

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE**

MINUTES

**9:30 A.M., Friday, August 26, 2005
Radisson Gateway Hotel Seattle, SeaTac**

ATTENDANCE:

President – Rose Elway, Grays Harbor County Management Services/Budget/Insurance Director
Secretary/Treasurer – Randy Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney

Committee Members –

Toni Gilbert, Clallam County Safety/Training Specialist
Steve Clem, Douglas County Prosecuting Attorney
Neva Corkrum, Franklin County Commissioner
Mike Shelton, Island County Commissioner
Dennis Hadaller, Lewis County Commissioner
Si Stephens, San Juan County Auditor
Jay Winter, Walla Walla County Human Resources/Risk Manager
Ron Zirkle, Yakima County Prosecuting Attorney (10:00 telephonically)

Members-Elect –

Keith Goehner, Chelan County Commissioner
Diane Oberquell, Thurston County Commissioner

Risk Pool Staff –

Vyrle Hill, Executive Director
David Goldsmith, Member Services Manager
Susan Looker, Claims Manager

Others Present –

Mike Clift, Chief Deputy Prosecuting Attorney (Mason County)
Richard Dykstra, Stafford Frey Cooper (WCRP Coverage Counsel)

WELCOME and ROLL CALL: President Rose Elway called the meeting to order at 9:30 a.m. by welcoming all and noting that a quorum was present.

APPROVAL:

Agenda: Mike Shelton moved to approve the agenda as drafted. The motion was seconded by Neva Corkrum and passed.

Minutes: Mike Shelton moved to approve the minutes of the July 27th Executive Committee meeting at Richland as drafted. The motion was seconded by Dennis Hadaller and passed.

Vouchers: Si Stephens moved to approve Voucher Approval Request No. 05-06, more specifically Administration check numbers 13217 through 13278 totaling \$63,343.22 with transfers in the amount of \$24,622.85, and Claims check numbers 16146 through 16302 totaling \$346,498.96. The motion was seconded by Jay Winter and passed.

Authorized Business Signatures: Mike Shelton moved to approve the Bank of America Public Funds Financial Relationship Agreement for the Pool's Administration and Claims banking accounts with four Pool staff members and the incoming President (Randy Watts) listed as authorized signatures. The motion was seconded by Si Stephens and passed.

COMMITTEE REPORTS:

Finance Committee Chair Si Stephens moved to reduce the amount to be collected with the 2005-06 deposit premiums related to the 2004 Retroactive Assessment to the "final" actual uncollectible legal fees of \$117,616; Randy Watts seconded and the motion passed.

Chair Stephens then moved to include the 2004 Retroactive Assessment collections within the 105% payment rule applicable to the 2005-06 deposit premiums; Mike Shelton seconded and the motion passed.

Underwriting Committee. Vyrle Hill presented a compilation of the WCRP 2005-06 Joint Self-Insurance Liability Policy document reflecting the Board's approved additions shown with "underscores" and the deletions with "strikes-through."

President Elway recessed the meeting at 9:55 for a five-minute break and reconvened with Ron Zirkle (telephonically) and Richard Dykstra having joined the meeting.

Coverage Determination Appeal Hearing: President Elway opened the hearing regarding the appeal of the coverage determination made by the Executive Director that was timely filed by Mason County ref: *Sea Fresh Farms et al v. D&E Septic et al (Thurston County Superior Court Cause No. 05-2-00920-6)*.

Mike Clift, Chief Civil Deputy Prosecuting Attorney for Mason County, presented the basis of his argument and the county's case. He provided copies of the WCRP 2004-05 Joint Self-Insurance Liability Policy then referred to sections 1.A. and 1.B. of the document. He also referred to sections 2.1, 3.6, 3.7 and V of the related Complaint for Declaratory Relief. Mr. Clift was asked and responded to several questions.

Vyrle Hill responded that the Pool policy document supports defense costs for "suits requesting declaratory or equitable relief in addition to a request for monetary damages." He noted that this Complaint did not include a request for monetary damages; that the D&E Septic insurers were attempting to be relieved of having to provide coverage under the "additional insured" provisions of those policies.

The presenters were asked a few more questions to help understand the matter before the committee.

Executive Session: Steve Clem moved to enter an executive session for discussions with coverage counsel. The motion was seconded by Ron Zirkle and passed. From 10:25 until 10:33, the meeting was conducted in executive session in accordance with WCRP Bylaws Article 8, section B.5.c. and RCW 48.62.101 to discuss the coverage determination appeal with the Pool's coverage counsel.

After reconvening in regular session, Ron Zirkle moved to deny the coverage determination appeal from Mason County. The motion was seconded by Si Stephens and passed unanimously.

Underwriting Committee (continued). Committee co-chair Steve Clem asked Richard Dykstra to comment on a policy concern; that is, an insured's desire/demand to waive any negotiated and pending settlement. One option suggested was clarifying the Pool's intent (settlement waiver option) in a Board-approved administrative policy. Steve offered to assist with drafting the policy language to afford settlement waiver authority for the Board to consider.

Concerns associated with the settlement provisions in section 1.B.3.d. of the JSILP were also discussed, as well as the potential conflicts that might arise. It was agreed that the language may need revision to clarify the insured's ultimate settlement authority.

Steve also mentioned that the committee was still awaiting Mike Croke's response with suggested "dam operations" coverage language from the reinsurers and/or excess insurers.

Personnel Committee Chair Ron Zirkle had nothing to report.

Risk Management Committee. Committee representative(s) not present.

Broker's Report: Mike Croke was not available due to a family commitment.

STAFF REPORTS:

Claims: Claims Manager Susan Looker reminded all present that the Supreme Court would be hearing two Pool-related cases in September pertaining to the Public Duty.

Susan also asked Ron Zirkle and Randy Watts to review the standardized release form she had compiled with Steve Clem's assistance.

Susan then raised concern about reserving responsibilities. After considering and discussing the Pool's responsibilities to the state risk manager and claims auditors, its actuary, broker and reinsurance and excess insurance carriers, and the member counties "jointly," Si Stephens moved to have a policy drafted placing claims reserving under the Pool's claims staff and establishing an appeal process to the Executive Director with the Executive Director's decision being final. The motion was seconded by Randy Watts and passed with one dissent.

Member Services: Member Services Manager David Goldsmith reported that twenty four counties had been visited, and that three more were scheduled for the following week. David mentioned that we were going to submit the 20-30 responses that had been received for a joint-purchase insurance program for non-profit and quasi-governmental entities to the insurance underwriters. Finally, David mentioned that the Pool staff would have a booth at the WSAC 99th Annual Conference in Vancouver in September.

Executive Director Vyrle Hill asked the Committee to support a 3-plus year renewal of the technical support agreement with Computer Sciences Corporation related to our Riskmaster system for \$17,639.49 annually. He noted that this had been a normal expense and included in the budget. Mike Shelton moved to approve the agreement. Neva Corkrum seconded, and the motion passed.

Upcoming Events: Vyrle reviewed the schedule for the training options that past committee members had normally attended. He asked the members to consider the options and contact him about their individual preferences.

Vyrle also reminded all present that the Autumn Board Meeting (with a Risk Managers' Roundtable) would be held November 2nd and 3rd at the Marcus Whitman Hotel in Walla Walla with a late-afternoon plus morning session planned.

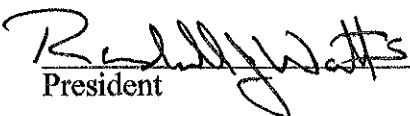
Frequency of executive committee meetings was briefly discussed. By consensus, the next regular session of the Executive Committee will be December 16th in SeaTac starting about 10:00 and continuing through lunch until mid-afternoon.

Mike Shelton moved in favor of conducting the 2006 Summer Conference in Leavenworth at the Enzian Inn. The motion was seconded by Si Stephens and passed.

Neva Corkrum moved to adjourn the meeting at 11:55; the motion was seconded by Si Stephens and passed without dissent.

Thanks were again extended to President Elway since this was her last regular meeting as WCRP President. Also, special thanks were offered for long-time member Si Stephens and for member Dennis Hadaller as this was their last regular meeting of the Executive Committee.

MINUTES APPROVED this 3rd day of November, 2005.



President

Attest: 

Secretary/Treasurer