



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

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February 25, 2019

Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## PROPERTY INSURANCE OPTIONS FOR TRIUNFO SANITATION DISTRICT

### Summary

Triunfo Sanitation District, with two noted exceptions, only carries general liability insurance. In response to direction from the Triunfo Sanitation District (TSD) Board of Directors at the December 17, 2018 Board meeting, staff initiated research into options and costs for obtaining property damage insurance coverage for all or portions of the District's property. Currently, the District is self-insured, except for insurance that covers the automated meter reading (AMR) system and the recycled water facilities purchased from Calleguas Municipal Water District. These coverages (approximately \$2.5 million for the AMR system and approximately \$3 million for the recycled water facilities) were obtained as a requirement of their respective financing. TSD's most recent premium for this combined coverage was \$32,774 for the period from May 19, 2018 to May 19, 2019. The coverage is provided by Hanover Insurance Company through Tolman Wiker Insurance services, the broker that serves both TSD and Ventura Regional Sanitation District (VRSD).

To obtain the information for additional property insurance coverage requested by the Board, a valuation of the potential assets to insure was required. Staff used the database of TSD's fixed assets maintained by VRSD's finance department (approximately 625 line items). Staff reviewed each item on the list and assigned them to categories of insurance advisability. Broadly speaking, this included above-ground assets subject to typical perils of fire and flood (structures, pump stations, etc.) and below-ground assets (water mains, sewer pipelines, etc.) that are likely subject only to perils such as earth movement. Certain assets (e.g., land and easements) were excluded entirely, as they were not subject to any insurable peril.

The next step was to assign a valuation to the potential assets to be insured. VRSD's records included original acquisition cost and depreciated value of each item, but to obtain a proper valuation, a suitable replacement cost was needed. VRSD's list included a calculation of a 1% annual increase subsequent to acquisition for each item as a potential means of establishing that replacement cost. Additionally, TSD's account managers at Tolman Wiker have access to specialists who can assist with such valuation, specifically in the water/wastewater industry.

As the next step in the process, staff has asked Mr. Gregory Stephens of Tolman Wiker to attend the February 25 TSD Board meeting to explain to the Board the various options for a) accurately

valuing the District's insurable assets, and b) determining which of those assets would be advisable to insure. He will also be prepared to present alternative models and cost scenarios. Mr. Stephens will also review Tolman Wiker's proposed process for obtaining quotes from various potential carriers to ensure that TSD receives competitive cost information in accordance with the District's purchasing ordinance.

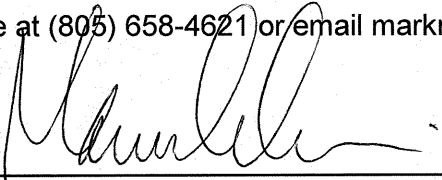
It is also important to note that TSD has access to industry-specific insurance coverage through the California Sanitation Risk Management Authority (CSRMA) and the Special District Risk Management Agency (SDRMA). Staff's research into coverage options will include these entities. (The District's general liability insurance coverage is currently provided by CSRMA.)

**Recommendation**

It is recommended that the Board consider the summary information presented above and the information that Mr. Stephens will present on February 25 and direct staff accordingly.

If you have questions, please call me at (805) 658-4621 or email [marknorris@vrsd.com](mailto:marknorris@vrsd.com).

REVIEWED AND APPROVED:

  
Mark Norris - General Manager