



## **MINUTES**

### **SPECIAL MEETING OF THE CARSON RECLAMATION AUTHORITY**

**CALL TO ORDER:** The meeting was called to order at 4:14 P.M. by Authority Chairman Albert Robles.

**ROLL CALL:** Deputy Authority Secretary Simarago called the roll:

Authority Board Members Present:

Chairman Albert Robles, Authority Vice Chairman Elito Santarina, Board Member Ray Aldridge, Jr., and Board Member Rashina Young

Other Elected Officials Present:

Monica Cooper, Authority Treasurer (Entered at 4:37 P.M.)

Other Elected Officials Absent:

Donesia Gause-Aldana, Authority Secretary

Also Present:

John Raymond, Executive Director; Glenn Turner, Computer Systems Support Technician; and Joy Simarago, Deputy Authority Secretary

**ORAL COMMUNICATIONS FOR MATTERS LISTED ON THE AGENDA (MEMBERS OF THE PUBLIC) – None.**

**DISCUSSION: (Items 1-4)**

**Item No. 1    2018-297    APPROVE A SECOND AMENDMENT TO THE AGREEMENT WITH RESOLUTIONS, LLC ("RES") LIMITING RES' LIABILITY TO CRA FOR ANY AND ALL CLAIMS ARISING UNDER OR OUT OF THE NEGLIGENT OR IMPROPER DESIGN OF THE PILES, SUBJECT TO CERTAIN LIMITATIONS**

Executive Director Raymond provided copies of Amendment No. 2 to the Environmental Remediation and Development Management Agreement. He noted Item No. 1 and Item No. 3 are related and summarized the staff report.

## Public Comment

### Stewart Minor, representing RE|Solutions

Clarified that Macerich was responsible for over 2,000 piles and there will be additional less than 30 piles that RE|Solutions' subcontractors will design for minor portions of the project.

Discussion ensued regarding liability coverage.

Mr. Minor agreed to the terms of the agreement and offered to conduct a workshop to convey details of the design of the piles.

### Recommendation:

1. AUTHORIZE the Executive Director to execute an amendment to the RES Development Management Agreement, in a form acceptable to Authority Counsel, limiting RES's maximum aggregate liability to CRA for any and all claims arising under or out of the negligent or improper design of the piles, and only for such matters, to Three Million Dollars (\$3,000,000) provided that this limitation of liability shall not apply to (i) claims arising out of the willful misconduct or gross negligence of RES or its agents or employees; and/or (ii) the rights of CRA to obtain recovery under any of the insurance programs obtained by CRA pursuant to the Development Management Agreement.

**ACTION:** It was moved to approve staff recommendation on motion of Robles, seconded by Santarina and unanimously carried by the following vote:

Ayes: Authority Chairman Robles, Authority Vice Chairman Santarina, Board Member Aldridge, Jr., and Board Member Young  
Noes: None  
Abstain: None  
Absent: None

- Item No. 2. 2018-298 AUTHORIZE EXECUTIVE DIRECTOR TO APPROVE AND BIND COVERAGE ON A GENERAL LIABILITY OWNER CONTROLLED INSURANCE PROGRAM (OCIP) LED BY TOKIO MARINE/HCC WITH FOUR LAYERS OF EXCESS COVERAGE WITH A \$200,000,000 LIMIT OF LIABILITY, AT AN ESTIMATED TOTAL COST OF \$2,060,240 INCLUDING BROKER COMMISSION AND SURPLUS LINES TAXES, TO BE SHARED WITH CAM-CARSON, LLC BASED ON CONSTRUCTION VALUE; AND A TERRORISM LIABILITY (GL AND PLL) POLICY LED BY LLOYD'S-TALBOT AS THE SYNDICATE LEADER WITH A \$100,000,000 LIMIT OF LIABILITY AT A TOTAL COST OF \$123,840 AND A TERRORISM PROPERTY DAMAGE/SABOTAGE (BR) POLICY WITH A LIMIT OF LIABILITY EQUAL TO 100% OF THE REPLACEMENT VALUE OF ALL HORIZONTAL AND VERTICAL CONSTRUCTION COMPONENTS (\$392,649,316) AT A TOTAL PREMIUM OF \$110,444, BOTH TO BE SHARED WITH CAM-CARSON, LLC**

**BASED ON CONSTRUCTION VALUES, ALL PROCURED  
THROUGH JLT SPECIALTY INSURANCE SERVICES, INC.**

Executive Director Raymond summarized the staff report.

Recommendation:

TAKE the following actions:

1. AUTHORIZE the Executive Director to bind coverage on behalf of the Carson Reclamation Authority on a General Liability Owner Controlled Insurance Program (OCIP) with a limit of liability of \$200,000,000, procured through JLT Specialty Insurance Services, Inc. having a term of five years and an aggregate limit of liability of \$200,000,000, with a total cost of \$2,060,240 including broker commission and surplus lines taxes.
2. AUTHORIZE the Executive Director to bind coverage on behalf of the Carson Reclamation Authority on a Terrorism Liability (GL and PLL) policy with a limit of liability of \$100,000,000 and a Terrorism Property Damage/Sabotage (BR) with a limit of liability equal to 100% of the replacement value of all horizontal and vertical construction components, procured through JLT Specialty Insurance Services, Inc. each having a term of three years, with a total cost of \$234,284 including broker commission and surplus lines taxes.

ACTION: It was moved to approve staff recommendations on motion of Robles, seconded by Aldridge, Jr. and unanimously carried by the following vote:

Ayes: Authority Chairman Robles, Authority Vice Chairman Santarina, Board Member Aldridge, Jr., and Board Member Young  
Noes: None  
Abstain: None  
Absent: None

**Item No. 3. 2018-299 AUTHORIZE EXECUTIVE DIRECTOR TO APPROVE AND BIND COVERAGE ON AN OWNER PROTECTIVE PROFESSIONAL INDEMNITY PROGRAM (OPPI) WITH BERKLEY ASSURANCE COMPANY WITH A \$25,000,000 LIMIT OF LIABILITY, AT AN ESTIMATED TOTAL COST OF UP TO \$407,679 PLUS BROKER COMMISSION AND SURPLUS LINES TAXES, TO BE SHARED WITH CAM-CARSON, LLC BASED ON A 60/40 SPLIT, PROCURED THROUGH JLT SPECIALTY INSURANCE SERVICES, INC.**

Executive Director Raymond summarized the staff report.

Recommendation:

TAKE the following actions:

1. AUTHORIZE the Executive Director to bind coverage on behalf of the Carson Reclamation Authority on an Owner Protective Professional Indemnity Program (OPPI) with a limit of liability of \$25,000,000, procured through JLT Specialty Insurance Services, Inc. having a term of five years plus ten years of extended operations coverage, with a total cost of \$407,649 plus broker commission and surplus lines taxes, to be shared with CAM-Carson, LLC based on a 60/40 split.

ACTION: It was moved to approve staff recommendation on motion of Robles, seconded by Young and unanimously carried by the following vote:

Ayes: Authority Chairman Robles, Authority Vice Chairman Santarina, Board Member Aldridge, Jr., and Board Member Young  
Noes: None  
Abstain: None  
Absent: None

**Item No. 4. 2018-349 APPROVE A BUILDER'S RISK POLICY IN THE AMOUNT OF 100% OF THE REPLACEMENT VALUE OF THE HORIZONTAL AND VERTICAL CONSTRUCTION COMPONENTS ON THE COVERED PROPERTY, AT A PREMIUM ESTIMATED TO BE \$906,409, TO BE SHARED WITH CAM-CARSON, LLC BASED ON CONSTRUCTION VALUES, ALL PROCURED THROUGH JLT SPECIALTY INSURANCE SERVICES, INC.**

Executive Director Raymond summarized the staff report.

Recommendation:

TAKE the following actions:

1. AUTHORIZE the Executive Director to bind coverage on behalf of the Carson Reclamation Authority on a Builder's Risk (BR) policy with a limit of liability equal to 100% of the replacement value of all horizontal and vertical construction components \$398,938,087 (estimated), plus Earthquake and Delay in Start Up coverage, having a term of 32 months, with a total estimated cost of \$906,409 including broker commission and surplus lines taxes, with premiums to be shared with CAM-Carson, LLC based on construction values.

ACTION: It was moved to approve staff recommendation on motion of Robles, seconded by Santarina and unanimously carried by the following vote:

Ayes: Authority Chairman Robles, Authority Vice Chairman Santarina, Board Member Aldridge, Jr., and Board Member Young  
Noes: None  
Abstain: None  
Absent: None

## ORAL COMMUNICATIONS (AUTHORITY MEMBERS) –

Authority Chairman Robles requested timeline of the Macerich project. Executive Director Raymond provided timeline of the Macerich project and noted that he will work on a date for the groundbreaking and will inform the board members when confirmed.

Board Member Aldridge, Jr. inquired about the remainder of the projects. Executive Director Raymond provided status of the phases of the projects.

## ADJOURNMENT

The meeting was adjourned at 5:07 P.M. by Authority Chairman Robles.

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Authority Chairman Albert Robles

ATTEST:

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Authority Secretary Donesia Gause-Aldana, MMC

APPROVED BY CARSON RECLAMATION AUTHORITY	
<u>7-3-2018</u>	
Approved as Submitted.	AR/ES 4/0