasonable costs of damage assessment and the cost of restoring injured resources to their baseline condition prior to the **pollution incident** giving rise to **loss** hereunder.
- U. Non-Owned Location** means any location(s) to which your waste or materials are sent for treatment, storage, processing, recycling or disposal provided the location is not and never was owned, operated, leased, rented, managed or occupied by you or your parent, subsidiary or affiliate(s) and the location:
1. is listed in a Schedule of Non-Owned Location(s) endorsement attached to and made a part of this policy; or
 2. meets all of the following criteria as of the date waste or materials are delivered by you:
 - a. is properly licensed, as applicable, by state, federal, municipal or provincial authority to conduct waste treatment, storage, processing, recycling or disposal; and
 - b. is not listed, or proposed to be listed, on the U.S. Environmental Protection Agency's (EPA's) Final National Priorities List (NPL), or on the Superfund or Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) database, or any state or provincial equivalent(s) to the federal NPL, Superfund or CERCLIS database(s).
- V. Our affiliate** means any parent(s), subsidiaries, affiliates, divisions, related companies, holding companies, merged companies, acquired companies, predecessors-in-interest and/or successors-in-interest of the company listed in the Declarations as providing this insurance.
- W. Policy period** means the period set forth in Item 2. of the Declarations, or if this policy is cancelled by either the **first named insured** or by us, any shorter period as a result of such cancellation.
- X. Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, petroleum hydrocarbons, **fungus**, legionella pneumophila, methamphetamines, low level radioactive materials, electromagnetic fields, and waste. Waste includes but is not limited to medical, infectious, and pathological wastes.
- Y. Pollution incident** means:
1. the discharge, dispersal, release, seepage or escape of any **pollutant** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater;
 2. the discharge, dispersal, release, seepage or escape of any **pollutant** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, that results directly from a **cyber attack**;

3. subject to the applicable Fungus/Legionella Retroactive Date stated in Item 4. of the Declarations, the existence of **fungus** and/or legionella pneumophila at, on, within any man-made structures or buildings, including the indoor air within the aforesaid structures or buildings;
4. the discharge, dispersal, release, seepage or escape of silt or sediment beyond the legal boundaries of a **jobsite** or **insured site**; or
5. the illicit abandonment of any **pollutant** by a third party without your knowledge at an **insured site** or **jobsite** at which you perform **your work**.

Pollution incident does not include any **pollutant** that does not exceed the amount or concentration naturally present in the environment.

Z. Property damage means:

1. Physical injury to or destruction of tangible property owned by third parties, including any resulting loss of use and diminution in value thereof;
2. Loss of use of tangible property owned by third parties that has not been physically injured or destroyed; or
3. **Natural Resource Damages**.

Property damage does not include **cleanup costs**.

AA. Responsible insured means any of the following individual(s):

1. all of your officers, directors, partners, principals, or members;
2. any of your managers of an **insured site** or **jobsite**; or
3. your corporate manager(s) that are responsible for environmental affairs, control, or compliance.

BB. Underground storage tank system means any tank or vessel, including any attached pumps, valves and piping connected to the tank or vessel, that has at least ten (10) percent of its volume below ground. **Underground storage tank system** does not include:

1. a septic tank, oil/water separator or sump pump;
2. a tank that is enclosed within a basement, cellar, shaft, or tunnel, if the tank is upon or above the surface of the floor; or
3. storm water or wastewater collection systems.

CC. Your products means any goods or products, other than real property, manufactured, sold, handled, or distributed by you, or by others trading under your name, or any person or organization whose business or assets you have acquired, including:

1. any containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products;
2. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; or
3. the providing of or failure to provide warnings or instructions.

DD. Your property(ies) means any real property that is or was at any time owned, operated, leased, rented, or managed by you.

EE. Your Work means those operations or activities, conducted by you or on your behalf, that you have been retained by a third party to perform at a **jobsite**.

SECTION VI. PROCEDURES WHEN REPORTING A CLAIM TO US

The following section outlines the insured's duties in the event of a **claim** or **loss** which, as a condition precedent to coverage under this policy, must be reported to us as follows:

A. Claim Reporting

In the event that an insured receives a **claim** or becomes aware of a **pollution incident** which may give rise to **loss** under this policy, the insured must notify us as soon as practicable utilizing any of the following methods, or by utilizing any other methods or addresses which may be substituted by us by endorsement to this policy:

1. by electronic mail to the Claims Department at newloss@navg.com; or
2. by telephone at 855-444-4796; or
3. by mail to the Danbury Claims Office at

Navigators Insurance
Attn: Claims Division
83 Wooster Heights Road
Danbury, CT 06810
United States of America

Notice to us should contain the following information:

1. the current contact information of the person(s) giving notice to us;
2. the time and location of the **pollution incident**;
3. a description of the circumstances giving rise to the **pollution incident** including how and when you become aware of the **pollution incident**;
4. the names and addresses of any injured persons and witnesses; and
5. all other information which is relevant to the **claim, pollution incident, or loss**.

Thereafter, the insured is required to submit to us as soon as practicable, but in no event longer than sixty (60) days from the date of our request, any information related to the notice which we may reasonably request including but not limited to any relevant contracts, technical reports, laboratory data, field notes, or documents generated by an insured in the investigation of any potential **loss** hereunder, whether or not these materials are deemed by any insured to be relevant. If a **claim** is made against any insured, you must immediately send us copies of any demands, notices, summonses or legal papers received in connection therewith.

If any insured makes any **claim** under this policy knowing such **claim** to be false or fraudulent, as regards to the amount or otherwise, this policy shall become null and void, and all coverage hereunder shall be forfeited.

B. Your Assistance and Cooperation

Without any charge to us, any and all insureds who may have any information related to a notice of a **claim** or **loss** submitted to us are required to cooperate with us in all investigations, securing and giving evidence, and, with respect to depositions, hearings, arbitrations, mediations, trials and any other legal proceedings, including their own personal attendance and the assistance in securing the attendance of witnesses. In the event that you or any of your principals, partners, executives, officers, directors, members or employees are required to personally attend any legal proceeding at our request, then you are entitled to receive reimbursement from us of up to \$500 per day for each individual, subject to a policy limit of \$10,000, to cover their travel and lodging expenses directly related to their attendance at such proceedings. These allowable expenses are subject to and will erode both the Limit of Liability and the Deductible set out in the Declarations.

C. Your Duty and Our Right to Mitigate

Once you become aware of a **pollution incident**, you are required to make any reasonable attempt to mitigate any **loss** and to comply with all applicable laws. If, in our sole judgment, you or any insured fails to take reasonable steps to mitigate a **pollution incident** which may give rise to **loss** hereunder, we will have the right but not the duty to take such steps as we deem appropriate to mitigate the **pollution incident**. Any **cleanup costs** incurred by us will be deemed to have been incurred by the insured and will erode both the Limit of Liability and the Deductible set out in the Declarations.

D. Our Right to Approve Environmental Professionals

You, with our prior written consent and approval, have the right and duty to designate and retain qualified **environmental professional(s)** to assist with the investigation or remediation of a **pollution incident** covered hereunder. Our written consent is not required in the case of **emergency cleanup costs** resulting from a **pollution incident**, however, you are still required to select a qualified **environmental professional** to conduct any investigation or remediation on your behalf, and the rates and fees we actually pay to the **environmental professional** for their services will be limited to the rates and fees we typically pay in the ordinary course of business in investigating and remediating similar **pollution incidents** in the community where the **pollution incident** arose. Any costs or **loss** incurred by you prior to receiving our written consent and approval will not be covered under this policy or credited against the deductible, except in the case of **emergency cleanup costs** resulting from a **pollution incident**.

SECTION VII. DEFENSE AND SETTLEMENT

A. Our Right and Duty to Defend

We will have the right and duty to defend the insured against any **claim(s)** for **bodily injury, property damage or cleanup costs** to which this insurance applies, but we will have no such duty to defend any insured against any **claim(s)** to which this insurance does not apply. Upon your satisfaction of any applicable deductible, **claim expense(s)** to which this insurance applies will be paid and will reduce the applicable Limits of Liability set out in the Declarations as described in **SECTION III. LIMITS OF LIABILITY; DEDUCTIBLE**. Our duty to defend ends once the applicable Limit of Liability has been exhausted by payment of any **loss**.

B. Our Right to Select Legal Counsel

We have the right to select legal counsel to defend the insured against any **claim(s)** for **bodily injury, property damage or cleanup costs** to which this insurance applies. Where allowable by law, we may appoint one counsel to represent or defend all insureds against any **claim(s)** to which this insurance applies on a joint defense basis.

C. Your Right to Independent Counsel

When an insured is entitled by law to select, at our expense, independent counsel (e.g., Cumis Counsel) to oversee our defense of a **claim** against the insured, the attorney's fees and all other litigation expenses we will pay to the independent counsel are limited to the rates we actually pay to counsel we retain in the ordinary course of business in the defense of similar **claims** in the community where the **claim** arose or is being defended. Any insured may, at any time, by signed consent, waive their right to select an independent counsel.

Additionally, we require that such independent counsel have certain minimum qualifications with respect to their legal competency including, but not limited to, experience in defending **claims** similar to the one pending against any insured and to require independent counsel to have errors and omissions insurance coverage. The insured agrees that such counsel will respond to our request(s) for information regarding the **claim** in a timely manner and to comply with our litigation management and billing guidelines.

D. Settlement

The following paragraphs outline the rights and duties of the parties' to this policy with respect to any settlement(s) or payment(s) for **loss**:

1. Voluntary Payments

Other than **emergency cleanup costs**, no insured shall incur any **loss** or admit liability, offer to settle, or agree to any settlement in connection with any **claim** without our prior written consent. When our written consent to a settlement is requested, you must promptly provide us with all information and particulars we may reasonably request, including, but not limited to, information which an insured may deem immaterial, in order to reach an informed decision as to such consent. Any **loss** resulting from any admission of liability or agreement to settle, including any **claim expenses**, incurred prior to our consent shall not be covered hereunder.

Furthermore, with respect to **cleanup costs** to which this insurance applies, the insured must:

- a. submit, for our preapproval, all proposed work plans prior to submittal to any regulatory agency;
- b. submit, for our preapproval, all bids and contracts for **cleanup costs** prior to execution or issuance; and
- c. forward progress reports regarding **cleanup costs** to us at reasonable intervals and prior to any submittal to any regulatory agency that is authorized to review and approve such submittals.

2. Offer(s) To Settle

If we present and recommend any offer(s) made by the claimant(s) to settle a **claim** and an insured refuses to consent to such settlement and elects to contest the **claim**, our limit of liability for any **loss** related to that **claim**, including **claim expense**, will be limited to the amount of the recommended settlement, plus the costs, charges and expenses incurred as of the date of your refusal which exceed the Deductible and fall within the Limits of Liability. At such time as the insured refuses to settle a **claim**, we have the right to withdraw from the further defense thereof by tendering control of the defense to the insured.

3. Transfer of Defense Duties

If we conclude that any applicable limit of liability of this policy has been, or soon will be, exhausted by the payment of **loss**, we will so notify the **first named insured** in writing as soon as possible. In the event that there are ongoing legal proceedings with respect to any **claim(s)** against an insured, and any applicable limit of liability of this policy has been exhausted by the payment of **loss**, or if an insured has refused to consent to a settlement as outlined in Paragraph **VII. D. 2. Offers to Settle** above, we will advise you that our duty to defend has ended and that we will no longer handle the defense of any ongoing **claim(s)** or new **claims** against an insured. Thereafter, we will initiate and cooperate in the transfer of control of the defense of all **claims** to any appropriate insured. The exhaustion of any applicable limit of liability by the payment of **loss** will not be affected by our failure to comply with any of the provisions of this section, nor will we be obligated by operation of any rights or duties in this paragraph to defend or continue to defend any **claim** or pay any **loss** after any applicable limit of liability of this policy is exhausted.

SECTION VIII. EXTENDED REPORTING PERIOD

If this policy is terminated for any of the following reasons:

1. cancellation by us for any reason other than failure to pay a premium when due or fraud or material misrepresentation on the part of an insured as outlined in **SECTION IV. CONDITIONS OF INSURANCE**, Paragraph **D. Cancellation**, subparts 1. and 2.; or
2. non-renewal by us; or
3. cancellation by you;

and you have not purchased any other insurance to replace this insurance, then you are entitled to an **extended reporting period** as outlined in Paragraphs **VIII. A.** or **VIII. B.** below. The quotation by us of a different premium, or deductible, or limit of liability, or changes in policy language for the purpose of renewal, shall not constitute a refusal to renew by us. Any **extended reporting period** does not extend the **policy period** or change the scope of coverage provided, nor does it act to reinstate or increase any of the limits of liability.

A. Automatic Extended Reporting Period

Unless you opt to purchase the Supplemental Extended Reported Period as outlined below in Paragraph **B.** of this Section, an **extended reporting period** of ninety (90) days will be automatically provided to you for no additional premium. The Automatic Extended Reporting Period begins on the date the policy is terminated as outlined above in this Section and applies to **claims** first made against the insured and reported to us during the Automatic Extended Reporting Period. A **claim** first made and reported to us during the Automatic Extended Reporting Period will be deemed to have been made on the last day of the **policy period** provided the **claim** arises from a **pollution incident** that first commenced prior to the end of the **policy period** and would otherwise be covered under this policy.

B. Supplemental Extended Reporting Period (Optional)

At any time prior to or within 30 days following the date this policy is terminated as outlined above in this **SECTION VIII.**, you may elect, by notification to us in writing, to purchase a Supplemental Extended Reported Period for an additional premium of not more than 200% of the full policy premium. The available duration of said Supplemental Extended Reporting Period will be up to a maximum of thirty-six (36) months.

The Supplemental Extended Reporting Period begins on the date the policy is terminated as outlined above in this Section and applies to **claims** first made against the insured and reported to us during the Supplemental Extended Reporting Period. A **claim** first made and reported to us during the Supplemental Extended Reporting Period will be deemed to have been made on the last day of the **policy period** provided the **claim** arises from a **pollution incident** that first commenced prior to the end of the **policy period** and would otherwise be covered under this policy. At such time as the Supplemental Extended Reporting Period is purchased, the Automatic Extended Reporting Period will merge into and not be in addition to the Supplemental Extended Reporting Period.

It is a condition precedent to the operation of any of your rights under this **SECTION VIII. B.**, that you make a written request to us expressing your intent to purchase the Supplemental Extended Reporting Period within 30 days following the date this policy is terminated as outlined above, and that you pay in its entirety the additional premium when due. At the commencement of the Supplemental Extended Reporting Period the entire premium will be deemed fully earned, and, in the event that you terminate the Supplemental Extended Reporting Period for any reason prior to its natural expiration, we will not be liable to return any premium paid for the Supplemental Extended Reporting Period.

CALIFORNIA COMPLAINT NOTICE

When you receive a complaint notice from the Department of Insurance, you should immediately contact the insurance company or agent named in the notice. You should also contact the Department of Insurance if you are not satisfied with the insurance company's response or if you are unable to reach the insurance company or agent.

Navigators Specialty Insurance Company
One Penn Plaza, 32nd Floor
New York, NY 10119

Telephone Number: 1 (888) 222-2642

If you are not satisfied with the insurance company's response or if you are unable to reach the insurance company or agent, you should contact the Department of Insurance. You can contact the Department of Insurance by phone, by mail, or by email.

Consumer Services Division
California Department of Insurance
300 South Spring Street, South Tower
Los Angeles, CA 90013
www.insurance.ca.gov

Toll Free Number: (800) 927-4357 or (213) 897-8921

When you receive a complaint notice from the Department of Insurance, you should immediately contact the insurance company or agent named in the notice. You should also contact the Department of Insurance if you are not satisfied with the insurance company's response or if you are unable to reach the insurance company or agent.

You should also contact the Department of Insurance if you are not satisfied with the insurance company's response or if you are unable to reach the insurance company or agent.

PRODUCER COMPENSATION NOTICE

You can review and obtain information on The Hartford's producer compensation practices at www.TheHartford.com or at 1-800-592-5717.



Please send notification to:

Email: newloss@navg.com

Mail: Navigators Insurance
Attn: Claims Department
83 Wooster Heights Road
Danbury, CT 06810
Telephone: 855-444-4796

PLEASE SUBMIT ALL RELATED CORRESPONDENCE AND DOCUMENTATION RELATING TO THIS NOTICE

Date of Notice:

Policy Number:

202000000002

Policy Period:

From 12/2012 to 12/31/2012

To 12/21/2012 to 12/31/2012

Broker Name:
Address:
City:
State:
Zip:

Named Insured:
Name:
Address:
City:
State:
Zip:

LOSS INFORMATION

Claimant:
Name:
Address:
City:
State:
Zip:

Loss Date:

Loss Location:

Loss Description:

Internal Use Only DR

ENDORSEMENT NO. 1

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JPRIMA PROGRAM COVERAGE AMENDATORY ENDORSEMENT
(With Odor Givebacks)

It is hereby agreed as follows:

- 1. SECTION I. COVERAGE AND COVERAGE EXCLUSIONS**, Subsection **C. 1. Coverage A Exclusions**, is hereby amended by the addition of the following exclusions:

Deed Restriction / Institutional Control

- (1) any costs, charges or expenses to implement, maintain, or operate engineered barriers, deed restrictions, or other institutional controls to achieve remediation objectives for the **insured site**, including, but not limited to prohibiting the use of groundwater, restricting the site to industrial/commercial use, or installing engineering barriers or vapor control systems to the fullest extent permissible by the applicable regulatory agency to comply with **environmental laws**; or
- (2) based upon or arising out of any insured's violation of or non-compliance with any land use restriction or engineered control that exist or are to be implemented on the **insured site**.

Facility Inspections, Maintenance, Upgrades and Improvements

any costs, charges or expenses for the:

- (1) routine evaluation, inspection, maintenance, cleaning or repair of; or
- (2) maintenance, upgrade or improvement of, or installation and/or operation of any control to,

any building system, component, equipment or process on, at, under or within any **insured site**. Furthermore, this exclusion will apply even if such costs, charges or expenses are:

- (1) required by any ordinance, code, or law, including environmental law; or
- (2) the result of, or related to, **cleanup costs, emergency cleanup costs, or loss** otherwise covered under this policy.

Exclusion for Pollutants Contained Within Tanks, Pipes, Containers or Building Systems

based upon or arising out of any **pollutant(s)** in any tank, container, pipe, building system or process equipment, including any costs to repair, replace, upgrade or dispose of those tanks, containers, pipes, building systems or process equipment. However, this exclusion does not apply to any:

- (1) **claim(s)** for **bodily injury**; or
- (2) subsequent discharge, dispersal, release, seepage or escape of **pollutant(s)** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater.

Water / Wastewater Treatment

any costs, charges or expenses to test or treat water or wastewater, whether contaminated or not.

ENDORSEMENT NO. 1

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

However, this exclusion does not apply to an unexpected or unintended discharge, dispersal, release, seepage or escape of **pollutant(s)** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, from a tank, container, pipe, building system, or process equipment in your care, or your custody, or your control.

Odors

based upon or arising out of odor(s) on, at, or migrating from an **insured site**.

However, this exclusion will not apply to any **pollution incident** that migrates from an **insured site**, provided the **pollution incident** is:

- a. both unexpected and unintended from the standpoint of the insured; and
- b. discovered by you no later than fifteen (15) calendar days after it begins and is reported to us during the **policy period** in writing no later than thirty (30) calendar days following discovery.

Landfill Material

based upon or arising out of any landfill material, sludge beds or other waste located at, on, or under an **insured site**. However, this exclusion shall not apply to sludge stored temporarily on the **insured site** pursuant to regulatory requirements and the insured's Biosolids Permit(s).

Operational Non-Compliance

based upon or arising out of the intentional, willful, or deliberate failure to comply with any operational permits issued by any municipal, state, or federal government entity.

Combined Sewer Backup and Overflows

based upon or arising out of any **sewer backup(s)** associated with a combined sewer system(s) that collects both waste water as well as surface water runoff.

2. **SECTION V. POLICY DEFINITIONS** is hereby amended with the addition of the following:

Sewer backup means the escape or back-up of sewage or waste water from any sewage treatment facility, drain, sump, or fixed conduit or piping.

All other terms, conditions, and exclusions shall remain

ENDORSEMENT NO. 2

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JPRIMA PROGRAM OTHER INSURANCE AMENDATORY ENDORSEMENT

It is hereby agreed as follows:

- 1. SECTION IV. CONDITIONS OF INSURANCE**, Paragraph **L. Other Insurance**, is deleted in its entirety and replaced with the following:

L. Other Insurance

- 1. Primary Insurance**

This insurance is primary except when Paragraph **2.** below applies.

- 2. Excess of Scheduled Insurance**

This insurance shall apply excess of any applicable policy listed in the schedule at the end of this endorsement including subsequent renewals thereof (hereinafter the "Scheduled Policy") whether any such Scheduled Policy is considered primary, excess, contingent or on any other basis.

If other valid and collectible insurance, including any insurance through a Scheduled Policy, is available to the Insured for **loss** covered by this Policy, the Insured shall promptly, upon our request, provide us with copies of all such documentation.

Solely with respect to paragraph L.1. immediately above in this endorsement, when both this insurance and other insurance apply to any **claim** or **loss** on the same basis, then we will not be liable under this policy for a greater proportion of the **loss** than the lower of either (1) the Limits of Liability shown in the Declarations or (2) the amount determined by contribution amongst the policies, as follows:

- 1. Contribution by Equal Shares** - if all of the other insurance permits contribution by equal shares, we will also follow this method. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
- 2. Contribution by Limits** - if any other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

Notwithstanding the foregoing, with respect to any policy issued for a specific project or projects, including, but not limited to, any owner or contractor controlled insurance program(s), owner's protective policy, wrap-up policy or similar insurance, the insurance afforded by this policy will apply only in excess and will not contribute with such other insurance

Scheduled Policy

WaterPlus Package, Auto and/or Excess Policies including subsequent renewals of such

ENDORSEMENT NO. 2

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

2. SECTION IV. CONDITIONS OF INSURANCE is amended by the addition of the following:

Maintenance of Scheduled Policy

During the **policy period** you must maintain all Scheduled Policy(ies) with the same coverage and with underlying limits at least equal to the amounts shown in the Scheduled Policy. The underlying limits must be unimpaired at the beginning of the **policy period**. If you fail to comply with any part of this Condition we will only be liable to the extent to which we would have been liable had you complied.

All other terms, conditions, and exclusions shall remain the same.

ENDORSEMENT NO. 3

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JPRIMA PROGRAM SCHEDULE OF INSURED CONTRACT ENDORSEMENT

It is hereby agreed that for purposes of Section **I. COVERAGE AND COVERAGE EXCLUSIONS**, Subsection **D. Common Policy Exclusions Applicable to All Coverages**, Paragraph **2. Contractual Liability**, we acknowledge that the following are scheduled as **insured contract(s)** to this Policy:

Notwithstanding the foregoing, all other exclusions or conditions contained in this Policy form, including any that have been added to this Policy by endorsement, that are applicable to any **pollution incident(s)** noted in the **insured contract(s)**, still apply and are not amended, modified or limited in any way by this endorsement.

Schedule of Insured Contract(s)

any written contract or agreement associated with an easement and/or right-of-way or lease agreement regarding an **insured site**;

but only to the extent the insured assumes liability for **pollution incident(s)** that are covered by, and not otherwise excluded under this policy.

All other terms, conditions, and exclusions shall remain the same

ENDORSEMENT NO. 4

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JPRIMA PROGRAM INSURED SITE AMENDATORY ENDORSEMENT

It is hereby agreed as follows:

1. **SECTION II. WHO IS AN INSURED**, paragraph **B. Other Named Insureds**, subparagraph **3. Coverage A – Broad Insured Status for Owned Entities** is hereby deleted in its entirety and replaced with the following:

Broad Insured Status for Owned Entities

Any entity or organization in which, as of the **inception date** of this Policy, you have an ownership interest of fifty percent (50%) or more, but only with respect to their liability arising out of:

- a. your ownership, maintenance or use of an **insured site** under Coverage **A. Pollution Liability for Your Insured Site(s)**; or
- b. the activities of your business conducted beyond the boundaries of **your property(ies)** under Coverage **B. Pollution Liability for Your Off-Site Activities**.

2. **SECTION V. POLICY DEFINITIONS**, Paragraph **P. Insured site**, is deleted in its entirety and replaced with the following:

P. Insured site means the real property that:

1. is identified in the Schedule below in this endorsement; or
2. during the **policy period**, you first acquire or lease pursuant to a written agreement, provided, with respect to this subpart of **2.** of Paragraph **P.**, all of the following apply:
 - a. within sixty (60) days after the effective date of the acquisition or lease, you:
 - i. provide written notification of the acquisition or lease to us;
 - ii. submit to us the following documentation for the subject site:
 1. a completed and executed JPRIMA Pollution Supplement application;
 2. copies of any environmental due diligence conducted on your behalf or obtained by you for the subject site, including, but not limited to, any Phase I or Phase II Environmental Site Assessment(s); environmental remediation reports, or any asbestos, lead-based paint, **fungus** or indoor air quality surveys and reports;
 3. any other requested supporting information; and
 - b. after our receipt and review of the underwriting information listed above, we shall have thirty (30) days to either:
 - i. approve of the **insured site** for subsequent scheduling to this policy by endorsement, subject to any additional premium, exclusions or conditions which may apply, if any; or
 - ii. reject the subject site for coverage under this policy; and
 - c. any **claim(s)** or **loss** must result from a **pollution incident** that commences:
 - i. on or after the effective date of the acquisition or lease; and
 - ii. before the end of the ninety (90) day period immediately following the effective date of the acquisition or lease; and
 - d. no coverage is afforded for any:

ENDORSEMENT NO. 4

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- i. **claim(s)** made against you or reported to us subsequent to the ninety (90) day period immediately following the effective date of the acquisition or lease; or
- ii. **claims** or **loss** arising out of **fungus**.

Schedule of Insured Site(s) and Retroactive Date(s)

Insured site(s)	Coverage A Retroactive Date
The real property that is listed in the statement of values in the renewal submission on file with us including all associated infrastructure piping; water or sewer pump stations; sewer lift stations or potable water tank locations.	07/01/2019

- 5. Nothing in this endorsement shall operate or be construed to increase any of our limits of liability under this Policy

All other terms, conditions, and exclusions shall remain the same.

ENDORSEMENT NO. 5

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ABSOLUTE PERFLUOROALKYL SUBSTANCES, POLYFLUOROALKYL SUBSTANCES (PFOA, PFAS, GENX)
AND AQUEOUS FILM-FORMING FOAM EXCLUSION ENDORSEMENT**

It is hereby agreed that **SECTION I. COVERAGES AND COVERAGE EXCLUSIONS**, subsection **D. Common Policy Exclusions Applicable to All Coverages**, is amended by the addition of the following exclusion:

Perfluoroalkyl Substances, Polyfluoroalkyl Substances (PFASs, PFOAs, GenX) and Aqueous Film-Forming Foam (AFFF)

based upon or arising out of any **claim** seeking or alleging relief, remedy or recovery of any kind or description or damages arising out of, relating to, directly or indirectly resulting from, in consequence of, attributable to, or in any way involving, whether via any delivery method, whether by direct or passive exposure, or whether intentional or unintentional, the following:

- a. The actual or alleged exposure to, discharge of, release of, escape of, use of, misuse of, distribution of, diversion of, risks of, and/or absorption of any perfluoroalkyl substances, polyfluoroalkyl substances (PFASs, PFOAs, GenX), perfluoroalkyl-containing materials, polyfluoroalkyl-containing materials and aqueous film-forming foam (AFFF) of any type, nature, or kind, including any derivatives or degradation by-products thereof;
- b. The absence, failure or inadequacy of any control required by any regulation, statute, ordinance, law, legislation, judicial or other legal act of any nation, state, province, municipality or other governmental division or subdivision to prevent or report suspicious behavior related to the actual or alleged exposure to, discharge of, release of, escape of, use of, misuse of, distribution of, diversion of, risks of, and/or absorption of including all derivatives or all degradation by-products thereof, referenced in a. above;
- c. The absence, failure or inadequacy of any recordkeeping controls, practices or procedures related to the actual or alleged use of, discharge of, release of, escape of, misuse of, distribution of, diversion of, risks of, and/or absorption of, including all derivatives or all degradation by-products thereof, referenced in a. above;
- d. The failure to warn or inadequacy or absence of any warnings, labels or instructions related to the actual or alleged use of, discharge of, release of, escape of, misuse of, distribution of, diversion of, risks of, and/or absorption of, including all derivatives or all degradation by-products thereof, referenced in a. above;
- e. Advertisements, warranties, representations, misrepresentations, literature, marketing or informational materials related to any perfluoroalkyl or polyfluoroalkyl substances (PFASs, PFOAs, GenX), including all derivatives or all degradation by-products thereof, referenced in a. above; or

ENDORSEMENT NO. 5

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- f. The absence, failure or inadequacy of any controls, practices or procedures related to the marketing, sale, storage, inventory, safeguarding, distribution, or diversion of any substances or materials), including all derivatives or all degradation by-products thereof, referenced in a. above.

All other terms, conditions, and exclusions shall remain the same.

ENDORSEMENT NO. 6

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE(S) A & B FUNGUS/LEGIONELLA SUBLIMITS ENDORSEMENT

Solely with respect to coverage for **fungus** or legionella pneumophila, it is hereby agreed as follows:

1. Item 3. LIMIT OF LIABILITY, DEDUCTIBLE of the Declarations is amended with the addition of the following:

Coverage(s)	Fungus/Legionella Each Incident Limit	Fungus/Legionella Coverage Section Aggregate Limit
• Fungus/Legionella	\$50,000	\$50,000
• Fungus/Legionella	\$0.00	\$0.00

2. **SECTION III. LIMITS OF LIABILITY; DEDUCTIBLE** is amended by the addition of the following paragraph:

Fungus / Legionella Each Incident Sublimit

Subject to Paragraphs **B.**, **C.** and **D.** of **SECTION III. LIMITS OF LIABILITY; DEDUCTIBLE**, the most we will pay under this policy for all **loss** arising in whole or in part out of **fungus** or legionella pneumophila is the Fungus/Legionella Each Incident Limit and Fungus/Legionella Coverage Section Aggregate Limit shown in Item 3. of the Declarations, regardless of the number of **claims**, persons or organizations making **claims**, insureds or **pollution incidents**.

3. Solely with respect to Fungus/Legionella Coverage Limits provided above in Item 1. of this Endorsement that are listed as \$0.00, it is hereby agreed that **SECTION V. POLICY DEFINITIONS**, paragraphs **X. Pollutant** and **Y. Pollution incidents** are deleted in their entirety and replaced with the following:

X. Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, petroleum hydrocarbons, methamphetamines, low level radioactive materials, electromagnetic fields, and waste. Waste includes but is not limited to medical, infectious, and pathological wastes. **Pollutant** does not include **fungus** or legionella pneumophila.

Y. Pollution incident means:

1. the discharge, dispersal, release, seepage or escape of any **pollutant** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater;
2. the discharge, dispersal, release, seepage or escape of any **pollutant** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, that results directly from a **cyber attack**;

ENDORSEMENT NO. 6

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

3. the discharge, dispersal, release, seepage or escape of silt or sediment beyond the legal boundaries of a **jobsite** or **insured site**; or
4. the illicit abandonment of any **pollutant** by a third party without your knowledge at an **insured site** or **jobsite** at which you perform **your work**.

Pollution incident does not include any **pollutant** that does not exceed the amount or concentration naturally present in the environment.

All other terms, conditions, and exclusions shall remain the same.

ENDORSEMENT NO. 7

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENVIRONMENTAL CRISIS MANAGEMENT ENDORSEMENT

Solely with respect to the coverage afforded by this endorsement, it is hereby agreed as follows:

1. Item 3. LIMIT OF LIABILITY, DEDUCTIBLE of the Declarations is amended with the addition of the following:

Coverage	Crisis Management Fees Each Event Deductible (\$)	Crisis Management Fees Limit
Environmental Crisis Management	\$0 Each Event	\$250,000 Each Event \$250,000 Total of All Events

2. **SECTION I. COVERAGES AND COVERAGE EXCLUSIONS** is amended by the addition of the following coverage part:

Environmental Crisis Management

We will pay those **crisis management fees** incurred by you as a direct result of a **crisis management event** to which this insurance applies, but only if the **crisis management event**:

- a. first commences during the **policy period**;
- b. relates to a **pollution incident**, and any resulting **bodily injury, property damage, or cleanup costs**, that are otherwise covered by, and not excluded under, this policy; and
- c. is discovered by you and reported in writing to us during the **policy period**.

The knowledge of a **crisis management event** by a **responsible insured** constitutes discovery on your part. Furthermore, the **pollution incident** to which this coverage applies must be unknown to any **responsible insured** as of the **inception date** of this policy, or the effective date of any policy issued to you by us to which this policy is a renewal, but only if the prior policy(ies) also included coverage for **crisis management fees**.

3. **SECTION III. LIMITS OF LIABILITY; DEDUCTIBLE** is amended by the addition of the following paragraph:

Environmental Crisis Management Event Sublimit

All public announcements or accusations, and all **crisis management fees**, based upon or arising out of any same, related or continuous **pollution incident(s)**, including a repeat or resumption of a previous **pollution incident**, will be treated as a single **crisis management event**.

Subject to Paragraphs **B., C., D.** and **F.** of **SECTION III. LIMITS OF LIABILITY; DEDUCTIBLE**, the most we will pay under this policy for all **crisis management fees** is the Crisis Management Fees Each Event Limit / Crisis Management Fees Total of All Events Limits shown in Item 3. Of the Declarations, regardless of the number of public announcements or accusations.

4. **SECTION V. POLICY DEFINITIONS**, Paragraph **R. Loss** is amended by the addition of the following:

Loss includes any **crisis management fees** to which this insurance applies.

5. **SECTION V. POLICY DEFINITIONS**, is amended by the addition of the following definitions:

Crisis management consultant means a professional firm or consultant that provides crisis management services which has been approved in writing by us, the approval for which shall not be unreasonably withheld.

Crisis management event means the public announcement or accusation by a third party that you caused a **pollution incident**:

1. resulting in **bodily injury** involving multiple third parties;
2. resulting in **property damage** to, or **cleanup costs** at, real properties owned by multiple third parties; or
3. that presents an imminent and substantial danger to human health or the environment.

Crisis management fees mean those reasonable and necessary fees and expenses:

1. incurred by you during the period beginning on the date the **crisis management event** is discovered and ending ninety (90) days thereafter; and
2. for services provided to you by a **crisis management consultant** for the sole purpose of assisting you with:
 - a. managing the media in direct response to a **crisis management event** to which this insurance applies; or
 - b. minimizing the economic harm to you caused by a **crisis management event** to which this insurance applies by consulting you with respect to maintaining and restoring your public image or reputation.

The insured must take reasonable steps to minimize **crisis management fees**.

All other terms, conditions, and exclusions shall remain the same.

ENDORSEMENT NO. 8

Effective 12:01 AM Std Time: 3/1/2020

Issued to: Valley Sanitary District

Policy Number: CH20ESPJP0002IC

Company: Navigators Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FULL TERRORISM EXCLUSION (INCLUDING CERTIFIED ACT OF TERRORISM) ENDORSEMENT

It is hereby agreed as follows:

- SECTION I. COVERAGES AND COVERAGE EXCLUSIONS**, subsection **D. Common Policy Exclusions Applicable to All Coverages**, is amended by the addition of the following exclusion:

Terrorism

based upon or arising, directly or indirectly, out of any act of terrorism, including, but not limited to, a **certified act of terrorism**, regardless of any other cause or event that contributes concurrently or in any sequence to the **claim or loss**.

- SECTION V. POLICY DEFINITIONS**, is amended by the addition of the following definitions:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a **certified act of terrorism** include the following:

- The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

All other terms, conditions, and exclusions shall remain the same.

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**Valley Sanitary District
Board of Directors Meeting
April 14, 2020**

TO: Board of Directors
THROUGH: Beverli A. Marshall, General Manager
FROM: Ian Wilson, Chief Plant Operator
SUBJECT: **Authorize the Purchase of a 25HP Floating Brush Aerator from ECS House Industries in an Amount Not to Exceed \$38,670**

<input checked="" type="checkbox"/> Board Action	<input checked="" type="checkbox"/> New Budget Approval	<input type="checkbox"/> Contract Award
<input type="checkbox"/> Board Information	<input type="checkbox"/> Existing FY Approved Budget	<input type="checkbox"/> Closed Session

Executive Summary

The purpose of this report is for the Board to discuss the need to purchase one aerator now instead of waiting until Fiscal Year 2020/21.

Strategic Plan Compliance

This item complies with VSD Strategic Plan Objective 3.2: Increase use of technology to lower costs and improve reliability.

Fiscal Impact

Two replacement aerators for Pond II are budgeted in FY2020/21.

Background

Staff requests that the Board authorize the purchase of one aerator to the current fiscal year budget due to the long lead time to receive the aerator (typically 2-3 months). By placing this order in April, staff expects to receive the aerator in June. This is a sole source procurement of aerators from ECS House Industries due to the severity of breakdowns of S&N Airoflo in the aeration ponds. In the future, the District will purchase similar aerators from the same manufacturer, which will allow for the exchange and salvage of spare parts.

Recommendation

Staff recommends that the Board of Directors authorize the General Manager to purchase one 25 horsepower Floating Brush Aerator Model #SDB162TA5253250 from ECS House Industries for a total cost of \$38,670.00 (including tax and delivery).

Attachments

Attachment A: 25 HP Floating Brush Aerator Proposal – ECS House Industries



ECS
**House
Industries**
INCORPORATED

www.houseindustriesinc.com Cherry Valley, Arkansas

25HP, MODEL SDB162TA5253250
FLOATING BRUSH AERATOR QUOTATION





ECS
House
Industries
INCORPORATED

www.houseindustriesinc.com Cherry Valley, Arkansas

To: Ryan Williams
Maintenance Supervisor
45-500 Van Buren
Indio, California 92201

From: Chad House
ECS House Industries, Inc.
3720 Highway 1 South
Cherry Valley, Arkansas 72324

For: Valley Sanitation District
45500 Van Buren Street
Indio, California 92201

REF: JCH-007-08082019

Date: February 21, 2020

ECS House Industries, Inc., represented by JBI Water & Wastewater, would like to offer the following Floating Brush Aeration Equipment.

ECS House Industries' Floating Brush Aerators provide effective and efficient wastewater treatment through superior oxygen transfer and mixing rates. The ECS House Industries' Floating Brush Aerators have a Standard Aeration Efficiency of 3.0 lbs.O₂/hp/hr and mixing rates over 3,500 gpm/hp. The oxygen transfer and mixing rates described above are 25% to 40% better than other styles of surface aeration systems.

The House Brush Rotor design has been utilized in wastewater treatment plants for over 30 years, and has proven to be the industry leader in Floating Brush Aerator Technology. We appreciate the opportunity to bid our equipment for this project. Below is our scope of equipment for this project:

One (1) 25HP ECS House Industries Floating Brush Aerators:

25hp, TGIC Powder Coated & 304L Stainless Steel, Floating Brush Aerator include:

Aerator Rotor Assembly, Aerator Main Frame, Drive Enclosure, and *Mooring System are made out of TGIC Powder Coated, ASTM A36 Steel.

Splash Shield Protection System, Grip Strut & Handrails, Foam Filled Floats, Floatation Band Attachments, Non-Drive End Bearing Cover, Electric Motor Cover are made out of 304L Stainless Steel.

Drive End and Non Drive End Shafts will be made out of 316L stainless steel.

*Further detailed build characteristics and materials details are in the aerator specifications.

*Mooring system will include two (2) 18' parallel mooring arms, one (1) cross-brace assembly, and two (2) shore mount anchors.

*Further detailed build characteristics and materials details are in the aerator specifications and specification review. ECS House Industries, Inc. Floating Brush Aerators meet specifications detailed by Valley Sanitation District.

Process Performance & Aerator Operations:

- Each ECS House Industries, Inc. Floating Brush Aerator shall produce 67.5 lbs.02/hr (based on clean water transfer rates)
- ECS House Industries, Inc. Floating Brush Aerators shall produce a minimum pumping rate of 3,500 gpm/hp

Delivery:

- ECS House Industries, Inc. can guarantee delivery 30-50 days after receipt of approved purchase order agreement

Start-Up & Training Procedures:

ECS House Industries, Inc Representative will complete a startup/warranty certification that will help train plant personnel how to properly maintain the Floating Brush Aerators. The startup will include the following:

- Proper oil changing procedure & oil change frequency
- Proper grease lubrication procedures & lubrication frequencies
- Paraflex Coupler alignment & replacement
- Drive & Non-Drive End Bearing replacement
- Review Aerator set-up & trouble shooting guide
- Visual aerator inspection: seal surfaces, bearings, & shafts
- Rotor & blade depth adjustment

- After aerator start-up, the Contractor/Representative/or Owner will check the Floating Brush Aerators for proper rotor assembly rotation, and the amperage draw of each electric motor. Each electric motor shall operate at a 90% load based on the nameplate data.
- If any rotor assembly adjustments are necessary to improve the amperage draw and aerator performance, then this adjustment shall be performed in strict accordance to “Aerator Set-Up & Trouble Shooting Guide” provided by ECS House Industries, Inc.
- After Floating Brush Aerators are operating properly, ECS House Industries shall provide documentation reports to the Contractor and Operator certifying the Floating Brush Aerators are operating properly.
- Online Webinars are available to further assist in any start-up and/or training.

Warranty:

ECS House Industries, Inc. will provide a two-year warranty on defects in materials and workmanship. This warranty will cover aerators parts, components, and assemblies manufactured by ECS House Industries, Inc.

Project Total:

One (1) 25hp, ECS House Industries, Inc. Floating Brush Aerators, Model #SDB162TA5253250

Built per Scope of Equipment (each)	\$34,920.00
*Freight to Indio, California	\$ 2,800.00
*Start-up & Warranty Certification	\$ 950.00

Final Project Total: \$38,670.00

***Pricing DOES include state and/or local taxes**

If you have any further questions and/or comments, then please contact me for assistance.
Thank you for the opportunity to become your Wastewater Treatment partner.

Prepared By:

Chad House
CEO, ECS House Industries, Inc.

(870) 588-3773 Office
(870) 588-4669 Fax
(870) 945-0880 Cell

chad@houseindustriesinc.com
www.houseindustriesinc.com



April 3, 2020

via electronic mail

2020 BALLOT INSTRUCTIONS FOR SPECIAL DISTRICT MEMBER (EASTERN RIVERSIDE) AND AN ALTERNATE SPECIAL DISTRICT MEMBER (RIVERSIDE COUNTY) OF THE RIVERSIDE LOCAL AGENCY FORMATION COMMISSION

To Special District Selection Committee Members:

Please read these instructions carefully before completing your ballot. As previously announced, a physical meeting of the Special District Selection Committee (SDSC) is not feasible at this time, therefore, the selection proceedings are being conducted by electronic mail or regular USPS mail. A nomination period for the position in the title above was opened Wednesday, March 4, 2020 and closed at 5:00 p.m. on Friday, April 3, 2020.

Enclosed you will find your ballot.

LAFCO Regular Special District Member – Eastern County: A total of three (3) nominations were received for this position. Candidates were restricted to the eastern area of the County.

LAFCO Alternate Special District Member – Riverside County: A total of seven (7) nominations were received for the alternate position.

All members of the SDSC may cast a ballot for both a regular member and an alternate.

Pursuant to procedures adopted by the Selection Committee in 2016, the election for the LAFCO regular and alternate positions will be conducted using Instant Runoff Voting (IRV). IRV eliminates the requirement for the expensive and lengthy process of sending out a second runoff ballot to achieve a majority. An example demonstrating how IRV works is attached.

Please fill out your ballot by ranking each nominee in the order of preference, using "1" for your first choice, "2" for your second choice and so on. Please note ranking more than one candidate will not work against your first choice candidate, however, voting for only one candidate is allowed. Do not mark the same number beside more than one candidate and do not skip numbers.

General Instructions and Information:

- Completed ballots must be delivered via electronic mail to rholtzclaw@lafco.org, or by regular mail to the LAFCO office at 6216 Brockton Avenue, Suite 111-B, Riverside CA 92506 **no later than 5:00 p.m. on Sunday, May 3, 2020.**
- Only the presiding officer or another board member authorized by your board of directors to vote may cast the ballot. Board members designated by their district board to vote in place of the presiding officer must provide that authorization (in the form of a resolution or minute order) to LAFCO no later than the time the ballot is cast. District managers or other staff members may not vote.
- The voting member must print his or her name on the ballot as well as sign and date the certification indicating he or she is authorized to vote for the district.
- We must receive a ballot with an original signature. However, if you deliver your ballot via electronic mail, you may return a scanned copy of the signed ballot by email to rholtzclaw@lafco.org.
- Failure to follow these instructions will invalidate the ballot.

Finally, these positions ensure special districts are appropriately represented on our local boards. Appointments are only valid if ballots representing a quorum, from 29 of our 56 independent special districts, are returned. Please return your ballots in a timely manner.

If you have any questions, please contact our office at 951 369-0631.

Sincerely,



Gary Thompson
Executive Officer

SPECIAL DISTRICT SELECTION COMMITTEE 2020 BALLOT

Name of District: _____
Print District Name Here (required)

Certification of voting member:

I, _____ hereby certify that I am (check one):
Print Name Here (required)

- the presiding officer of the above-named district.
- a member of the board of the above-named district authorized by the board to vote in place of the presiding officer. [Authorization previously transmitted attached]

Signature (required) _____
Date (required)

Ballot must be received by 5:00 p.m., Monday, May 3, 2020. Email to rholtzclaw@lafco.org.
If mailing: LAFCO, 6216 Brockton Avenue, Suite 111-B, Riverside, CA 92506 – deadline still applies.

Regular Special District Member of the Local Agency Formation Commission – *Eastern Riverside County* (Term running May 6, 2020 through May 6, 2024)

Please rank the candidates in preferential order, “1” being the first preference, “2” being the second, etc.:

	Circle rank for each candidate		
Nancy Wright, Mission Springs Water District	1	2	3
Debra Canero, Valley Sanitary District	1	2	3
Karen Borja, Desert Healthcare District	1	2	3

Alternate Special District Member of the Local Agency Formation Commission – *Riverside County* (Term running May 6, 2020 through May 6, 2024)

Please rank the candidates in preferential order, “1” being the first preference, “2” being the second, etc.:

	Circle rank for each candidate						
Arthur Shorr, Desert Healthcare District	1	2	3	4	5	6	7
Dale Qualm, Temecula Public Cemetery District	1	2	3	4	5	6	7
Scott Sear, Valley Sanitary District	1	2	3	4	5	6	7
Steve A. Pastor, Lake Hemet Municipal Water District	1	2	3	4	5	6	7
Robert Stockton, Western Municipal Water District	1	2	3	4	5	6	7
Danny J. Martin, Rancho California Water District	1	2	3	4	5	6	7
Karen Alexander, Northwest Mosquito & Vector Control	1	2	3	4	5	6	7

INSTANT RUNOFF VOTING (IRV) ELECTION PROCESS

Introduction

In 2016, the Special District Selection Committee voted to utilize instant runoff voting (IRV) for all future elections to appoint members to the Riverside Local Agency Formation Commission (LAFCO). IRV is a method of conducting elections with three or more candidates whereby a majority determines the winner without the need to have a second ballot/runoff proceeding. A separate runoff election could cause a delay of more than 90 days, as well as causing LAFCO additional expense. The explanation below and example that follows illustrates how the instant runoff voting method will be used for determining the winner in a fictional election for the Porcupine Lodge Board of Directors. A process similar to the one explained below will be utilized to determine the LAFCO Special District Member.

Ballot Specifications and Directions to Voters

The ballot will allow a voter to rank candidates in order of preference. All nominated candidates are listed on the ballot. Voters will vote for candidates by indicating their first-choice candidate, their second-choice candidate and so on. The voter will indicate his/her first choice by marking or circling the number "1" beside a candidate's name, the second choice by marking or circling the number "2" by that candidate's name, the third choice by marking the number "3," and so on, for as many choices as the voter wishes. Voters are free to rank only one candidate, however, doing so does not offer any additional advantage to that candidate, as ranking additional candidates cannot help defeat a voter's first-choice candidate. Voters must not mark the same number beside more than one candidate or skip rank numbers.

Ballot Counting

The ballots cast will be tabulated and the result declared by the official responsible for conducting the election. Votes will be counted for each candidate using the following procedure:

- The first choice marked on each ballot shall be counted. If any candidate receives a majority of the first choices, that candidate shall be declared elected.
- A majority is a number of votes greater than half of the total number of ballots received.
- If no candidate receives a majority of first choices, the candidate who received the fewest first choices shall be eliminated and each vote cast for that candidate shall be transferred to the next-ranked candidate on that voter's ballot. If, after this transfer of votes, any candidate has a number of votes constituting a majority, that candidate shall be declared elected.

- If no candidate receives a majority of votes from the continuing ballots after a candidate has been eliminated and his/her votes have been transferred to the next-ranked candidate, the continuing candidate with the fewest votes from the continuing ballots shall be eliminated. All votes cast for that candidate shall be transferred to the next-ranked continuing candidate on each voter's ballot. This process of eliminating candidates and transferring their votes to the next-ranked continuing candidates shall be repeated until a candidate receives a majority of the votes from the continuing ballots. This candidate shall be declared elected.

Example:

Three candidates are running for the Porcupine Lodge Board of Directors: Paul Alto, Mort Bragg and Samantha Cruz.

60 ballots are cast, therefore a candidate needs a majority of 31 votes to win the election:

- Alto is ranked #1 by 15 voters
- Bragg is ranked #1 by 25 voters
- Cruz is ranked #1 by 20 voters

In the first round no one receives the required majority of 31 votes.

Alto, as the candidate receiving the fewest first choice (#1) votes, is eliminated. Those 15 ballots that had Alto ranked as their first choice are reviewed for their second (#2) choice. On those 15 ballots:

- Bragg is ranked #2 on 9 of those 15 ballots
- Cruz is ranked #2 on 4 of the 15 ballots.
- Two of the ballots did not pick a second choice candidate.

These second choice votes are added to the results of the first choice count as follows:

- Bragg has 25 plus 9 for a total of 34 votes
- Cruz has 20 plus 4 for a total of 24 votes

Thus, Bragg wins with 34 votes (the required majority was 31) and Cruz is second with 24 votes.

https://www.rankedchoicevoting.org/single_seat

STAFF NOTES

April 9, 2020

ADMINISTRATION & FINANCE

- Proposition 218 postcards have been received by customers. The Proposition 218 notice has been posted on the website in both English and Spanish. The District has received three protest letters and one protest through the website to date.
- Continuing to work with Caselle to upgrade permitting and accounting software.

DEVELOPMENT SERVICES

- Staff is currently reviewing the Preliminary Design Report for a new sewer siphon at Westward Ho Drive (this is the FEMA funded project to replace the damaged sewer siphon from the February 2019 storm). Technical memos on the geotechnical analysis, scour analysis, and trenchless feasibility study have been reviewed by staff and final versions have been submitted.
- Staff is continuing to work with Harris and Associates on the Collections System Rehabilitation and Maintenance project. Currently, Harris is working on putting together bid documents for the CCTV inspection of sewer mains that need special requirements or technology. Harris has provided a preliminary draft of the front-end bid documents which staff has reviewed and returned to Harris for revision. Harris has also developed a first project to begin the rehabilitation portion of the program which staff has also reviewed and submitted revisions. Harris is currently preparing final project documents which are expected by May 2020. This project has been slowed due to the Covid-19 virus.
- Staff is working on implementing an asset management system for the treatment plant using Lucity web software. The installation of the new Lucity Web server was completed by Southwest Networks and Lucity. VSD is currently working on building out the Lucity Web system with the help of a Lucity implementor. Staff training has been postponed due to the current alternating shifts that have been implemented due to the Covid-19 virus. Staff is pursuing the installation of Lucity Mobile and plant wide WiFi which will allow access of the asset management system from a mobile device anywhere in the plant facility.

- VSD has received two qualifications-based proposals for owner's representative and architectural services for the design and construction of a new two-story training/office building. Staff is reviewing them in order to determine the most qualified firm. Since partial design is included in the current budget, staff would like to proceed with this initial design phase to formulate a building plan and determine some initial construction cost. Construction of the new building has been put on hold a few years or until funding comes available.
- Field Vector crew is currently working in the area of Requa and Sungold.
- CCTV Inspection work is currently suspended.

OPERATIONS

- Plant tours were conducted for Our Lady of Perpetual Help 4th and 6th grade classes.
- Operations and maintenance staff removed, repaired, and reinstalled the broken air header for the aerated grit tank.
- Operations and maintenance staff replaced grit hopper isolation valves at the aerated grit tank.
- Collections, operations, and maintenance staff worked together to unclog both grit hoppers at the aerated grit tank.
- Operations staff put primary clarifier #3 into service and took primary clarifier #4 out of service to perform annual inspection and maintenance.
- Operations staff took extended aeration #4 out of service and put anoxic selector #4 into service.



VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

7-Apr-20

Plan Check in Progress
Inspection in Progress
New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
7-Eleven Golf Center	Intersection of Golf Center/Avenue 45, address TBD	Civil plans submitted for new 7-Eleven store. Completed 1st plan check and returned to the engineer 12/4/19. Completed 2nd plan check and returned to applicant via email 3/25/20.	Perform 3rd plan check upon plan resubmittal.
A&J Nails TI	82151 Avenue 42, Ste 108	Plans submitted for TI of existing nail salon.	In Queue
Accessory Dwelling Unit - 81069 Carefree Drive	81069 Carefree Drive	Plans submitted for accessory dwelling unit. Plans approved and returned to the City 3/5/19.	Waiting for owner to process permit paperwork.
Animal Samaritans - TI	42150 Jackson Street, Ste's 104-106	Plans submitted for building TI. Plans approved and returned to the applicant 2/4/2020. Issued permit 3874 on 2/28/2020.	Inspect work improvements as scheduled.
Arbys Restaurant TI	82111 Avenue 42/Monroe Street	Plans submitted for TI of existing shell building	In Queue
Bel Cielo - Tr 32425	West of Clinton South of Ave 44	Model homes. No plan check is required. Permit and Inspection fees need to be paid. Issued permit 3840 on 9/13/19.	Inspect work improvements as scheduled.
Buzzbox	42625 Jackson Street #112	Plans submitted existing building TI. Completed 1st plan check and returned to the City 2/22/19.	Perform 2nd plan check upon plan resubmittal.
Cardenas Single Family Dwelling (SFD)	82266 Stallone Drive	Plans submitted for new SFD.	In Queue
Chavez Tenant Improvement	45330 Jackson St/Civic Center	Plans submitted for TI of existing building. Demolition of interior walls and facilities. Completed 4th plan check and returned to the City 6/25/18. Issued permit 3755 on 7/9/18.	Inspect work improvements as scheduled.
Chipotle Mexican Grill TI	42213 Jackson Street, Suite 106	Plans submitted for TI of existing shell building	In Queue
Citadel RV Storage-Phase 1	83667 Dr. Carreon Blvd/Calhoun Street	Plans submitted for construction of new RV storage facility. Plans approved and returned to the applicant 3/17/2020.	Waiting for owner to process permit paperwork.
Commercial Building for Abel Lupian	45105 Commerce Street	Plans submitted for new commercial building.	In Queue
Donuts Bistro	82151 Avenue 42, Ste 104	Plans submitted for construction of new restaurant. Plans approved and returned to the City 8/28/19.	Waiting for owner to process permit paperwork.
Dunn Edwards Paint Store	81921 Hwy 111/Las Palmas	Plans submitted for new retail building. Completed 2nd plan check and returned to applicant 12/13/19.	Perform 3rd plan check upon plan resubmittal.
East County Detention Center - Phase 1 Demolition. Phase 2 - Detention Center Design and Construction	Hwy 111 & Oasis	Received demolition plans on 9/16/13. Returned to consultant. Received conformed set of demolition plans on 12/5/13. Jail Expansion plans have been reviewed for 2nd plan check and returned on 10/1/14. Completed 4th plan check 11/07/2014, Art requested VSD not send 4th plan check back until he coordinates with the civil engineer. Plan Check is complete. Permit Fees paid 7/13/15. Issued permit 3510 on 7/23/15. Project scheduled to be complete by March 31st, 2020.	Inspect work improvements as scheduled.
El Destino Nightclub - TI	83085 Indio Boulevard/Civic Cnter Mall	Plans submitted for existing building TI 11/30/2015. Plans approved and returned to the City 3/22/16. Issued permit 3577 on 5/24/16. Issued permit 3596 on 8/3/16.	Inspect work improvements as scheduled.
EOS Fitness Ave 42 Gym	SWC of Spectrum Street & Avenue 42	Plans submitted for construction of new gym facility. Completed 2nd plan check and returned to the City 11/13/19.	Perform 3rd plan check upon plan resubmittal.
EOS Fitness Hwy 111	Highway/Jefferson Street	Plans submitted for construction of new gym facility. Completed 2nd plan check and returned to the City 11/13/19.	Perform 3rd plan check upon plan resubmittal.
EOS Fitness Public Sewer Extension	SWC of Spectrum Street & Avenue 42	Civil plans submitted for sewer extension in Spectrum Street. Completed 1st plan check and returned plans to the engineer 5/2/19. Completed 2nd plan check and returned to the engineer 5/15/19. Plans approved and returned to the engineer 6/3/19.	Waiting on developer bonds for sewer agreement.
Gallery at Indian Springs	Jefferson St/Westward Ho Drive	Civil plans submitted for plan check. Completed 1st plan check and returned to the Engineer 1/10/18. Completed 2nd plan check and returned to the Engineer 1/25/18. Plans approved 1/31/18.	Inspect work improvements as scheduled.
Gallery Homes Tract -Indian Palms	Monroe & Avenue 50	Gallery Homes has recently purchased the 106 lots. Staff has inspected the site and prepared a list of improvements that need to be made prior to issuing connection permits. Plans submitted for home plans. Reviewed 1st plan check and returned back to the city on 6/4/2014. 2nd plan check returned to city 7/7/14. Model plans approved and returned to the City 8/22/14. New homes currently under construction.	Inspect work improvements as scheduled.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Gallery Links - 3	Indian Palms Country Club - Monroe/Avenue 48	Plans submitted for installation of 5 sewer laterals for new SFD	In Queue
George Fregoso SFD	46600 Padua Circle	Plans submitted for new SFD. Completed 1st plan check and returned to the applicant 9/9/19.	Perform 2nd plan check upon plan resubmittal.
Golden Corral Restaurant	Atlantic Ave/Caspian near Ave 42 and Jackson	Plans submitted for new restaurant building. Completed 1st plan check and returned to the applicant 2/7/20.	Perform 2nd plan check upon plan resubmittal.
Habitat for Humanity SFD	43655 Towne Street	Received plans for the construction of a new home on vacant lot. Plans approved and returned to the applicant 3/11/20.	Waiting for owner to process permit paperwork.
Habitat for Humanity SFD	43689 Arabia Street	Received plans for the construction of a new home on vacant lot. Plans approved and returned to the applicant 3/11/20.	Waiting for owner to process permit paperwork.
Hampton Inn	TBD - Spectrum St/Atlantic Ave	Plans submitted for new 93 room, 4 story hotel. Completed 1st plan check and returned to the City. Plans approved and returned to the City 8/30/18. Issued permit 3776 on 10/12/18.	Inspect work improvements as scheduled.
Hampton Inn Sewer Main Extension	North West Corner of Spectrum St and Atlantic Ave	Plans submitted for the extension of a public sewer main for Hampton Inn at Atlantic Ave. Plan check fees paid 7/11/18. Completed 2nd plan check and returned plans to the engineer 8/9/18. Plans approved and returned to engineer 8/27/18.	Inspect work improvements as scheduled.
Indian Water RV Community Bldg.	47202 Jackson Street	Plans submitted for new community building. Completed 1st plan check and returned to applicant. 9/25/19. Issued permit 3873 on 2/26/2020.	Inspect work improvements as scheduled.
Indio Behavioral Health Hospital	81655 JFK Court	Civil plans submitted for new mental health facility. Completed 1st plan check and returned to the engineer 12/2/19.	Perform 2nd plan check upon plan resubmittal.
Indio Palms Sewer Main Extension	South East Corner of Avenue 42 and Monroe St	Plans submitted for the extension of a private sewer main for Indio Palms at Spectrum Street. Plan check fees paid 2/1/18. Completed 1st plan check and Plans submitted existing building TI. Plans approved and returned to the City 4/29/19. Issued permit 3829 on 7/26/19.	Waiting on developer to record sewer agreement.
Jackson Street Liquor Store	44350 Jackson Street/Ruby Avenue	Plans submitted new apartment complex. Completed 1st plan check and returned to the City 2/27/19.	Inspect work improvements as scheduled.
John Nobles Apartments	TBD - Rubidoux Street/John Nobles Ave	Plans submitted for new building additions. Completed 1st plan check and returned to the applicant 11/6/19. Plans approved check and returned to the applicant 2/3/2020. Issued permit 3875 on 2/28/2020.	Perform 2nd plan check upon plan resubmittal.
Kennedy School Bldg Additions	45100 Clinton Street	Plans submitted for construction of new building for theater. Completed 2nd plan check and returned to the City 10/16/19.	Inspect work improvements as scheduled.
Maya Cinemas	82900 Avenue 42/Jackson Street	Plans submitted for an office addition, Returned 1st plan check back to City on 1/21/2014. Received 2nd submittal 3/13/2014. 2nd plan check completed and returned to the city on 3/31/2014. Received 3rd submittal 4/21/14. Reviewed, approved and returned plans back to the city on 5/15/2014. Issued permit 3518 on 8/4/15. Permit expired with the City.	Perform 3rd plan check upon plan resubmittal.
Mex-American Tax Services	44250 Monroe St./South of Indio Blvd	Plans submitted for casita addition and storage building. Plans approved and returned to the City 5/9/19. Issued permit 3849 on 10/29/19.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 145	Plans submitted for casita addition and storage building. Plans approved and returned to the City 5/8/19. Issued permit 3814 on 5/8/19.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 225	Plans submitted for casita addition and storage building. Plans approved and returned to the City 5/9/19. Issued permit 3848 on 10/29/19.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 320	Plans submitted for casita addition and storage building. Plans approved and returned to the applicant 12/17/19. Issued permit 3863 on 12/30/19.	Inspect work improvements as scheduled.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 321	Plans submitted for TI of existing suite. Completed 1st plan check and returned to the City 7/1/19.	Perform 2nd plan check upon plan resubmittal.
Nargizyan Dental Group TI	81637 Highway 111, Suite 1-B	Plans submitted for shade structure with outdoor kitchen. Plans approved and returned to the City 5/15/18.	Waiting for owner to process permit paperwork.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 245	Plans submitted for casita addition and storage building. Plans approved and returned to the applicant 10/29/19. Issued permit 3850 on 10/29/19.	Inspect work improvements as scheduled.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 258	Plans submitted for shade structure with outdoor kitchen. Plans approved and returned to the City 5/29/18.	Waiting for owner to process permit paperwork.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 349	Plans submitted for new SFD. Completed 2nd plan check and returned to the City 8/26/19.	Perform 3rd plan check upon plan resubmittal.
Octavio Rosales SFD	43645 Saguaro Street/Avenue 44	Plans submitted for new Building. Plans approved and returned to applicant 3/31/2020.	Waiting for owner to process permit paperwork.
Old Navy Shell Building	42200 Jackson Street/Ave 42		

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Old Navy TI	42200 Jackson Street/Ave 42	Plans submitted for TI of existing shell building. Completed 1st plan check and returned to applicant via FedEx 3/18/20.	Perform 2nd plan check upon plan resubmittal.
One Stop Shop Grease Interceptor Install	84051 Indio Blvd/Van Buren Street	Preliminary plan submitted for grease interceptor TI 4/19/19. Completed 1st plan check and returned to owner's representative 4/30/19.	Perform 2nd plan check upon plan resubmittal.
Ono Hawaiian BBQ	42550 Jackson Street/ Avenue 42	Plans submitted for new retail building. Completed 1st plan check and returned to applicant 11/7/19. Completed 2nd plan check and notified applicant 3/23/20.	Perform 3rd plan check upon plan resubmittal.
Paradiso Tract 31815	East of Monroe North of Ave 41	New model homes under construction.	Inspect work improvements as scheduled.
Parcel Map 36215	Dr. Carreon west of Van Buren	Civil plans submitted for 1st plan check. Plans approved and returned to the Engineer 1/18/18. Issued permit 3718 on 1/23/18.	Inspect work improvements as scheduled.
Quick Quack Car Wash	The Palms Center - Address TBD	Plans submitted for new drive thru car wash building. Completed 3rd plan check and returned to the applicant. 3/23/20.	Perform 4th plan check upon plan resubmittal.
Renovar Assisted Living - TI	82380 Miles Avenue/Palm Street	Plans submitted for building TI. Plans approved and returned to the applicant 3/20/20.	Waiting for owner to process permit paperwork.
River Springs Charter School	81840 Avenue 46	Received plans for a TI of existing building for a new charter school. Performed 1st plan check and returned to the applicant 2/25/20.	Perform 2nd plan check upon plan resubmittal.
Sater's Apartment Complex / Avenue 44 Easement	Between Avenue 44 & Market St West of Jackson	VSD met with the Developer of an apartment complex and discussed sewer main connection options for the developer to tie into. Plans submitted for 6 building, 60 unit apartment complex. 3rd plan check returned to city 6/28/16. Plan approved and returned to the City 5/18/17. bonds and development agreement have been signed and recorded. Waiting for developer to finalize easement and permit project.	Waiting for owner to process permit paperwork.
Shadow Hills Plaza Ste F-102 TI	82900 Avenue 42/Jackson St	Plans submitted for existing building TI. Completed 1st plan check and returned to the City 6/15/18.	Perform 2nd plan check upon plan resubmittal.
Shadow Ranch Tract 32149	North of Ave. 43 and West of Calhoun St	Model homes. No plan check is required. Permit and Inspection fees need to be paid. All Bonds released.	Inspect work improvements as scheduled.