

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

484



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
July 21, 2004

**SUBJECT:** Amendment to the CSAC-Excess Insurance Authority Joint Powers Agreement to allow member counties to extend coverage to non-profit entities as identified by the member county.

**RECOMMENDED MOTION:** Based on the information provided below, the Assistant CEO/Director of Human Resources and the Risk Manager recommend the Board authorize the Chair to execute the amendment to the Joint Powers Agreement of the CSAC-Excess Insurance Authority. Further, we recommend the Board of Supervisors authorize the Risk Manager to sign the applications and other documents as needed to effect coverages, and for the Assistant CEO/Director of Human Resources enter into a Memorandum Of Understanding agreement with the below listed nonprofits for Risk Management and loss prevention services.

**BACKGROUND:** The County of Riverside has been a member of the CSAC Excess Insurance Authority since 1984. At that time, the Board executed a Joint Powers Agreement (JPA) creating the CSAC Excess Insurance Authority, which is formed under Section 6500 et. Seq. of the California Government Code. From time to time, the JPA has been amended to reflect various changes in the JPA document and the governance of the Excess Insurance Authority. Article 3(b) of the JPA outlines who can be a party to the JPA and defines public entity pursuant to section 811.2 of the Government Code, which limits the definition of public entity to include "...the State, the Regents of the University of California, a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State.

*Ron Komers*  
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Ron Komers, Assistant CEO/Human Resources Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$0	Budget Adjustment:	0
	Annual Net County Cost:	\$0	For Fiscal Year:	

<b>SOURCE OF FUNDS:</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

County Executive Office Signature *Gary M. Christmas*

Dept's Recomm.:  Policy  
Per Exec. Ofc.:  Policy  
 Consent  
 Consent

Prev. Agn. Ref.: \_\_\_\_\_ District: \_\_\_\_\_ Agenda Number: \_\_\_\_\_

Legal counsel to the CSAC Excess Insurance Authority has opined that this definition does not include non-profit corporations.

In recent years, many counties throughout the State have been creating non-profit public benefit corporations for a variety of reasons. We have identified the following non-profit organizations created for the benefit of the County:

	<u>Status</u>
• County of Riverside Asset Leasing Corporation AKA "CORAL"	Active
• Riverside District Court Financing Corporation	Active
• Riverside County Park Facilities Corporation	In the process of dissolving
• Desert Facilities Corporation	Active
• RCRMC Foundation	Active
• Friends of the Coachella Valley Animal Campus	In the process newly created
• County of Riverside Court Financing Corporation	Active

However, these non-profits do not fit the CSAC-EIA JPA membership requirements, therefore if the JPA Amendment does not pass, County Risk Management will need to secure individual policies for each entity which are subject to minimum premiums. Of the above non-profits, CORAL, Riverside County Parks Facility Corporation, Desert Facilities Corporation, Riverside District Court Financing are shown as additional insured's on our general Liability Program. RCRMC Foundation is temporarily insured via a contractual agreement. The creation of a new non-profit is in the process for the purpose of raising money for the Coachella Valley Animal Campus. The name will be Friends of the Coachella Valley Animal Campus. The state filing was submitted approximately 1 ½ months ago. Should the JPA Amendment pass, we will include this new non-profit in the County's program.

The amendment to Article 3(b) of the JPA provides for the expansion of the definition of public entity to include any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code sections 5111, 5120 and 5065, which the member county requests be added and that such request is approved by the Executive Committee of the CSAC-Excess Insurance Authority. The amendment goes on to explain that any such nonprofit entity shall be subject to and included within the member county's self-insurance retention (SIR) or deductible and shall not be considered a separate party to the JPA.

As required by the JPA, the amendment was circulated for a 90 day review period to the County's Counsel of all of the member counties. To date, of the 53 member counties, 20 Boards have approved the amendment, 7 Boards did not approve the amendment and 26 counties have not advised their status. Approvals must be submitted by July 27, 2004 latest. CSAC-EIA has developed a policy statement defining the general conditions within which a member county may add a nonprofit entity. Those general conditions include that the nonprofit must exist for the benefit of the member county or for the member county in conjunction with other public agencies. The member county is also required to accept responsibility for the self-insured retention or deductible of the nonprofit and be responsible for all risk management and loss prevention activities of the nonprofit. Finally, CSAC-EIA requires that a written agreement or memorandum of understanding be established between the member county and the nonprofit. The member county must complete an application for coverage and include a Board Resolution or Minute Order authorizing the acceptance of these general conditions.

Once the CSAC-EIA amendment has been ratified by 2/3's of the member counties, the Risk Manager will proceed with completing the application process to meet the general conditions for nonprofit coverage for the above named nonprofits, which are recommend be included in the County's insurance programs.