

**DELTA REGION GEOLOGIC HAZARD ABATEMENT DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
NOVEMBER 20, 2024 AGENDA MEETING MINUTES
ISLETON COMMUNITY CENTER
208 JACKSON BOULEVARD, ISLETON, CA 95641
BY COMPUTER**

<https://us02web.zoom.us/j/3059540624?pwd=UmN0dXcwL3l5Q2pRSWhnTkh6TjhJUT09&omn=89198912473>

By Phone: +1-669-444-9171. Meeting ID: 305 954 0624 Password: Hello

- Agendas and staff reports are posted on the GHAD's internet website (www.deltaregionghad.org).
- A complete packet of information containing staff reports and exhibits related to each item is available for public review at least 72 hours prior to a Delta Region GHAD Board meeting, or in the event that it is delivered to Boardmembers less than 72 hours prior to a GHAD Board meeting, as soon as it is delivered.

REGULAR MEETING 6:30 P.M.

1. Call to Order/Roll Call/Pledge of Allegiance:

Board Members: Pam Bulahan, Iva Walton, and David Kent

2. Confirmation of Agenda Posting/Adoption of Agenda:

The GHAD Board may take action on any item listed on the agenda.

3. Public Forum: Members of the public may comment (3 minutes per speaker)

At this time, the public is permitted to address the GHAD Board on non-agendized items. In accordance with State law, no action or discussion may take place on an item not appearing on the posted agenda. The Board may respond to statements made or questions asked or may request staff to report back at a future meeting concerning the matter.

4. Consent Calendar:

A. Subject: Minutes from September 25, 2024 meeting

Recommendation: Approve the minutes from the September 25, 2024 meeting

5. Continued Items:

None:

6. GHAD Manager/Clerk Updates

A. Subject: Items of Interest

Recommendation: Receive presentation from GHAD Manager/Clerk on items of interest.

B. Subject: Status of Board Vacancies

Recommendation: Receive update from GHAD Manager/Clerk regarding the vacant positions on the Board.

C. Subject: At the September 25, 2024, Board meeting, the Board of Directors of the Delta Region Geologic Hazard Abatement District (GHAD) approved Resolution 24-03 authorizing the acceptance of \$100,000 from the Department of Water Resources (DWR) and the engagement of EPIC insurance brokers to secure a parametric insurance policy to fund a flood recovery payment program for one year. The Board of Directors authorized the GHAD Manager to take all actions necessary to

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implement the resolution. The GHAD Manager/DWR/EPIC will provide a status update on Resolution 24-03 and the actions to implement the resolution.

Recommendation: Receive an update from GHAD Manager/DWR/EPIC brokers.

D. Subject: Open Treasurer Position

Recommendation: Discussion regarding filling the vacant Treasurer position.

7. New Business:

A. Subject: Resolution 24-04 Receive presentation by EPIC Brokers regarding the proposed parametric insurance contract.

Recommendation: Receive a presentation by EPIC Brokers on the purchase of a parametric insurance policy. Approve Resolution 24-04 Authorizing the GHAD Manager to execute the contract to purchase a one-year parametric insurance policy from Flood Flash, pending funding from DWR.

B. Subject: Presentation by Delta Stewardship Council on the Delta Adapts Program

Recommendation: Receive a presentation by the Delta Stewardship Council on the Delta Adapts Program.

C. Subject: Presentation by Brett Milligan, Professor of Landscape Architecture and Environmental Design, UC Davis on a proposed upcoming spring quarter capstone project.

Recommendation: Receive a presentation by Brett Milligan, Professor of Landscape Architecture and Environmental Design on a proposed upcoming spring quarter capstone project.

D. Subject: Presentation by GHAD Treasurer Inc.

Recommendation: Resolution 24-05 Receive presentation by GHAD Treasurer Inc. regarding proposed contract for treasurer services. Approve Resolution 24-05 Authorizing the GHAD Manager to execute the contract.

Board Comments and Upcoming Topics of Discussion:

E. Set Date for Next Scheduled Board Meeting: January 31, 2025

The tentative schedule of upcoming Board meetings: January 31, 2025

F. Discuss the framework for allocating recovery payments and potential recovery benefit assessments.

G. Consideration of an open house or community meeting discussing the following topics:

1. Forecast Informed Reservoir Operations (FIRO) and the impact on flood flows in the Sacramento River
2. Brannan Andrus Island Maintenance District Collaboration

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3. DWR Flood Management Activities
4. Evacuation Planning
5. FEMA Insurance Update

8. Adjournment

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I, Kathleen Schaefer, Clerk of the Delta Region GHAD, declare that the foregoing Agenda for the November 20, 2024, Regular Meeting of the Delta Region GHAD was posted on Friday, November 15, at the Office of the City of Isleton, 101 Second Street, Isleton, California.

A handwritten signature in black ink that reads "Kathleen Schaefer". The signature is written in a cursive style with a large, stylized initial "K".

Kathleen Schaefer, Clerk

Dated November 20, 2024

**DELTA REGION GEOLOGIC HAZARD ABATEMENT DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
SEPTEMBER 25, 2024 AGENDA MEETING MINUTES
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REGULAR MEETING 6:30 P.M.

1. Call to Order/Roll Call/Pledge of Allegiance:

Board Members: Pam Bulahan, Iva Walton, and David Kent

Action: The board meeting was called to order at 6:30 by President Iva Walton. Board members Ival Walton, Pam Bulahn, and David Kent were present.

2. Confirmation of Agenda Posting/Adoption of Agenda:

The GHAD Board may take action on any item listed on the agenda.

3. Public Forum: Members of the public may comment (3 minutes per speaker)

At this time, the public is permitted to address the GHAD Board on non-agendized items. In accordance with State law, no action or discussion may take place on an item not appearing on the posted agenda. The Board may respond to statements made or questions asked, or may request staff to report back at a future meeting concerning the matter.

4. Consent Calendar:

A. Subject: Minutes from July 31, 2024 meeting

Recommendation: Approve the minutes from the July 31, 2024 meeting

Action: Board Member Bulahan motioned to approve the July 31, 2024 meeting minutes. Board Member Kent seconded the motion. EYES Board Members: Pam Bulahan, Iva Walton, David Kent. NOES: None, ABSTAIN: none.

5. Continued Items:

A. Subject: Follow-up Discussion on January 31, 2024 and July 31, 2024 Presentation from Munich RE

Recommendation: Staff is responding to comments from the Board and will bring the item back to the Board at the November meeting.

Action: Board Member Kent asked the GHAD Manager to move forward with an actionable plan for implementing a community-based insurance program. GHAD Manager agreed to move forward with concrete next steps.

6. GHAD Manager/Clerk Update

A. Subject: Items of interest

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Recommendation: Receive a presentation from the GHAD Manager/Clerk on items of interest. GHAD Manager to make a brief presentation of the Flood Operation Decision Support System Tool

Action: The GHAD Manager presented an overview of the tool. However, the discussion was cut short due to connection issues.

7. New Business:

- A. Subject: Board Election Report

Recommendation: The Board President will administer the Oath of Office to Pam Bulahan to formally swear in the new board member.

Action: The Board President administered Pam Bulahan the Oath of Office to formally swear her in as a board member whose term expires in 2028.

- B. Subject: Resolution 24-02 Receive presentation by GHAD Manager and EPIC Brokers regarding MOU.

Recommendation: Board approval of the MOU and authorization for the Chair to execute the agreement.

Action: Board A motion was made and seconded to approve the MOU. EYES: Board Members: Pam Bulahan, Iva Walton, David Kent. NOES: None, ABSTAIN: none.

- C. Subject: Resolution a resolution of the Board of Directors of the Delta Region Geologic Hazard Abatement District (GHAD) authorizing the acceptance of \$100,000 from the Department of Water Resources (DWR) and the engagement of EPIC insurance brokers to secure a parametric insurance policy to fund a flood recovery payment program for one year. Receive a presentation by Mike Mierzwa, DWR, regarding the DWR funding opportunity.

Recommendation: The Board of Directors authorizes the GHAD Manager to take all actions necessary to implement the resolution.

Action: Mike Mirezwa presented an overview of the grant process. A copy of the process is attached. A motion was made and seconded to approve the resolution accepting the \$100,000 from DWR and the engagement of EPIC insurance brokers to secure a parametric insurance policy. EYES Board Members: Pam Bulahan, Iva Walton, David Kent. NOES: None, ABSTAIN: none.

8. Board Comments and Upcoming Topics of Discussion:

- A. Set Date for Next Scheduled Board Meeting: November 27, 2024

Tentative schedule of upcoming Board meetings: September 25, 2024; November 27, 2024

Action: The Board set the next scheduled meeting for November 20, 2024.

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- B. Receive a presentation from the Delta Stewardship Council on the Delta Levees Investment Strategy.
- C. Discuss the framework for allocating recovery payments and potential recovery benefit assessments.

9. Adjournment

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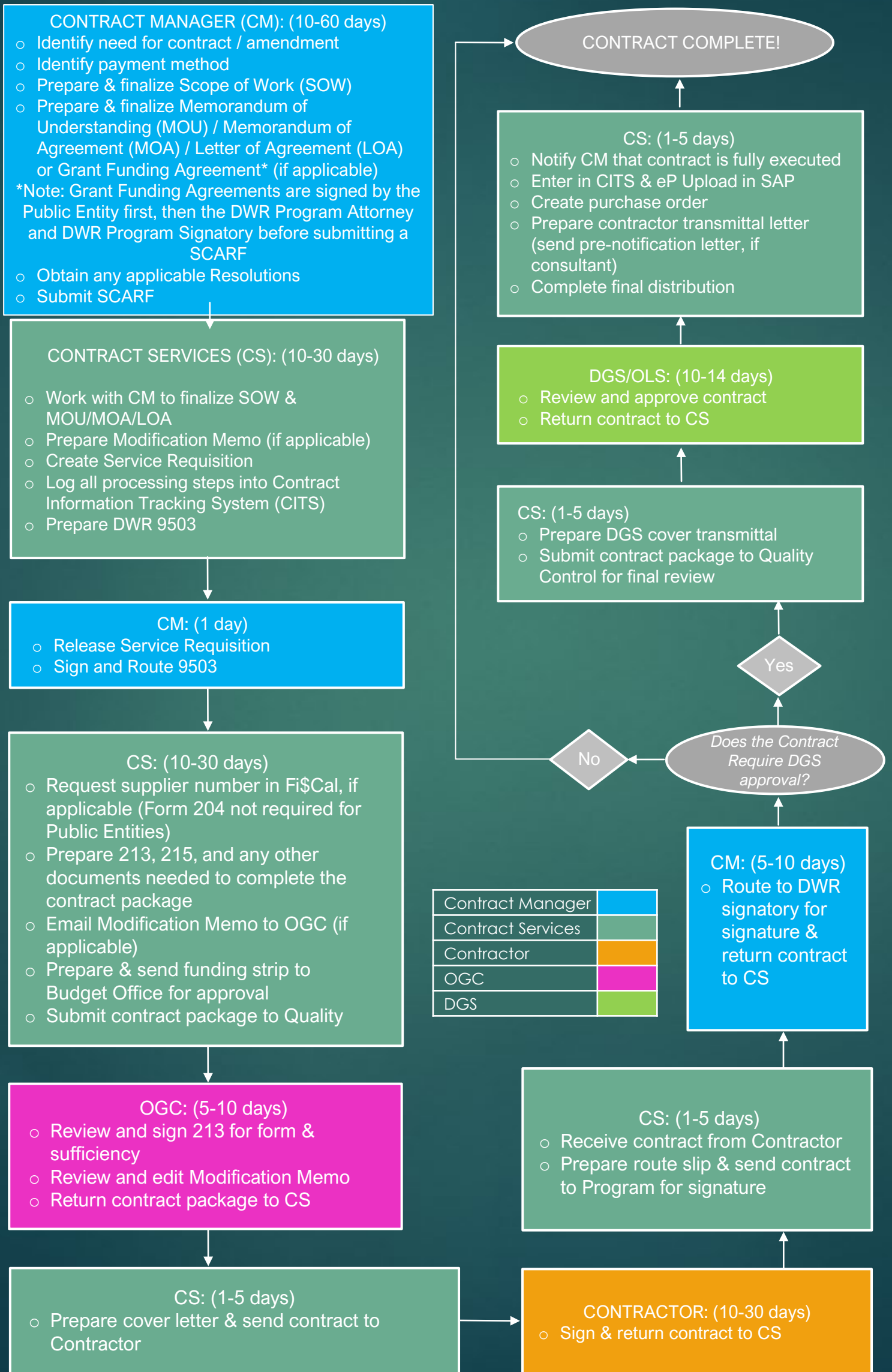
I, Kathleen Schaefer, Clerk of the Delta Region GHAD, declare that the foregoing Agenda for the September 25, 2024, Regular Meeting of the Delta Region GHAD was posted on Friday, September 20, at the Office of the City of Isleton, 101 Second Street, Isleton, California.

A handwritten signature in black ink that reads "Kathleen Schaefer". The signature is written in a cursive style with a large, looping initial "K".

Dated September 20, 2024

Kathleen Schaefer, Clerk

Public Entity Contracts



Contract Manager	
Contract Services	
Contractor	
OGC	
DGS	

DELTA REGION GEOLOGIC HAZARD ABATEMENT DISTRICT

STAFF REPORT

TO: Delta Region Geologic Hazard Abatement District (GHAD) Board of Directors

FROM: GHAD Manager

BOARD MEETING DATE: November 20, 2024

SUBJECT: ADOPT RESOLUTION 24- RESOLUTION 24-04 PURCHASE OF A \$2,500,000
PARAMETRIC INSURANCE POLICY

RECOMMENDATION:

The Board is recommended to accept the proposed parametric insurance policy offered by FloodFlash and to direct the Delta Region GHAD Manager to purchase the insurance policy.

SUMMARY:

On September 25, 2024, the GHAD Board adopted Resolution 24-02, approving a memorandum of understanding with EPIC Insurance Brokers and Consultants. This MOU designated EPIC as their Broker of Record and authorized them to seek a flood insurance solution to mitigate the financial consequences of a flood within the boundary of the Delta Region GHAD.

Following the adoption of Resolution 24-02, the GHAD Board passed Resolution 24-03, which authorized the GHAD manager to accept a \$100,000 grant from the Department of Water Resources (DWR) and engage EPIC Brokers in securing a parametric insurance policy that would pay the GHAD in the event of flood water inundation within the community.

At the Board's direction, EPIC has negotiated a parametric insurance policy with FloodFlash. The terms and conditions were discussed with Mike Mierzwa, DWR, and Deborah Halberstadt, CDI, on a Zoom call on November 6, 2024. They found the policy to conform with their expectations and support moving forward with procurement.

This policy differs slightly from the presentation by Munich RE to the board at the July 31, 2004 meeting. At the July 31 meeting, Munich RE proposed a \$5,000,000 policy with the

following payment triggers: 16 inches - \$1 million, 24 inches - \$2 million, 32 inches - \$3 million, 40 inches - \$4 million, and 48 inches - \$5 million. The price of the policy was \$150,000 per annum. Given the DWR grant amount of \$100,000, EPIC negotiated a \$2,500,000 policy with the following payment triggers: 16 inches - \$500,000, 24 inches - \$1 million, 32 inches - \$1.5 million, 40 inches - \$2 million, and 48 inches - \$2.5 million. The price of the policy is \$100,000 per year. This policy includes the option to renew next year at the same price.

Key Details of the Insurance Policy:

1. Effective Date

- The policy's effective date will be determined by the Delta Region GHAD in coordination with the receipt of DWR grant funds.
- It is essential to note the 14-day claim waiting period, as defined in the policy documentation, at the start of the new policy.
- The team is working with DWR to implement the contract before December 7th so that coverage is in place before the traditional holiday storms.

2. Policy Structure:

- The quote received is for an annual policy structured around five increasing trigger depths, each associated with specific payout amounts to the GHAD. Munich Re, a global reinsurance firm, is underwriting the parametric insurance policy.
- This policy is designed to provide coverage based on predetermined criteria related to flood depths, ensuring timely financial support when necessary.
- The details of the policy are included in Attachment 1.

3. Payout Details:

- The policy includes a payout of \$500,000 at each trigger depth, with a total potential payout amount of \$2,500,000. This structured payout system allows for incremental support as conditions require. Should flooding be caused by a levee failure, the trigger depths are expected to result in a \$2,500,000 payment. (If you think it's necessary to mention the locations of the sensors, I suggest you list both locations without comment regarding a primary trigger.)

BACKGROUND:

Recent studies highlight a critical issue after floods: many households lack sufficient financial resources for immediate needs. This gap hinders recovery and worsens conditions for flood-affected residents. In response, parametric insurance has emerged as a popular solution. It has gained traction in recent years for providing rapid financial assistance post-disaster. Unlike traditional policies with lengthy claims, parametric insurance offers swift payouts based on predefined triggers, like specific flood depths or

rainfall amounts. This allows communities to access funds quickly, bridging the gap between disaster impact and recovery.

The Department of Water Resources (DWR) and the California Department of Insurance (CDI) seek to test the viability of a parametric insurance policy to support post-disaster recovery efforts at the community level. DWR proposes providing \$100,000 as a grant to the Delta Region GHAD to purchase a parametric insurance policy. This purchasing process will help DWR understand and overcome regulatory and bureaucratic hurdles, assess the willingness of private firms to provide parametric insurance, estimate the cost of the policy, understand how payment triggers are set and what information insurance providers require. The process of negotiating this policy has helped DWR and CDI meet these aims.

The parametric insurance policy will provide up to \$2,500,000 to the Delta Region GHAD if floodwater activates the sensor, which is the payment trigger. The policy will be in effect for one year. The team proposes to discuss how to allocate the funding at the January board meeting. The team will present several options for comment and direction to the board. The team will also collect community input through stakeholder interviews and outreach before the January meeting.

RECOMMENDATION:

Adopt Resolution 24-04 authorizing the purchase of a parametric insurance policy.

FISCAL IMPACT:

- The total cost of securing this insurance policy, including the FloodFlash sensor fee and excluding surplus lines taxes and stamping fees, is \$100,000. The DWR grant will pay for the policy cost.
- Notably, the policy includes no deductible, enhancing the district's ability to access funds efficiently.
- The surplus lines taxes and stamping fees are \$3,180. Arrangements are being made to secure outside funding for these fees.

ATTACHMENTS:

Resolution – Resolution 24-04 authorizing the purchase of a parametric insurance policy
Policy terms and conditions.

AGENDA ITEM C RESOLUTION 24-04 PURCHASE OF A \$2,500,000 PARAMETRIC INSURANCE POLICY

Recommendation The Board is recommended to accept the proposed parametric insurance policy offered by FloodFlash and to direct the Delta Region GHAD Manager to purchase the insurance policy.

Summary On September 25, 2024, the GHAD Board adopted Resolution 24-02, approving a memorandum of understanding with EPIC Insurance Brokers and Consultants. This MOU designated EPIC as their Broker of Record and authorized them to seek a flood insurance solution to mitigate the financial consequences of a flood within the boundary of the Delta Region GHAD.

Following the adoption of Resolution 24-02, the GHAD Board passed Resolution 24-03, which authorized the GHAD manager to accept a \$100,000 grant from the Department of Water Resources (DWR) and engage EPIC Brokers in securing a parametric insurance policy that would pay the GHAD in the event of flood water inundation within the community.

At the Board's direction, EPIC has negotiated a parametric insurance policy with FloodFlash. The terms and conditions were discussed with Mike Mierzwa, DWR, and Deborah Halberstadt, CDI, on a Zoom call on November 6, 2024. They found the policy to conform with their expectations and support moving forward with procurement.

This policy differs slightly from the presentation by Munich RE to the board at the July 31, 2024 meeting. At the July 31 meeting, Munich RE proposed a \$5,000,000 policy with the following payment triggers: 16 inches - \$1 million, 24 inches - \$2 million, 32 inches - \$3 million, 40 inches - \$4 million, and 48 inches - \$5 million. The price of the policy was \$150,000 per annum. Given the DWR grant amount of \$100,000, EPIC negotiated a \$2,500,000 policy with the following payment triggers: 16 inches - \$500,000, 24 inches - \$1 million, 32 inches - \$1.5 million, 40 inches - \$2 million, and 48 inches - \$2.5 million. The price of the policy is \$100,000 per year. This policy includes the option to renew next year at the same price.

Key Details of the Insurance Policy:

1. Effective Date

- The policy's effective date will be determined by the Delta Region GHAD in coordination with the receipt of DWR grant funds.
- It is essential to note the 14-day claim waiting period, as defined in the policy documentation, at the start of the new policy.

- The team is working with DWR to implement the contract before December 7th so that coverage is in place before the traditional holiday storms.

2. Policy Structure:

- The quote received is for an annual policy structured around five increasing trigger depths, each associated with specific payout amounts to the GHAD. Munich Re, a global reinsurance firm, is underwriting the parametric insurance policy.
- This policy is designed to provide coverage based on predetermined criteria related to flood depths, ensuring timely financial support when necessary.
- The details of the policy are included in Attachment 1.

3. Payout Details:

- The policy includes a payout of \$500,000 at each trigger depth, with a total potential payout amount of \$2,500,000. This structured payout system allows for incremental support as conditions require. Should flooding be caused by a levee failure, the trigger depths are expected to result in a \$2,500,000 payment. (If you think it's necessary to mention the locations of the sensors, I suggest you list both locations without comment regarding a primary trigger.)

Background:

Recent studies highlight a critical issue after floods: many households lack sufficient financial resources for immediate needs. This gap hinders recovery and worsens conditions for flood-affected residents. In response, parametric insurance has emerged as a popular solution. It has gained traction in recent years for providing rapid financial assistance post-disaster. Unlike traditional policies with lengthy claims, parametric insurance offers swift payouts based on predefined triggers, like specific flood depths or rainfall amounts. This allows communities to access funds quickly, bridging the gap between disaster impact and recovery.

The Department of Water Resources (DWR) and the California Department of Insurance (CDI) seek to test the viability of a parametric insurance policy to support post-disaster recovery efforts at the community level. DWR proposes providing \$100,000 as a grant to the Delta Region GHAD to purchase a parametric insurance policy. This purchasing process will help DWR understand and overcome regulatory and bureaucratic hurdles, assess the willingness of private firms to provide parametric insurance, estimate the cost of the policy, understand how payment triggers are set and what information insurance providers require. The process of negotiating this policy has helped DWR and CDI meet these aims.

The parametric insurance policy will provide up to \$2,500,000 to the Delta Region GHAD if floodwater activates the sensor, which is the payment trigger. 11:36 AM the policy will be in effect for one year. The team proposes to discuss how to allocate the funding at the January board meeting. The team will present several options for comment and direction to the board. The team will also collect community input through stakeholder interviews and outreach before the January meeting.

Proposed Action:

Direct the GHAD Manager to purchase the parametric insurance policy from FloodFlash with the terms and conditions specified in Attachment 1.

Financial Implications

- The total cost of securing this insurance policy, including the FloodFlash sensor fee and excluding surplus lines taxes and stamping fees, is \$100,000. The DWR grant will pay for the policy cost.
- Notably, the policy includes no deductible, enhancing the district's ability to access funds efficiently.
- The surplus lines taxes and stamping fees are \$3,180. Arrangements are being made to secure outside funding for these fees.

Resolution 24-04

DELTA REGION GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
RESOLUTION NO. 24-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DELTA REGION GHAD THE
PURCHASE OF A \$2,500,000 PARAMETRIC FLOOD INSURANCE POLICY

WHEREAS, on September 25, 2024, the Delta Region GHAD Board adopted Resolution 24-02, approving a memorandum of understanding with EPIC Insurance Brokers and Consultants, designating EPIC as their Broker of Record and authorizing them to seek a flood insurance solution to mitigate the financial consequences of a flood in Isleton; and

WHEREAS, following the adoption of Resolution 24-02, the GHAD Board passed Resolution 24-03, which authorized the GHAD manager to accept a \$100,000 grant from the Department of Water Resources (DWR) and engage EPIC Brokers in securing a parametric insurance policy that would pay the GHAD in the event of high water within the community; and

WHEREAS, GHAD staff, in coordination with EPIC Insurance Brokers, have finalized a parametric insurance policy with Flood Flash, which aims to provide financial protection against specified flooding conditions; and

WHEREAS, at the Board's direction, EPIC has negotiated a parametric insurance policy with FloodFlash.

WHEREAS, the key details of the insurance policy are as follows:

1. Effective Date:

- To be determined in coordination with DWR grant fund receipt
- 14-day claim waiting period at policy start
- Target implementation: Before December 7th to ensure coverage for holiday storms

2. Policy Structure:

- Annual policy with five increasing trigger depths
- Each trigger depth associated with specific payout amounts
- Underwritten by Munich Re, a global reinsurance firm
- Detailed policy information provided in Attachment 1

3. Payout Details:

- \$500,000 payout at each trigger depth
- Total potential payout: \$2,500,000

- Incremental support based on flood conditions
- Full payout expected in case of levee failure

WHEREAS, the financial implications of the policy are:

- Policy cost: \$100,000 (covered by DWR grant)
- Includes FloodFlash sensor fee
- No deductible
- Surplus lines taxes and stamping fees: \$3,180 (external funding)

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Delta Region GHAD resolves and orders as follows:

1. Approves the purchase of the parametric flood insurance policy from FloodFlash as detailed in Attachment 1 pending receipt of the DWR grant.
2. Authorizes the GHAD Manager to execute all necessary documents and take all required actions to effectuate the purchase of said policy.
3. Directs the GHAD Manager to coordinate with DWR for the timely receipt of grant funds to cover the policy cost.
4. Authorizes the GHAD Manager to secure external funding for the surplus lines taxes and stamping fees.

PASSED AND ADOPTED by the Delta Region GHAD Board of Directors, at the meeting of said Board held on the 20th day of November, 2024.

Ayes: Director(s)
Noes: Director(s)
Absent: Director(s)
Abstain: Director(s)

By:
_____, Chair of the GHAD Board of Directors

ATTEST:
_____, Clerk of the GHAD Board

Date: _____

FloodFlash

Your policy document

Thanks for choosing FloodFlash. This policy document sets out everything **you** need to know about **your** insurance. It forms part of **your policy** along with:

- The **schedule**, and
- Any **endorsements**.

Other documents important to **your policy** are:

- The **statement of fact**, and
- **Our** privacy policy: this sets out how **we** use and protect **your** data. It is available at www.floodflash.co/privacy-policy/ or on request.

Please check each of these documents carefully. Any incomplete or inaccurate information could lead to the **policy** being invalidated, claim payment being refused or an administration fee being charged. If **you** notice any information is missing or incorrect tell **us** by emailing support@floodflash.co or calling +1-888-207-1026.

Words that appear in bold have the meanings shown in the 'Definitions for the terms in this document' section on pages 4 to 6.

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A note on parametric insurance

This is a parametric insurance **policy** based on **measured flood events**. When a **flood** reaches the **trigger depth** that **you** selected, **you** will be paid the lesser of the **actual loss sustained** and the **payout** as per **your schedule**.

To make sure this **policy** is right for **you**, **you** need to think about what **you** need before a **flood** happens. **You** might want to consider:

1. How much it might cost to repair the **insured premises** and / or its contents after a **flood**
2. How long **your** business could be interrupted for, and how much revenue might be lost as a result
3. Other **flood** insurance **you** might have. For example, **your** other insurance might have a deductible which **you** are responsible for, parts of the **insured premises** or business interruption costs might be excluded from coverage, or the level of coverage provided may be insufficient for **your** business
4. The level to which any equipment, contents, or other items are raised above the ground, and / or
5. Any **flood** defences or resilience measures **you** have installed at the property, like **flood** barriers, and to what **flood** depth they might protect **you**.

You may wish to discuss this with **your** insurance broker or a third-party surveyor.

Check your choices

When creating **your policy** there are three key things **you** must choose carefully to make sure **your policy** is best suited to **your** needs. They are:

Insured premises
Trigger depth(s)
Payout(s)

The choices **you** have made are all available for review in the **policy schedule**. Pay close attention to these as **you** review **your policy** documents.

Definitions for the terms in this document

The following terms have the same meanings throughout this **policy**.

Actual loss sustained: is the costs **you** incur to recover after a **measured flood event** and relating to **your insured interest**. **Your** actual loss sustained is not contingent upon physical damage to the **insured premises** but upon the occurrence of a **measured flood event** and shall be calculated as the sum of:

- (a) any reasonable and necessary costs to repair or replace with like kind and quality,
- (b) the actual cash value at the time immediately prior to the occurrence of a **measured flood event** where there is no repair or replacement available and,
- (c) direct and indirect financial losses including costs consisting of
 - loss prevention,
 - business continuity,
 - losses due to the interruption or suspension of **your** business,
 - increased supply chain and/or supply chain interruptions,
 - any expediting and extra expenses, including but not limited to, additional staff, extraordinary payroll expenses to continue the operation of the business but excluding pure market risks (including but not limited to decline in share or commodity prices, interest rate or currency fluctuations) and staff medical and counselling as a result of this event.

You shall be permitted to maintain other insurance, however, any recoveries **you** make from any and all other insurance contracts shall be deducted for the purposes of determining the actual loss sustained.

Cancellation date: means the date when a **policy** ends as requested by you prior to end of the **insured period policy**. This date cannot be in the past.

Endorsement: means a change to the terms of the **policy**.

Estimated actual loss sustained: is **your** good faith preliminary estimate of **your actual loss sustained** in the **event notice**.

Event notice: is a declaration made by **you** confirming the occurrence of a **measured flood event** and stating **your estimated actual loss sustained**.

Final payment: the total payment from **us** to **you** after the application of clauses 5.7, 5.8 and 5.9 herein.

Flood: includes any case where land not normally covered by water becomes covered by water which reaches any external part of the walls of the **insured premises**. This includes flooding caused by:

- heavy rainfall,
- a river overflowing or its banks being breached,
- a dam overflowing or being breached,
- tidal waters,
- groundwater,
- or any other source of naturally-occurring excess water (including any combination of the above factors).

However, flood does not include:

- flooding from any part of a sewerage system, unless caused by an increase in the volume of rainwater (including snow and other precipitation) entering or otherwise affecting the system, or
- flooding caused by a burst water main.

(FloodFlash) sensor:	means the flood water detector identified in the schedule , that we supply and install.
(FloodFlash) sensor fee:	means the sum of money you need to pay us to rent the sensor .
Initial payment:	means the money paid by us to you following a measured flood event and in accordance with 5.3 herein.
Insured interest:	means your interest in all real and personal property at the insured premises , including but not limited to <ul style="list-style-type: none">• property damage and personal property owned, used or intended for use by you, or hereafter constructed, erected, installed, or acquired including while in course of construction, erection, installation and assembly and,• business interruption including contingent business interruption.
Insured period:	means the period of time shown in the schedule , including the first and last days.
Insured premises:	means the property described in the schedule .
Loss payee:	means the third party named by you and shown in the schedule who we will pay, rather than you , in the event of a measured flood event . This may be where the insured premises are subject to a mortgage or other security interest.
Measured flood event:	means a flood that: <ul style="list-style-type: none">• happens at the insured premises,• meets or exceeds the trigger depth, and• happens during the insured period and after the waiting period.
New policy:	means the first FloodFlash policy taken out by you in respect of the insured premises identified in the schedule .
Payout:	means the maximum amount of money corresponding to a given trigger depth detailed in the schedule that you may receive after suffering a measured flood event , subject to the terms and conditions of this policy .
Policy	means this policy document, the schedule and any endorsements , which together form the insurance contract between you and us .
Premium:	means the sum of money you need to pay us to buy the policy .
Premium due date:	means the date the premium is due to be paid, as per your schedule .
Proof of loss	is a certification from you of your actual loss sustained provided after the measured flood event that resulted in a final payment calculation being made.
Renewal date:	is the date that a renewal policy starts. It is the date immediately following the last day of the previous insured period .

Renewal / Renewed policy:	means a policy for an insured period following the expiry of a previous FloodFlash policy with no time gap in cover.
Schedule:	means the policy schedule, which sets out the specific details of cover under the policy .
Statement of fact:	means the document setting out details of the insured premises that you provided to us . We use that information to set the premium for your policy .
Trigger / Triggered:	means the FloodFlash sensor detecting a measured flood event and sending the data to us .
Trigger depth:	means the depth of water that you selected to initiate a claim under your policy detailed in the policy schedule . You may have chosen more than one of these for your policy .
Waiting period:	means the first 14 days of the insured period of a new policy. During this time no liability under this policy for a measured flood event or otherwise can arise.
We / Us / Our:	means FloodFlash Limited of 9th Floor, 107 Cheapside, London, EC2V 6DN, United Kingdom or its principals and / or agents acting on its behalf identified in the 'Coverholder' section of the schedule .
You / Your / Yourself:	means the legal entity identified in the 'Policyholder' section of the schedule or agents acting on its behalf.

1. Our promise to you

- 1.1. We agree to pay **you** the lesser of the **actual loss sustained** and **payout** amount in the **schedule** if a **measured flood event** occurs subject to the details in this **policy**.
- 1.2. This **policy** shall pay for up to two **measured flood events** occurring during the **insured period** for each **trigger depth**. This means that
 - (a) the **payout** can be split across two claims
 - (b) **you** will not receive more than the **payout** for each **trigger depth** in the **insured period**
 - (c) **you** will not be able to claim again even if the **FloodFlash sensor** is **triggered** more than twice.
- 1.3. Once **you've** had two claims or the **payout** has been reached, **you** need to request a new quote in order to reinstate cover at that **trigger depth**.

You can only receive the **payout and no more** for each **trigger depth** in the **insured period**. That means once **you've** had up to two claims amounting to or exceeding the **payout**, **you** need to request a new quote in order to reinstate cover at that **trigger depth**.

2. Your promise to us

- 2.1. **You** promise the following:
 - (a) **you** shall not move, cover the surface of, paint, tamper with (physically, electronically or otherwise), damage or destroy the **FloodFlash sensor**,
 - (b) **you** will report any obvious signs of damage or faults concerning the **FloodFlash sensor** by emailing support@floodflash.co or calling +1 888-207-1026 as soon as possible,
 - (c) **you** will not, by **yourself** or with others, seek deliberately to cause and / or exacerbate a **flood** and / or to trigger the **FloodFlash sensor** via arson, vandalism, gross negligence, malicious damage or any other action,

The **FloodFlash sensor** is tamper proof, storm proof and built to last 10+ years. It is unlikely to need repair or replacement in that time. If it does, please let **us** know. Do not attempt repair **yourself**.

- (d) **you** will not attempt to repair the **FloodFlash sensor**,
- (e) **you** will tell **us** if any of the information on which this insurance is based changes. If **you** don't know whether **you** need to tell **us** about a change, please notify **us** anyway. If **you** tell **us** about a change:
 - i. **we** will not be deemed to have accepted the changes until **we** confirm in writing, and
 - ii. **we** will work to provide an updated quote for this **policy** so that cover can remain in place. Any changes **you** submit may lead to updates to **trigger depth(s)**, **payout** amounts or **premium**. **You** will be under no obligation to accept the updated quote, but **we** will not accept the changed risk until **you** do so. Failure to agree any changes may result in the **policy** no longer being valid and **you** not receiving a **payout** if a **measured flood event** occurs,
- (f) **you** must have a legal or equitable interest in the **insured premises** at the time of purchase of this **policy** and expect to maintain this interest during the term of this insurance.

3. The FloodFlash sensor

- 3.1. This **policy** is subject to a **FloodFlash sensor** being installed by **our** engineers.
- 3.2. The **sensor** must be installed before the end of the **waiting period**. If **we** are unable to reach adequate arrangements for installation of the **sensor** with **you** before the end of the **waiting period**, **we** will give **you** a 14-day notice of cancellation. At the end of this notice period, if the **sensor** has not been installed, **we** will cancel the **policy** and return **premium** and **FloodFlash sensor fee** to **you** calculated pro-rata.



Meet the claims department How the FloodFlash sensor works

The **sensor** records water depth at the **insured premises**. It requires no power or internet connection. Once installed **you** don't need to do anything else unless to report that the **sensor** has been damaged or stolen.

In the event of a **flood**, the **sensor** records water depth data every 5 minutes. The **sensor** then sends the data to **us** at regular intervals via mobile networks. This is how **we** know it is working. If **we** stop receiving data, **we** know to investigate the **sensor** for repair or replacement.

When the **sensor** records water depth at or above the **trigger depth** detailed in the **schedule**, it is **triggered**. That's when **we** start **your** claim process. If **you** have more than one **trigger depth** in the **schedule** this occurs separately for each **trigger depth**. In other words, **we** treat each **trigger depth** as a separate claim.

You can find more information on the **sensor** at www.floodflash.co/blog.

- 3.3. The **sensor** must be installed at a point that is:
 - (a) on the outside wall of the **insured premises** detailed in the **schedule**,
 - (b) not in a drain, stairwell or other depression that takes the **sensor** below ground elevation,
 - (c) not on a wall that touches or abuts water, and
 - (d) **your** choice. **Our** engineers cannot advise **you** where to place the **sensor**.
- 3.4. If **we** discover that the **sensor** has been installed incorrectly based on clause 3.3(a) **we** will not make a **payout** if a **measured flood event** occurs until the **sensor** is installed correctly. **We** will organize an engineer to move the **sensor** at a cost to **you** of \$150 + applicable taxes.
- 3.5. The **FloodFlash sensor** is **our** property and will be rented to **you** at an annual cost of \$200 + applicable taxes. Initial installation is provided at no extra charge.
- 3.6. If **you** want to move the **FloodFlash sensor** after the initial installation, either at renewal or at any other point in the **insured period**, **we** will charge **you** an additional fee of \$150 + applicable taxes.

- 3.7. You agree to allow our engineers to access the **insured premises** for **sensor** installation or maintenance upon reasonable notice given from **us** to **you**.
- 3.8. You will allow **us** to access the **sensor** during normal working hours, whether before or after any **flood** or potential claim.
- 3.9. Where **you** have reported any obvious signs of damage to the **FloodFlash sensor** in accordance with clause 2.1(b), **we** will arrange for it to be repaired or replaced promptly except when **you** or any person associated with **you** has deliberately caused any such damage.

4. Premium payment and waiting period

- 4.1. You must pay the full **premium** to **us** or **your** insurance broker by the **premium due date** specified in the **schedule** no later than 17:00 in the time zone of the **insured premises** indicated in the schedule. If the **premium** is not paid by the **premium due date**, **we** will cancel the **policy**.
- 4.2. During the **waiting period** no **payout** under this **policy** for a **measured flood event** or otherwise can arise.
- 4.3. In the case of a **renewal policy**, the **premium** must be paid before the **policy renewal date**. When the **premium** for a **renewal policy** is paid in full before the **renewal date**, there is no **waiting period**. If **you** do not pay the **premium** for a **renewal policy** in full before the **renewal date**, cover will end on the last day of the expiring **policy**.

5. Making a claim

- 5.1. When the **sensor** is **triggered**, **we** will email **you** within 24 hours. **You** will also receive an **event notice** for **you** to complete which **you** must send back to **us** within 28 days to confirm that a **flood** has taken place and setting out **your estimated actual loss sustained**. If **you** don't confirm the **flood** **we** may not make any **payout** under the **policy**.
- 5.2. If a **flood** event occurs that **you** think should have **triggered** the **sensor** but **you** have not heard from **us**, notify **us** within 28 days of the incident either by emailing support@floodflash.co or calling +1 888-207-1026. **We** will then follow the process outlined at clauses 5.10 and 5.11.

In the rare event that the **sensor** does not record or communicate data during a **flood** **we** use other sources to validate **your** claim as a failsafe. Just contact **us** within 28 days if you don't hear from **us**.

- 5.3. Based on the **event notice** **you** send **us**, **we** will issue an **initial** payment which will be the lesser of:
 - (a) the **estimated actual loss sustained** and
 - (b) the **payout** amount. In the event of a second claim, this will be the **payout** less the **initial payment** from the first claim.
- 5.4. After **we** have paid you the **initial payment** as per clause 5.3, **we** will send you a **proof of loss** which **you** must complete with **your actual loss sustained** and return to **us** no later than six months after the **measured flood event**.
- 5.5. In addition to the **proof of loss** and in order to determine and substantiate **your actual loss sustained**, **we** may ask **you** to provide to **us** evidence of the value of the losses, damages, liability and expenses incurred in the form of
 - (a) invoices,
 - (b) statements,

- (c) agreements and contracts or,
 - (d) any relevant records and documents considered necessary by us.
- 5.6. Based on the **proof of loss**, we shall determine **your actual loss sustained**.
- 5.7. If **you** do not provide a **proof of loss** and, if requested, any supporting documents to **us** within the above mentioned time frame, or a timeframe as indicated by **us**, **we** will determine that there is no **actual loss sustained** and **we** will pursue recovery of any initial **payout** made.
- 5.8. If an initial **payout**, as per clause 5.3, has been paid to **you** and this amount is
 - (a) less than **your actual loss sustained**, then **we** will pay **you** the difference up to the **payout** amount calculated for such **measured flood event** or,
 - (b) is higher than **your actual loss sustained**, then **you** must refund the difference to **us** within 28 days.
- 5.9. If **we** have not received the **premium** but **you** are within the terms of the **premium due date** when the **sensor** is **triggered**, **we** will reduce the **actual loss sustained** by the **premium** and any **sensor fee**.
- 5.10. If the **FloodFlash sensor** has not been installed or is faulty and fails to identify a **measured flood event** **you** must notify **us** in accordance with clause 5.2. **We** will issue payments based on the procedures defined in 5.3, provided **we** are satisfied that a valid claim would have been payable under this **policy** on the balance of probabilities after considering the available evidence outlined in clause 5.12.
- 5.11. If the **FloodFlash sensor** is triggered due to malfunction or malicious act and **we** believe that on the balance of probabilities, after considering the available evidence outlined in clause 5.12 below that a **measured flood event** has not occurred, we will not pay **you** any **payout**.
- 5.12. In making such assessments, a range of evidence may be considered. Such evidence includes:
 - (a) data from official and other sources,
 - (b) satellite data,
 - (c) site visits,
 - (d) evidence concerning neighbouring properties,
 - (e) photographs **you** submit, and
 - (f) interviews with **your** staff.
- 5.13. Where a **loss payee** has been named in the **policy schedule**, **we** will pay the **payout** to the **loss payee** and **we** will not be liable to make any further **payout** to **you** or any other party with respect to the **measured flood event**. The instruction to revoke a **loss payee** must be notified to **us** with 14 days' prior written notice by the **loss payee**. Nothing in this agreement is intended to confer a directly enforceable benefit to any party other than **you**.
- 5.14. If **you** make a claim under this **policy** knowing it to be fraudulent or exaggerated in any way, or provide any false or misleading statement in support of any claim, **we**:
 - (a) will not pay **you** any **payout**,
 - (b) may recover from **you** any sum(s) already paid to **you**, and
 - (c) may treat the **policy** as having been terminated with effect from the time of the fraudulent act. If **we** exercise **our** rights under this clause **we**:
 - i. need not return any **premium** to **you** and
 - ii. may report the matter to relevant authorities.

6. If someone else is to blame for your claim

- 6.1. Upon payment of any **payout we** can take over any claim that **you** may have against a third party. If necessary, **we** will issue and pursue proceedings in **your** name at **our** expense to recover a **payout**.
- 6.2. **You** will provide all information and assistance which **we** reasonably require in support of any such claim.
- 6.3. **You** will not admit, deny, negotiate or settle any such claim without **our** written consent.

7. If you need to cancel

- 7.1. **You** can cancel the **policy** during the **waiting period** and receive a refund of **your premium** and **sensor fee**.
- 7.2. Where:
 - (a) **you** no longer hold a legal or equitable interest in the **insured premises**,
 - (b) **you** cease to trade for any reason or enter into any form of insolvency process, administration or liquidation,
 - (c) the **insured premises** is damaged beyond repair, or
 - (d) there is an event outside of the parties' control which renders this **policy** redundant and **you** cancel the **policy**, **we** will return **premium** and **FloodFlash sensor fee** to **you** calculated pro-rata based on the number of days left from the **cancellation date** provided **you** can prove one of circumstances (a) to (d).
- 7.3. In all other circumstances **you** can cancel the **policy** but the **premium** and **FloodFlash sensor fee** is non-refundable.

The following clauses are standard terms that come with most commercial insurance policies.

8. What isn't covered under this policy

War and terrorism exclusion NMA 2918

- 8.1. Notwithstanding any provision to the contrary within this insurance or any **endorsement** thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
 - (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - (b) any act of terrorism.
- 8.2. For the purpose of this **endorsement** an act of terrorism means an act, including but not limited to:
 - (a) the use of force or violence and/or,

- (b) the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or,
 - (c) to put the public, or any section of the public, in fear.
- 8.3. This **endorsement** also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 8.1 (a) and/or (b) above.
- 8.4. If the insurer(s) allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.
- 8.5. In the event any portion of this **endorsement** is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Biological or chemical materials exclusion NMA 2962

- 8.6. It is agreed that this **policy** excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

Radioactive Contamination and Explosive Nuclear Assemblies Exclusion NMA 1622

- 8.7. This **policy** does not cover:
- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss,
 - (b) any legal liability of whatsoever nature,
 - (c) directly or indirectly caused by or contributed to by or arising from,
 - (d) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,
 - (e) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

Sanctions exclusion clause

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

9. Service of suit clause

- 9.1. This clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any arbitration provision within this **policy**. This clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such arbitration provision for resolving disputes arising out of this contract of insurance.
- 9.2. It is agreed that in the event of **our** failure to pay any amount claimed to be due hereunder, **we**, at **your** request, will submit to the jurisdiction of a court of competent jurisdiction within the

United States. Nothing in this clause constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

9.3. Service of process in such suit may be made upon:

Lloyd's America, Inc.
Attention: Legal department
280 Park Avenue,
East Tower, 25th Floor
New York, NY 10017

9.4. It is further agreed that in any suit instituted against anyone of them upon this **policy**, **we** will abide by the final decision of such court or of any appellate court in the event of an appeal. The above-named are authorised and directed to accept service of process on **our** behalf in any such suit and/or upon **your** request to give a written undertaking to **you** that they will enter a general appearance upon **our** behalf in the event such a suit shall be instituted.

9.5. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, **we** hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, 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 **your** behalf of or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorised to mail such process or a true copy thereof.

10. Law and jurisdiction

10.1. The proper and exclusive law of this insurance shall be England and Wales law.

Amendment

10.2. No amendment of this **policy** (including this clause) shall be valid unless agreed in writing between **us** and **you**.

Severability

10.3. In the event any provision of this **policy** is declared invalid, illegal, invalid or unenforceable by any regulatory body or court having jurisdiction over this **policy**, such provisions will be considered void in such jurisdiction but this will not affect the validity or enforceability of any other provision of this **policy** in that jurisdiction or the validity or enforceability of the entire agreement in other jurisdictions.

Entire Agreement

10.4. This **policy** shall form the entire agreement between **us** and **you** and there are no understandings or agreements between **us** and **you** other than those expressed in this **policy**.

Non-Assignment

- 10.5. No rights, duties or obligations of **you** or **us** under this policy shall be assigned by **you** or **us** without the prior written consent of the other party. Any purported assignment in absence of such consent shall be void and ineffective.

11. Making a complaint

If **you** would like to make a complaint, contact **us** by calling +1 888-207-1026, emailing complaints@floodflash.co, or writing to:

Complaints
FloodFlash Limited
18 East Tenter Street
London E1 8DN
United Kingdom

FloodFlash will refer **your** complaint to the lead underwriter of this **policy**, Munich Re Syndicate 457 at Lloyd's.

You may also contact Munich Re Syndicate 457 directly, by calling +44 (0)20 7886 3900, emailing MRSL-complaints@munichre.com, or writing to:

The MRSL Complaints Team
Munich Re Syndicate Limited
1 Fen Court
London
EC3M 5BN
United Kingdom

If **you** remain dissatisfied, it may be possible in certain circumstances for **you** to refer the matter to the Complaints team at Lloyd's.

The address of the Complaints team at Lloyd's is:

Complaints
Lloyd's
One Lime Street
London EC3M 7HA
United Kingdom

Telephone: +44 (0)20 7327 5693
Fax: +44 (0)20 7327 5225
E-mail: complaints@lloyds.com
Website: www.lloyds.com/complaints

Details of Lloyd's complaints procedures are set out in a leaflet 'Your Complaint - How We Can Help' available at www.lloyds.com/complaints and are also available from the above address.



Quote document

City of Isleton - Ref. A588B1DE

Quote generated - 9/4/24

This document is for a parametric insurance policy. This means that if a flood occurs at the depth or depths that you select, subject to compliance with all the terms and conditions of the insurance policy, you will be paid only the lesser of the actual loss sustained and amount of cover that you select per depth.

This quote is valid until 4 October 2024

Quote detail

This quote is for a policy based on the trigger depths and payout amounts below:

Trigger	Trigger depth (")	Payout
1	16	\$500,000
2	24	\$500,000
3	32	\$500,000
4	40	\$500,000
5	48	\$500,000
Total		\$2,500,000

Total cost (incl. \$200 sensor fee, excl. surplus lines taxes)

\$100,000

Total maximum payout

\$2,500,000

Deductible

\$0

What next?

If you have checked the information in your Statement of fact, simply confirm you want to take out the insurance before quote expires online or through your broker. You will need to confirm:

- the start date for your policy. This can be any date from today
- your preferred time for our engineers to install your FloodFlash sensor for a new policy.

Please note,

- this policy is subject to a FloodFlash sensor being installed by our engineers
- there's a 14-day waiting period at the start of a new policy. During that time you will not be paid for any claims that arise.

**DELTA REGION GEOLOGIC HAZARD ABATEMENT DISTRICT
STAFF REPORT**

TO: Delta Region Geologic Hazard Abatement District (GHAD) Board of Directors

FROM: GHAD Manager

BOARD MEETING DATE: November 20, 2024

SUBJECT: ADOPT RESOLUTION 24-05 APPOINTING GHAD TREASURER, INC. TO SERVE AS GHAD TREASURER FOR THE DELTA REGION GEOLOGIC HAZARD ABATEMENT DISTRICT PURSUANT TO PUBLIC RESOURCES CODE SECTION 26585.

RECOMMENDATION:

That the Board adopt Resolution 24-05, appointing GHAD Treasurer, Inc to serve as the GHAD Treasurer and authorize the Chair to execute an agreement with GHAD Treasurer, Inc. for GHAD Treasurer services.

SUMMARY:

On December 14, 2021, the Isleton City Council adopted Resolution No. 028-21 approving the formation of the Delta Region Geologic Hazard Abatement District (GHAD) and appointed five property owners to serve as the GHAD Board of Directors. As required under Public Resources Code section 26585, the GHAD Board of Directors must appoint a Treasurer. The GHAD is responsible for hiring its own staff (or contracting with outside parties to perform staff services), including all workers involved in the operation, maintenance, replacement, repair, or other activities of the GHAD. Staff recommends that the GHAD Board contract with a specialized consultant to perform staff services for the GHAD, based on the unique and technical expertise needed for this role and to avoid confusion between the functions of the GHAD and those of the City of Isleton.

FISCAL IMPACT:

The GHAD is proposed to be funded 100% through assessments levied on properties within the GHAD, insurance premiums, and grant funding. The GHAD would not be able to provide services until a funding source is in place.

RECOMMENDATION:

Adopt Resolution 24-05 appointing GHAD Treasurer, Inc. to serve as GHAD Treasurer of the Delta Region GHAD pursuant to Public Resources Code Section 26585.

ATTACHMENTS:

Resolution – Resolution 24-05 appointing GHAD Treasurer, Inc. to serve as GHAD Treasurer of the Delta Region GHAD pursuant to Public Resources Code Section 26585.

Sample Contract for GHAD Treasurer services

**BOARD OF DIRECTORS OF THE
DELTA REGION GEOLOGIC HAZARD ABATEMENT DISTRICT**

RESOLUTION NO. 24-05

**RESOLUTION OF THE DELTA REGION GEOLOGIC HAZARD ABATEMENT
DISTRICT BOARD OF DIRECTORS APPOINTING GHAD TREASURER, INC TO
SERVE AS GHAD TREASURER FOR THE DELTA REGION GEOLOGIC HAZARD
ABATEMENT DISTRICT PURSUANT TO PUBLIC RESOURCES CODE SECTION
26585**

WHEREAS, on December 14, 2021, the Isleton City Council adopted Resolution No. 028-21 approving and ordering the formation of the Delta Region Geologic Hazard Abatement District ("Delta Region GHAD or GHAD"); and

WHEREAS, the GHAD is a political subdivision of the State of California, governed by state law (Pub. Res. Code § 26500 et seq.), and constitutes a legal entity separate and distinct from the City of Isleton ("City"), with operations independent of City functions; and

WHEREAS, pursuant to Public Resources Code section 26585, the Board of Directors must appoint a Treasurer; and,

WHEREAS, the GHAD is responsible for hiring its own staff (or contracting with parties to perform such staff services), including all workers who will undertake operation, maintenance, replacement, repair, and other activities of the GHAD, and no City employees shall perform such services for GHAD facilities; and

WHEREAS, the Delta Region GHAD Board of Directors has considered options for staffing of Geologic Hazard Abatement District Treasurer position; and

WHEREAS, the Delta Region GHAD Board of Directors desires to appoint GHAD Treasurer, Inc. to serve as the GHAD Treasurer; and

WHEREAS, the Delta Region GHAD Board of Directors authorizes the Chair of the Board to execute an agreement with GHAD Treasurer, Inc. for GHAD Treasurer services; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Delta Region GHAD resolves and orders as follows:

1. The GHAD Board of Directors hereby appoints the GHAD Treasurer, Inc. to provide Treasurer services for the Delta Region GHAD.

2. The recitals contained in this resolution are true and correct are an integral part Board of Directors' decision.
3. This resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Delta Region GHAD Board of Directors, at the meeting of said Board held on the 20th day of November, 2024.

Ayes: Director(s)

Noes: Director(s)

Absent: Director(s)

Abstain: Director(s)

By:

_____, Chair of the GHAD Board of Directors

ATTEST:

_____, Clerk of the GHAD Board

Date: _____

CONTRACT FOR PROFESSIONAL SERVICES

THIS CONTRACT FOR GHAD TREASURER SERVICES (this "Contract") is made and entered into this ____ day of _____, 2024, by and between the _____ Geologic Hazard Abatement District, a political subdivision of the State of California, ("GHAD"), and GHAD Treasurer, Inc. ("GHAD Treasurer"), for professional services more particularly described herein.

The GHAD and GHAD Treasurer, for mutual consideration as defined herein, agree to the following terms, services and conditions.

- Contract Documents.** This Contract is comprised of the following documents: (i) this Contract for GHAD Treasurer Services, and (ii) Addendum A to Contract for GHAD Treasurer Services attached hereto and incorporated herein by reference ("**Addendum A**").
- Term.** This Contract between the parties is effective as of the date of execution and shall remain in effect until terminated in accordance with the provisions set forth in Section 12 of the Contract.
- Services.** GHAD Treasurer will, in accordance with the terms of this Contract, perform professional services, which are described in Addendum A (the "**Services**").
- Fees.** The GHAD agrees to pay the GHAD Treasurer on a monthly basis for the Services pursuant to this Contract in the amount described in the Addendum A. The GHAD Treasurer will submit invoices to the GHAD Manager on an as-needed basis but no more frequently than once a calendar quarter.
- Expenses.** GHAD Treasurer shall be reimbursed by GHAD for the actual cost of those reimbursable expenses incurred by GHAD Treasurer listed in Addendum A, if any.
- Laws, Rules and Regulations.** GHAD Treasurer shall perform the Services in accordance with all applicable local, state and federal laws and regulations.
- Indemnity.** GHAD Treasurer shall indemnify, defend, save and hold harmless GHAD, its directors, officers and employees and other related parties from and against any and all claims, damages, losses, liabilities and expenses to the extent arising out of or related to any acts or omissions of GHAD Treasurer in the performance of this Contract and/or the Services.
- Insurance.** GHAD Treasurer shall purchase and maintain with an insurer or insurers acceptable to GHAD, a commercial general liability policy with a minimum of \$1,000,000 in coverage.
- Independent Contractor.** GHAD Treasurer is an independent contractor and is solely responsible for its acts or omissions. GHAD Treasurer (including its agents, servants, and employees) is not an employee of GHAD.
- Confidentiality.** Each Party shall maintain the confidentiality of all information exchanged in connection with the performance of this Contract, and without obtaining the written consent of the other Party, shall not disclose information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); or (b) is under an obligation to be disclosed pursuant to applicable laws or regulations. This Section shall survive the termination of this Contract for any reason.
- Conflict of Interest.** GHAD Treasurer represents that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. GHAD Treasurer certifies that no one who has or will have any financial interest under this contract is an officer or employee of GHAD. GHAD acknowledges that GHAD Treasurer is affiliated with CAPTRUST. Nothing herein shall prevent GHAD Treasurer from using CAPTRUST as the investment manager of GHAD funds.

12. **Contract Modification or Termination.** GHAD and GHAD Treasurer agree that the terms and conditions of this Contract shall constitute the entire agreement between the parties hereto as to the subject matter of this Contract and shall supersede all prior and contemporaneous negotiations and agreements on that subject matter. GHAD and GHAD Treasurer may modify the terms of this Contract only by executing a written amendment which shall reference this Agreement and shall be executed by the parties hereto. This Contract shall be terminated in writing by either Party upon 30 days' notice to the other.
13. **Contract Administration.** GHAD Treasurer acknowledges that the GHAD Manager will administer this Agreement on behalf of the GHAD Board of Directors.
14. **Counterparts.** This Contract may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. For convenience, the parties may exchange scanned copies of the signature pages to this Contract, which copies shall be binding as originals.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed the day and year first above written.

_____ **Geologic Hazard Abatement District:**

_____ **GHAD Treasurer, Inc.:**

By: _____
Name: _____

By: _____
Name: _____

Dated: _____

Dated: _____

Address: _____

Address: _____

Email: _____

Email: _____

Addendum A

The Treasurer shall provide the following professional services:

1. The GHAD Treasurer is responsible for the general oversight of the district's fiscal resources working in close collaboration and cooperation with the GHAD Manager. The role of GHAD Treasurer includes providing reasonable cash projections of the GHAD's revenues, the expeditious accounting of revenue collected, the control of disbursements and the cost-effective management of custodial relations.
2. The GHAD Treasurer has the authority to select a firm(s) or individual(s) to manage the GHAD investment accounts consistent with the provisions of the GHAD-adopted Statement of Investment Policy. Fees and costs associated with the GHAD investment management services are payable by GHAD.
3. The GHAD Treasurer coordinates closely with the GHAD Manager on budget, cash flow and disbursements. The GHAD Treasurer has further authority to engage the services of one or more third party custodians ("Custodian") to provide safekeeping and custody of assets, and issuance of requested and approved disbursements of GHAD funds.
4. The Treasurer has the authority to disburse funds from GHAD accounts held by the Custodian with the written or electronic consent of the GHAD Manager. The GHAD manager is responsible for authorizing disbursements (i.e., invoices) consistent with the GHAD budget approved by the GHAD Board of Directors. The Treasurer is responsible for reviewing, approving and authorizing disbursements submitted by the GHAD Manager. Such disbursements are, in turn, issued by a Custodian upon authorization by the Treasurer.
5. The GHAD Treasurer shall annually review the Statement of Investment Policy in conjunction with the GHAD Manager. The GHAD Treasurer and GHAD Manager have the authority to determine whether modifications to the Policy are necessary and, if so, to report such recommended modifications to the Board of Directors.
6. The GHAD Treasurer is responsible for providing the following reports:

A. Monthly

The GHAD Treasurer will coordinate with the Custodian(s) to provide a monthly institutional brokerage statement with an investment and transaction summary to the GHAD Manager.

B. Quarterly

The GHAD Treasurer shall submit quarterly financial reports to the GHAD Manager which shall be shared with the GHAD Board.

The quarterly report shall highlight key aspects of information contained in the investment reports; a summary of investment activity for each GHAD, total account balance, balance by position, quarterly performance summary of the investment portfolio and review of cash flow required to meet expenditures for the next six months.

C. Other

The GHAD Treasurer shall present to the GHAD Manager an annual report on the investment program and investment activity no later than 180 days following the end of the fiscal year. The annual report may include a performance summary, and following consultation with the Investment Manager, suggest policies and improvements that might enhance the investment program, and include an investment plan for the ensuing fiscal year. The GHAD Treasurer will provide additional data deemed necessary by the GHAD Manager to facilitate any additional accounting or reporting requirement.

7. The GHAD Treasurer shall maintain a list of financial institutions authorized to provide custodial services. Assets are held directly by Custodian which provides independent verification of assets through monthly institutional account statements. Each GHAD will maintain a separate account with the Custodian. GHAD Treasurer has authority to open accounts with an approved financial institution in the name of GHAD for the purpose of fulfilling its duties.

The GHAD Treasurer is responsible for the coordination, review and monitoring of GHAD cash disbursements. Through a dual control verification process, the GHAD Treasurer must verify disbursement requests from the GHAD Manager. GHAD Managers shall only submit check requests for vendors approved by the GHAD Manager. The GHAD Treasurer coordinates and verifies disbursements from the Custodian to the approved vendors.

8. Fees: GHAD Treasurer shall be paid an annual fee of 0.25% of assets billed on a quarterly basis.

9. Reimbursable Expenses: GHAD Treasurer shall be reimbursed for expenses including mileage at the then standard mileage rate published by the Internal Revenue Service.