

REGION H

Water Planning Group

MEETING MATERIALS

February 3, 2016

San Jacinto River Authority

Region H Water Planning Group
10:00 AM Wednesday
February 3, 2016
San Jacinto River Authority Office
1577 Dam Site Rd, Conroe, Texas 77304

AGENDA

1. Introductions.
2. Review and approve minutes of November 4, 2015 meeting.
3. **Receive public comments on specific issues related to agenda items 4 through 12.** (Public comments limited to 3 minutes per speaker)
4. Accept the resignation of Ron Neighbors as a voting member representing water districts; declare vacancies in positions representing water districts, water utilities, and small business; receive Nominating Committee report; and elect new voting members representing water districts, water utilities, and small business.
5. Consider and take action to extend the term of existing Region H voting members for an additional five-year term.
6. Receive Nominating Committee report and elect officers and members of the Executive Committee of the Region H WPG.
7. Receive update from Consultant Team regarding submittal of the 2016 Region H Regional Water Plan and the schedule and milestones for the development of the 2021 Region H Regional Water Plan.
8. Review and take action to amend the budget for the development of the 2016 Regional Water Plan.
9. Receive presentation from Consultant Team regarding Scope of Work for development of the 2021 Region H Regional Water Plan.
10. Receive report from the Region H administrative agency regarding renewal of directors and officers insurance coverage.
11. Receive report regarding recent and upcoming activities related to communications and outreach efforts on behalf of the Region H Planning Group.
12. Agency communications and general information.
13. **Receive public comments.** (Public comments limited to 3 minutes per speaker)
14. Next Meeting: May 4, 2016.
15. Adjourn

Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact Megan Morris at (936) 588-3111 at least three business days prior to the meeting so that appropriate arrangements can be made.

Agenda Item 2

Review and approve minutes of November 4, 2015 meeting.

**MINUTES
REGION H WATER PLANNING GROUP
NOVEMBER 4, 2015
SAN JACINTO RIVER AUTHORITY
GENERAL AND ADMINISTRATION BUILDING
1577 DAM SITE ROAD
CONROE, TX 77304**

MEMBERS PRESENT: David Collinsworth, Robert Istre, Marvin Marcell, Ronald Neighbors, Art Henson, David Bailey, Mark Evans, Jace Houston, James Comin, Kathy Turner Jones, John Bartos, Glenn Lord, Gene Fisseler, Pudge Willcox, William Teer, Carl Masterson

DESIGNATED ALTERNATES: Paul Nelson for Jimmie Schindewolf, Charles Dean for John Blount, Mike O'Connell for Bob Hebert, Jim Sims for Kevin Ward, Lisa Lattu for Jun Chang

MEMBERS ABSENT: James Morrison, Robert Bruner, John Howard

NON-VOTING MEMBERS PRESENT: Sarah Backhouse for Temple McKinnon

CALL TO ORDER

The meeting was called to order at 10:01 a.m.

1. INTRODUCTIONS

Mr. Evans welcomed everyone to the meeting and announced the alternate members present.

2. REVIEW AND APPROVE MINUTES OF OCTOBER 7, 2015 MEETING

John Bartos made a motion to approve the minutes of October 7, 2015. The motion was seconded by Gene Fisseler and carried unanimously.

3. RECEIVE PUBLIC COMMENTS ON SPECIFIC ISSUES RELATED TO AGENDA ITEMS 4 THROUGH 14

Ms. Jill Savory spoke in reference to item number five, a presentation from Averitt and Associates regarding the final report for the Goldwater Project on Water Conservation in Region H. She provided comments related to the value of water conservation and its potential to help avoid large infrastructure costs.

4. RECEIVE PRESENTATION FROM TEXAS STATE SOIL AND WATER CONSERVATION BOARD ON THE WATER SUPPLY ENHANCEMENT PROGRAM

Aaron Wendt with the Texas State Soil and Water Conservation Board gave a brief overview of their Water Supply Enhancement Program, which is also known as the Brush Control Program. Mr. Wendt described different types of brush and which areas are affected by it. Mr. Wendt stated that one of the main responsibilities of the program is related to water quality and working with farmers and ranchers to reduce potential pollution from their irrigated cropland operations or ranching operations. Mr. Wendt explained that they are also responsible for flood control, invasive species issues, and border security.

5. RECEIVE PRESENTATION FROM AVERITT AND ASSOCIATES ON THE FINAL REPORT FOR THE GOLDWATER PROJECT ON WATER CONSERVATION IN REGION

H

Senator Averitt with Averitt and Associates gave a presentation on the final report for the Goldwater Project explaining the process of recruiting utilities to participate in the project and the quantifiable savings into the future. He went on to explain that Region H is currently saving 2,162 MG of water per year with its current water conservation strategies which represents 10.5% of the region's target. He went on to explain county-by-county progress and described the current savings profile for Region H. Senator Averitt introduced Steven Cortes who went on to explain the major strategies in water conservation. Mr. Cortes went over the WaterWise Take-Home Kits and how well those work with water conservation. He presented a chart showing the actual savings of all participating utilities in Region H, noting that Harris County, specifically the City of Houston's numbers align with their five and ten year goals that they initially set out in their water conservation plan. Next, Mr. Cortes presented information regarding most effective strategies. He relayed the challenges Region H is currently facing for water conservation. Senator Averitt concluded the presentation by explaining the recommendations for Region H Planners, State Water Planners, and the next steps of the Goldwater Project.

6. RECEIVE UPDATE FROM CONSULTANT TEAM REGARDING THE SCHEDULE AND MILESTONS FOR THE DEVELOPMENT OF THE 2016 REGION H REGIONAL WATER PLAN

Mr. Afinowicz explained that December 1, 2015, is the due date for the Final Adopted Plan to the Texas Water Development Board, stating that it includes more than just the plan document, which was seen as the Initially Prepared Plan. He explained that this will include a prioritized list of Projects in the Regional Water Plan as well as a report on Emergency Interconnects in the Region H Water Planning Area which was approved by the Regional Water Planning Group and Executive Committee last November.

7. RECEIVE PRESENTATION FROM CONSULTANT TEAM REGARDING REVISIONS MADE TO THE INITIALLY PREPARED PLAN IN PREPERATION OF THE DRAFT FINAL 2016 REGION H REGIONAL WATER PLAN

Mr. Afinowicz explained that since the last meeting, they have been working to incorporate the comments received on the Initially Prepared Plan into the documents, which is an on-going process and that a response has also been prepared. He went on to say that some additional materials have been added which include ASR Strategy Analysis, Socioeconomic Analysis, IFR and Implementation survey results. Mr. Afinowicz gave a presentation on the plan revisions, briefly explaining revisions made to chapters one through eleven. He went on to explain that responses to comment letters addressing concerns have been prepared.

Mr. Evans requested that item nos. 8 and 9 be considered together.

8. CONSIDER AND TAKE ACTION IN ADOPTING THE FINAL 2016 REGIONAL WATER PLAN AND TRANSMITTING THE COMPELTED DOCUMENT TO THE TEXAS WATER DEVELOPMENT BOARD CONTINGENT UPON INCORPORATION OF COMMENTS AND INCLUSION OF FINAL REQUIRED MATERIALS

Ronald Neighbors made a motion to adopt the final 2016 Regional Water Plan and to transmit the completed document to the Texas Water Development Board contingent upon incorporation of comments and inclusion of final required materials. The motion was seconded by Mike O'Connell and carried unanimously.

9. CONSIDER AND TAKE ACTION AUTHORIZING THE REGION H EXECUTIVE COMMITTEE TO MAKE ANY NECESSARY NON-SUBSTANTIVE CHANGES TO THE

APPROVED REGION H REGIONAL WATER PLAN, FINALIZE COMMENTS AND TRANSMIT THE COMPLETED DOCUMENT TO THE TEXAS WATER DEVELOPMENT BOARD

Kathy Turner Jones made a motion to authorize the Region H Executive Committee to make any necessary non-substantive changes to the approved Region H Regional Water Plan, finalize comments, and transmit the completed document to the Texas Water Development Board. The motion was seconded by Glenn Lord and carried unanimously.

10. RECEIVE PRESENTATION FROM CONSULTANT TEAM REGARDING THE DEVELOPMENT OF THE LIST OF PRIORITIZED PROJECTS FROM THE 2016 REGIONAL WATER PLAN

Mr. Afinowicz briefly explained the process of project prioritization, describing the priority scoring, methodology, background information, and full and short lists of projects. He went on to explain the criteria used for project prioritization and the categories they are broken into, as well as the scoring for key projects, opportunities for adjustments, and the next steps that will be taken.

11. CONSIDER AND TAKE ACTION IN APPROVING THE LIST OF PRIOTIZED PROJECTS FROM THE 2016 REGIONAL WATER PLAN FOR SUBMITTAL TO THE TEXAS WATER DEVELOPMENT BOARD

Jace Houston made a motion to approve the list of prioritized projects from the 2016 Regional Water Plan for submittal to the Texas Water Development Board. The motion was seconded by Art Henson and carried unanimously.

12. RECEIVE REPORT FROM THE REGION H SCOPING COMMITTEE REGARDING SUBMITTALS OF STATEMENTS OF QUALIFICATIONS REALTED TO CONSULTANTS FOR THE 2021 ROUND OF REGIONAL WATER PLANNING AND TAKE NECESSARY ACTION TO SELECT A QUALIFIED CONSULTANT

Mr. Evans briefly introduced the members of the Scoping Committee, which include Marvin Marcell, Jace Houston, Gene Fisseler, Pudge Willcox, and Jun Chang. Mr. Marcell noted that only one submittal was received and made a motion to select Freese and Nichols as the consultant for the 2021 Regional Water Plan. The motion was seconded by Ronald Neighbors and carried unanimously.

13. RECEIVE REPORT REGARDING RECENT AND UPCOMING ACTIVITES RELATED TO COMMUNICATIONS AND OUTREACH EFFORTS ON BEHALF OF THE REGION H PLANNING GROUP

Jason Afinowicz stated that there was nothing to discuss related to this item.

14. AGENCY COMMUNICATIONS AND GENERAL INFORMATION

Sarah Backhouse stated that the Bridged Application period for the 2016 SWIFT funding will be open from December 1, 2015, to February 5, 2016, which will be based on the projects from the 2016 Plan that will be included in the 2017 Plan which will be published in 2016. She also stated that per statute, the Texas Water Development Board has to revisit the Regional Water Planning boundaries every five years and that the Board met on October 13 and reaffirmed the current boundaries and no changes will take place. She also explained that there is a Request for Qualifications (RFQ) posted until November 9, 2015, looking for firms to review the Texas Water Development Board methodology for water demand projections for the manufacturing and steam electric power water user groups.

Ronald Neighbors submitted his resignation from the Region H Water Planning Group, recommending that Mike Turrco fill his position. Mr. Evans thanked Mr. Neighbors for his time spent with the Region H Water Planning Group, also stating that the February meeting will consist of electing officers, appointing executive committee members, and reappointing members of the planning group. Mr. Evans explained that there is a nominating committee that has been in place and is composed of Chairman Jimmie Shindewolf, and Members Bill Teer, Bob Hebert, Jun Chang, and John Blount.

Mr. Houston, Mr. Bartos, Mr. Marcell, and Ms. Calloway (who spoke on behalf of Mr. Kramer,) thanked Mr. Neighbors for his time with the Region H Regional Water Planning Group. A round of applause was given for Mr. Neighbors.

15. RECEIVE PUBLIC COMMENTS

Ivan Langford wanted to clarify Senator Averitt's information regarding Gulf Coast Water Authority Contracts. He stated that the largest city in Galveston County, the City of League City, is and has been on a pay for what you take contract plan for 20 years. In addition, every other city and water district in Galveston County, served by Gulf Coast Water Authority, is on a pay for what you take contract, implemented approximately two years ago. Mr. Langford clarified that raw water customer contracts and industrial contracts in Fort Bend and Brazoria Counties are take or pay contracts due to the fact that the largest expense of wholesale water is the cost of water purchased from the Brazos River Authority.

Ms. Jill Savory spoke in regards to Mr. Neighbors resignation from the Water Planning Group and Senator Averitt's presentation. She then thanked Allen, Boone & Humphries for providing statistical values for all the Municipal Utility Districts in Fort Bend County; and lastly she opined that the phrase "If it's Brown, Flush It Down; If It's Yellow, Let It Mellow", be added as the official slogan to the conservation plan.

16. NEXT MEETING

Mr. Evans announced that the next regular meeting will be held on February 3, 2016.

17. ADJOURN

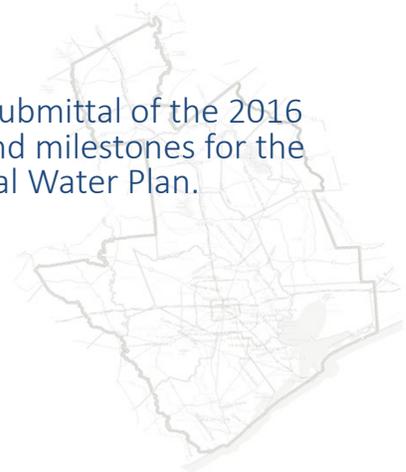
Without objection, the meeting was adjourned at 12:08 p.m.

Agenda Item 7

Receive update from Consultant Team regarding submittal of the 2016 Region H Regional Water Plan and the schedule and milestones for the development of the 2021 Region H Regional Water Plan.

Agenda Item 7 RWP Schedule and Updates

Receive update from Consultant Team regarding submittal of the 2016 Region H Regional Water Plan and the schedule and milestones for the development of the 2021 Region H Regional Water Plan.



Agenda Item 7 RWP Schedule and Updates

2016 RWP

- Submitted final, adopted RWP to TWDB on 24 November.
- Approved by TWDB Region H 14 December.
- Ongoing support to TWDB to assist in incorporating into SWP.
 - May 2016 – Begin public comment period
 - Summer 2016 – Address public comment
 - July 2016 – TWDB to consider adopting SWP
 - November 2016 – Deliver final 2017 SWP

2021 RWP

- TWDB-SJRA contract approved in
- SJRA-Consulting Team contract approved in December.
- Chairs and Stakeholders call on 26 January.
 - 4th cycle lessons learned
 - 5th cycle initiatives and timelines
 - Demand projection development
- Amendment schedule
 - Fall/Winter 2016: Complete SOW, partial funds
 - Fall/Winter 2017: Extend 5th cycle funds
 - Summer 2019: Complete 5th cycle funds



Agenda Item 7

RWP Schedule and Updates



Agenda Item 8

Review and take action to amend the budget for the development of the 2016 Regional Water Plan.

Agenda Item 8 Budget Amendment

Review and take action to amend the budget for the development of the 2016 Regional Water Plan.



Agenda Item 8 Budget Amendment

- Adjustments to budget by task
 - >35% requires an amendment
- No change in overall project budget
- Amendments required to finalize accounting and close out project

Scope Task	Current	Proposed	Change
1	\$ 19,392.00	\$ 19,392.00	\$ -
2A	\$ 49,575.00	\$ 49,775.00	\$ 200.00
2B	\$ 35,347.00	\$ 61,347.00	\$ 26,000.00
3	\$ 116,314.00	\$ 116,314.00	\$ -
4A	\$ -	\$ -	\$ -
4B	\$ 24,423.00	\$ 24,523.00	\$ 100.00
4C	\$ 31,817.00	\$ 31,817.00	\$ -
4D	\$ 1,011,511.00	\$ 1,011,511.00	\$ -
5	\$ 79,989.00	\$ 79,989.00	\$ -
6	\$ 80,041.00	\$ 80,041.00	\$ -
7	\$ 141,058.00	\$ 112,258.00	\$ (28,800.00)
8	\$ 8,136.00	\$ 8,136.00	\$ -
9	\$ 33,872.00	\$ 33,872.00	\$ -
10	\$ 273,647.00	\$ 276,147.00	\$ 2,500.00
11	\$ 81,213.00	\$ 81,213.00	\$ -
12	\$ 104,407.00	\$ 104,507.00	\$ 100.00
13	\$ 33,859.00	\$ 33,759.00	\$ (100.00)
TOTAL	\$ 2,124,601.00	\$ 2,124,601.00	\$ -

Agenda Item 8 Budget Amendment

Action:

Approve budget amendment for 2016 round of
Regional Water Planning.



Agenda Item 9

Receive presentation from Consultant Team regarding
Scope of Work for development of the 2021 Region H
Regional Water Plan.

Agenda Item 9

2021 RWP Scope of Work

Receive presentation from Consultant Team regarding Scope of Work for development of the 2021 Region H Regional Water Plan.



Agenda Item 9

2021 RWP Scope of Work

- Task 2A: Non-Population Related Water Demand Projections
 - Potentially impacted by ongoing TWDB studies
 - Non-Population Demands Committee
- Task 2B: Population and Population-Related Water Demand Projections
 - WUGs to be developed based on utility boundaries
 - Population Demands Committee
- Task 10: Public Participation and Plan Adoption
 - Regular RWPG business



Agenda Item 9

2021 RWP Scope of Work

- Water Demand Analysis
 - Continue through 2017
 - To be approved in 2018
 - Specific effort to be determined as planning round gets started
 - Will work through committee as in 2016 RWP



Agenda Item 10

Receive report from the Region H administrative agency regarding renewal of directors and officers insurance coverage.

Agenda Item 10 Renewal of Insurance Coverage

Receive report from the Region H administrative agency regarding renewal of directors and officers insurance coverage.



Agenda Item 10 Renewal of Insurance Coverage

GREATAMERICAN INSURANCE GROUP
301 E. Fourth Street, Cincinnati, OH 45202

Insurance is effected by the company indicated below. (Each a capital stock corporation)
ExecProSM
DECLARATIONS
for
Nongratif Solutions
Insurance Policy

Policy Number: EEP012817

Item 1. Name of Organization: REGION H WATER PLANNING GROUP
Mailing Address: P. O. BOX 139
City, State, Zip Code: CYNOS, TX 75025
Executive Director/President: _____

Item 2. Policy Period: From 2/1/2015 To 2/1/2016
(Both dates at 12:01 a.m. Standard Time at the address of the Organization as stated in Item 1.)

Item 3. Aggregate Limits of Liability for each Policy Year:
(a) \$1,000,000
(b) \$150,000
(c) \$1,500,000
(d) \$125,000

Item 4. Retention:
Insurance Agreement A:
Insurance Agreement B:
Item 5. Premiums:
Item 6. Taxes:



**REGION H WATER PLANNING GROUP - DIRECTOR'S AND OFFICER'S LIABILITY INSURANCE
OVERVIEW OF BASIC COVERAGE**

Why would Director's & Officer's Liability insurance be needed for a non-profit organization?

- A board member or director assumes a level of responsibility for the organization (duty of care) and has an exposure to claims for not managing it in a proper way.
- Since a director or officer can sometimes be held responsible for acts of the company, most would want this coverage, rather than risk their personal assets.
- Nonprofit directors and officers have a personal liability exposure by virtue of management of their organization and its financial assets. Employment related matters, breach of duty and errors and omissions when making business decisions are hazards faced by nonprofit organizations nationwide. Unfortunately, lawsuits from employees, customers, vendors and the government are becoming increasingly common against nonprofit organizations

Policy provides the following coverage:

- Insurance protection against a breach of duty by the directors and officers of Region H Water Planning Group.
- Insurance protection in the event of any actual or alleged error, misstatement, omission, misleading statement a director or officer may have committed in their position.
- Employment-related issues such as discrimination, harassment, and wrongful termination.
- Failure to provide services.
- Mismanagement of funds.

Brief Overview of Coverages :

Aggregate Limits/Coverage:

Item 3 (a) \$1,000,000 - for all claims other than claims for Employment Practices Wrongful Acts

Item 3 (c) \$1,000,000 – for all claims for Employment Practices Wrongful Act:

Note: This is a shared limit and not in addition to the limit shown in 3 (a)

Sublimit Coverage:

Item 3 (b) \$10,000 – Donor Data Loss Crisis Fund Sublimit (included in 3 (a) limit)

Item 3 (d) \$150,000 – Fair Labor Standards Act (FLSA) Defense Sublimit (included in 3 (a) limit)

Retention:

Insuring Agreement A: \$0 Each Claim

Insuring Agreements B and C: \$2,500 Each Claim

Excerpt of Exclusions (As this is not an inclusive list, please refer to Section IV, Pages 5-7 of the policy for all exclusions that apply).

- Claim based upon relating to directly/indirectly resulting from or in any way involving any Wrongful Act or Related Wrongful Act or circumstance or situation which has been the subject of any notice or claims given under any other policy of which this policy is a renewal or replacement.
- Any civil, criminal, administrative or investigative proceeding involving any Insured pending as of or prior to the prior and pending litigation date of February 10, 2000, as stated in Item 8 of the policy.

Region H Water Planning Group – D&O Liability Coverage Overview

- Claims related to, directly /indirectly resulting from bodily injury, sickness, disease or death of any person, assault or battery; destruction/loss of use of tangible property .
- Claims for any actual or alleged breach by the Organization or any Subsidiary of an express or implied contract, except for employment related obligations which would have attached absent such contract.
- Failure to perform psychological, counseling, financial counseling/advisory, legal (except Employed Lawyer Legal Services), arbitration, insurance or investment advisory services or referrals, if brought by any individual or entity for whom such services were, now are, or shall be performed.
- Based upon, arising out of, relating to directly/indirectly resulting from or involving infringement of any patent or misappropriation of trade secrets; however, this exclusion shall not apply to copyright or trademark infringement.
- For any obligations under a workers' compensation, disability benefits, insurance benefits or unemployment compensation law; however, this exclusion shall not apply to a claim for an Employment Practices Wrongful Act involving retaliation with regard to benefits paid or payable.



301 E. Fourth Street, Cincinnati, OH 45202

ExecProsm
DECLARATIONS
for
Nonprofit Solutions
Insurance Policy

Insurance is afforded by the company indicated below: (Each a capital stock corporation)

[X] Great American Insurance Company

Policy Number: EPP9425817

Policy Form Number: D16100-G

Item 1. Name of Organization: REGION H WATER PLANNING GROUP
Mailing Address: P. O. BOX 329
City, State, Zip Code: CONROE, TX 77305
Attn: Executive Director/President

Item 2. Policy Period: From 2/10/2015 To 2/10/2016
(Both dates at 12:01 a.m. Standard Time at the address of the Organization as stated in Item 1)

Item 3. Aggregate Limit(s) of Liability for each Policy Year:

- (a) \$1,000,000 for all Claims other than Claims for Employment Practices Wrongful Acts.
(b) \$10,000 Donor Data Loss Crisis Fund Sublimit of Liability. This limit is part of and not in addition to the Limit of Liability provided for in 3(a).
(c) \$1,000,000 for all Claims for Employment Practices Wrongful Acts. This limit is:
[] part of and not in addition to the Limit of Liability provided for in 3(a).
[] separate from and in addition to the Limit of Liability provided for in 3(a).
(d) \$150,000 FLSA Defense Sublimit of Liability. This limit is part of and not in addition to the Limit of Liability provided for in 3(c).

Item 4. Retentions:
Insuring Agreement A: \$ 0 Each Claim
Insuring Agreements B and/or C: \$2,500 Each Claim

Item 5. Premium: \$911 Broker Fee \$500.00

Item 6. Endorsements Attached:
D0046TX D16047TX D16501 D16518 DTCV_09P DTDP_09P

Item 7. Notices: All notices required to be given to the Insurer under this Policy shall be addressed to:
Great American Insurance Companies
Executive Liability Division
P.O. Box 66943
Chicago, Illinois 60666

Item 8. Prior & Pending Litigation Date: 2/10/2000

These Declarations along with the completed and signed Proposal Form and Nonprofit Solutions Insurance Policy, shall constitute the contract between the Insureds and the Insurer.

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.



**POLICYHOLDER NOTICE
TEXAS**

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Great American's toll-free telephone number for information or to make a complaint at:

1 -800-972-3008

You may also write to Great American at:
1515 Woodfield Road, Suite 500
Schaumburg, IL 60173

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:
P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact your insurance agent or Great American first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de Great American's para informacion o para someter una queja al:

1 -800-972-3008

Usted tambien puede escribir a Great American:
1515 Woodfield Road, Suite 500
Schaumburg, IL 60173

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:
P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o Great American primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.



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TEXAS AMENDATORY ENDORSEMENT

In compliance with the insurance regulations of the State of Texas, the Policy is amended as follows:

1. Section **IV.D.** of the Policy is deleted and replaced with the following:

IV. This Policy does not apply to any **Claim** made against the **Insured**:

D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property or the loss of use of any tangible property; or (3) humiliation, mental anguish, or emotional distress; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for an **Employment Practices Wrongful Act, Personal Injury Wrongful Act, or Third Party Wrongful Act**;

2. Section **IX.A.** (2) and (3) of the Policy are deleted and replaced with the following:

(2) The Policy will only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due. The **Insurer** shall provide the **Organization** with notice at least ten (10) days prior to the effective date of cancellation. The reason for cancellation shall be included in the notice of cancellation.

(3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall deliver or mail written notice to the **Organization** at least sixty (60) days before the date on which the Policy expires. If the **Insurer** provides notice later than the sixtieth (60th) day before the Policy expires, the coverage shall remain in effect until the sixty-first (61st) day after the date on which **Insurer** provides written notice. The reason(s) for nonrenewal shall be included in the notice. The fact that an **Insured** is an elected official shall not be considered as a basis of nonrenewal of the Policy. Earned premium for any period of coverage that extends beyond the expiration date of the policy shall be computed pro rata based upon the premium of the expiring Policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: REGION H WATER PLANNING GROUP

Policy Period: 2/10/2015 to Policy Expiration

Policy Number: EPP9425817

Countersigned by: _____

Authorized Representative

Endorsement Effective Date: 2/10/2015



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RATE MAKING EXCLUSION

It is understood and agreed that no coverage is available for any **Claim** based upon, arising out of, relating to, directly or indirectly resulting from, or in consequence of, or in any way involving any rate making proceeding, or any appeal therefrom, or any challenge brought in any forum to a rate decision or pricing structure of any **Insured**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: REGION H WATER PLANNING GROUP

Policy Period: 2/10/2015 to Policy Expiration

Policy Number: EPP9425817

Countersigned by: _____
Authorized Representative

Endorsement Effective Date: 2/10/2015



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INTERESTED PARTY EXCLUSION

It is understood and agreed that this Policy does not apply to any **Claim** made against any **Insured** by or for the benefit of, or at the behest of any Interested Party(ies) listed below, or any person or entity which controls, is controlled by, or is under common control with such Interested Party(ies).

Interested Party(ies)

The Texas Water Development Board and the San Jacinto River Authority

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured: REGION H WATER PLANNING GROUP

Policy Period: 2/10/2015 to Policy Expiration

Policy Number: EPP9425817

Countersigned by: _____
Authorized Representative

Endorsement Effective Date: 2/10/2015



ExecProsm

COVERAGE FOR ACTS OF TERRORISM

It is understood and agreed that the General Conditions of the Policy are amended by the addition of the following:

Act of Terrorism Coverage

Subject to all other terms and conditions of this Policy, coverage is available for **Loss** caused by an **Act of Terrorism** as defined below.

“Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States –

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to –
 - (a) human life;
 - (b) property; or
 - (c) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
 - (a) an air carrier or vessel described in Section (5)(B) of the Terrorism Risk Insurance Act; or
 - (b) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more **Acts of Terrorism** under the Terrorism Risk Insurance Act, as amended in 2007, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

No act shall be certified by the Secretary as an **Act of Terrorism** if (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: REGION H WATER PLANNING GROUP

Policy Period: 2/10/2015 to Policy Expiration

Policy Number: EPP9425817

Countersigned by: _____
Authorized Representative

Endorsement Effective Date: 2/10/2015



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AMENDMENT TO DECLARATIONS PAGE

It is understood and agreed that the Declarations is amended by the addition of the following:

Act of Terrorism Premium: \$ 0.00

It is further understood and agreed the Policyholder Disclosure of Terrorism Coverage is attached to and is to be considered as incorporated in and constituting a part of this Policy.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: REGION H WATER PLANNING GROUP

Policy Period: 2/10/2015 to Policy Expiration

Policy Number: EPP9425817

Countersigned by: _____
Authorized Representative

Endorsement Effective Date: 2/10/2015



**POLICYHOLDER DISCLOSURE
OF TERRORISM COVERAGE**

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an Act of Terrorism. The Act provides that, to be certified, an Act of Terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The Terrorism Risk Insurance Act, as amended in 2007, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an Act of Terrorism. All other provisions of this policy will still apply to such an act. That is, a loss will not be excluded or covered just because it was caused by an Act of Terrorism.

The portion of the annual premium that is attributable to coverage for Acts of Terrorism that are certified under the Terrorism Risk Insurance Act is \$0.00.

All other terms and conditions of the policy remain unchanged.

If you would like to reject the coverage for "certified" Acts of Terrorism, please provide Great American written confirmation of such, and an exclusion will be attached to your policy.

Employment Practices Risk Management Program

Your Great American ExecPro® Policy gives you access to the following Jackson Lewis Risk Management Program

Jackson Lewis "Hotline" Service

National law firm Jackson Lewis is available for complimentary, confidential telephone consultation on basic workplace employment topics via the toll-free number. Through this "hotline", you can obtain guidance with respect to best practices for:

- Preserving employment-at-will status
- Managing medical leaves of absence
- Developing an open-door problem resolution procedure
- Reporting and investigating allegation of harassment or discrimination
- Eligibility standards for overtime pay under the Fair Labor Standards Act and state laws
- Developing a program to post opportunities for transfers and promotions to avoid class action claims
- Other basic human resources issues

Reducing Workplace Claims Guide

Via the "hotline" number, you can request a copy of Jackson Lewis' *Reducing the Risk of Employment Practices Liability Claims Guide*. This guide contains general information about diverse workplace law issues such as:

- Legal basis for employment claims
- Considerations in setting company policies and procedures
- Hiring process and pre-employment testing
- Complying with the Family and Medical Leave Act
- Conducting effective discharge and discipline
- Addressing reports of harassment in the workplace
- Maintaining personal records
- Establishing a code of conduct to help prevent employee misconduct

Preventive Strategies Newsletter

Via the "hotline" number, you can subscribe to Jackson Lewis' complimentary national and regional e-bulletins, which provide regular analysis and commentary about legal, legislative and political developments that affect the law of the workplace.

Jackson Lewis Training Session

Educational seminars and management training about compliance with federal equal employment laws and other risk management services are offered by Jackson Lewis to policyholders at a special rate. For further details, please call the "hotline" number.

Special Rates

Jackson Lewis will offer special billing rates to ExecPro® policyholders to assist in developing preventive practices, preparing employee handbooks and training supervisors.

To access the Jackson Lewis "hotline" or if you have further questions about the program, please call this toll-free number.

1 (888) 544 8320

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THIS IS A CLAIMS MADE AND REPORTED POLICY. READ IT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the Proposal Form and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

Section I. Insuring Agreements

- A. If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Insured Persons**, **Loss** and **Costs of Defense** resulting from such **Claim**, except for any **Loss** and **Costs of Defense** which the **Organization** or any **Subsidiary** actually pays as indemnification.
- B. If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary**, **Loss** and **Costs of Defense** resulting from such **Claim**, but only to the extent the **Organization** or any **Subsidiary** is required or permitted by law to indemnify the **Insured Persons**.
- C. If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against the **Organization** or any **Subsidiary** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary**, **Loss** and **Costs of Defense** resulting from such **Claim**.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

Section II. Discovery Period

- A. If this Policy is not renewed or is cancelled by the **Insurer**, for any reason other than non-payment of premium, then without any additional premium being required, the **Organization** shall receive an automatic ninety (90) day extension of the coverage granted by this Policy for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Automatic Discovery Period**. In addition, if prior to the end of the **Automatic Discovery Period**, the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive an extension of the coverage granted by this Policy for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Discovery Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.
- B. If this Policy is not renewed or is cancelled by the **Organization**, and if no later than sixty (60) days after the end of the **Policy Period** the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive a **Discovery Period** for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Policy Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.

- C. The fact that this Policy may be extended by virtue of the **Automatic Discovery Period** or **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Automatic Discovery Period** and the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

Section III. Definitions

A. "**Claim**" shall mean:

- (1) a written demand for monetary or non-monetary (including injunctive) relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document,
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document;
- (5) any arbitration, mediation or similar alternative dispute resolution proceeding if any **Insured** is obligated to participate in such proceeding; or
- (6) a written agreement to toll any applicable statute of limitation prior to the commencement of any judicial, administrative, regulatory or arbitration proceeding.

In no event shall the term **Claim** include any labor or grievance proceeding which is subject to a collective bargaining agreement.

B. "**Claimant**" shall mean:

- (1) any past, present, and future **Insured Persons** or applicants for employment with the **Organization** or any **Subsidiary**;
- (2) a government entity or agency, including but not limited to the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, when acting on behalf of or for the benefit of any individual in (1) above; or
- (3) all persons who were, now are, or shall be independent contractors, but only to the extent such individuals perform work or services for or on behalf of the **Organization** or any **Subsidiary** and only to the extent such individuals are indemnified by the **Organization** or any **Subsidiary**.

- C. "**Costs of Defense**" shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation or defense of any **Claim**, including the costs of any appeal or appeal bond, attachment bond or similar bond (but without any obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defense** shall not include: (1) salaries, wages, overhead or benefit expenses associated with any **Insured Persons**, and (2) any amounts incurred in defense of any **Claim** which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

- D. **"Employed Lawyer Legal Services"** shall mean legal services provided by any **Insured Person** as an attorney, but only if such services are performed for the **Organization** or any **Subsidiary** and in the **Insured Person's** capacity with the **Organization** or any **Subsidiary**. **Employed Lawyer Legal Services** shall not include legal services rendered by any **Insured Person** for any third party.
- E. **"Employment Practices Wrongful Act"** shall mean any of the following acts related to employment, but only if alleged by or on behalf of a **Claimant**:
- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive;
 - (2) misrepresentation;
 - (3) violation of employment laws;
 - (4) sexual or workplace harassment;
 - (5) discrimination;
 - (6) wrongful failure to employ or promote;
 - (7) wrongful discipline;
 - (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
 - (9) failure to grant tenure;
 - (10) negligent employee evaluation;
 - (11) retaliation;
 - (12) failure to provide adequate workplace or employment policies or procedures;
 - (13) defamation (including libel and slander);
 - (14) invasion of privacy;
 - (15) wrongful demotion;
 - (16) negligent reassignment;
 - (17) violation of any federal, state or local civil rights laws;
 - (18) negligent hiring;
 - (19) negligent supervision;
 - (20) negligent training;
 - (21) negligent retention; or
 - (22) acts described in (1) through (21) above arising from the use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems.
- F. **"Financial Insolvency"** shall mean the **Organization** becoming a Debtor in Possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Organization**.
- G. **"Insured"** shall mean:
- (1) the **Organization**;
 - (2) any **Subsidiary**;
 - (3) in the event of **Financial Insolvency**, the resulting Debtor in Possession (or foreign equivalent status), if any; and
 - (4) all **Insured Persons**.
- H. **"Insured Persons"** shall mean all persons who were, now are, or shall be directors, trustees, officers, regents, governors, members of the Board of Managers, employees, leased employees, temporary or seasonal employees, interns, student teachers, substitute teachers, teaching assistants, volunteers or staff members of the **Organization** or any **Subsidiary**, including any executive board members and committee members whether salaried or not.

I. **"Loss"** shall mean settlements, judgments, pre-judgment and post-judgment interest, front and back pay, compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, and subject to the provisions of Section V and VI, **Costs of Defense** incurred by the **Insured**. **Loss** shall not include:

- (1) criminal or civil fines or penalties imposed by law, or taxes (except for the 10% "excess benefit" tax assessed by the Internal Revenue Service against any **Insured Person** pursuant to 26 USC Section 4958 (a)(2));
- (2) the value of tuition or scholarships, employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation earned in the course of employment or the equivalent value thereof; and
- (3) any amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for compensatory, punitive, or exemplary damages or the multiple portion of any multiplied damage award.

J. **"Organization"** shall mean the entity named in Item 1 of the Declarations.

K. **"Outside Entity"** shall mean any not-for-profit corporation, community chest, fund or foundation that is not included in the definition of **Organization** or **Subsidiary** and that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and any other entity organized for a religious or charitable purpose under any non-profit organization act or statute.

L. **"Personal Injury Wrongful Act"** shall mean any actual or alleged invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel or slander.

M. **"Policy Year"** shall mean the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. Any **Discovery Period** or **Automatic Discovery Period** shall be considered part of and not in addition to the last **Policy Year**.

N. **"Policy Period"** shall mean the period from the inception of this Policy to the expiration date stated in Item 2 of the Declarations or its earlier termination, if applicable.

O. **"Related Wrongful Acts"** shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

P. **"Subsidiary"** shall mean:

- (1) any entity which qualifies as a not-for-profit organization under the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the **Organization** has or controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy;
- (2) any similar entity which was created or acquired by the **Organization** after the inception date of this Policy, if the entity's total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the **Organization** as of the inception date of this Policy; or

(3) any other entity added as a **Subsidiary** by written endorsement to this Policy.

Coverage shall apply to a **Subsidiary** only for **Wrongful Acts** allegedly committed during the time such entity qualified as a **Subsidiary**.

Q. "Third Party Wrongful Act" shall mean:

- (1) actual or alleged discrimination against a third party based upon such third party's race, color, religion, creed, age, sex, national origin, disability, pregnancy, HIV status, marital status, sexual orientation or preference, military status or other status protected pursuant to any applicable federal, state, or local statutory law; or
- (2) actual or alleged sexual harassment, including unwelcome sexual advances against, or requests for sexual favors of, a third party; or
- (3) actual or alleged civil rights violations against a third party related to (1) or (2) above.

R. "Wrongful Act" shall mean:

- (1) any of the following by the **Organization**, and/or any **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**:
 - (a) actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty;
 - (b) actual or alleged error or omission in the rendering of or the failure to render **Employed Lawyer Legal Services**;
 - (c) **Employment Practices Wrongful Act**;
 - (d) **Personal Injury Wrongful Act**; or
 - (e) **Third Party Wrongful Act**;
- (2) any matter claimed against any **Insured Person** solely by reason of their status with the **Organization** or any **Subsidiary**; or
- (3) any matter claimed against any **Insured Person** arising out of their service as directors, trustees, officers, regents, governors, or member of the Board of Managers of an **Outside Entity**, but only if such service is at the request of the **Organization** or any **Subsidiary**.

Section IV. Exclusions

This Policy does not apply to any **Claim** made against any **Insured**:

- A.** brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which they were not legally entitled; or (2) the deliberate fraudulent or criminal acts of any **Insured**; however, this exclusion shall not apply unless it is finally adjudicated such conduct in fact occurred, nor shall it apply to coverage provided under Insuring Agreement I.B.;
- B.** to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise. It is further understood and agreed that coverage for all **Claims** for **Personal Injury Wrongful Acts** shall be specifically excess of any similar coverage provided by the **Organization's** General Liability Policy.

- C. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
- (1) any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given under any other policy of which this Policy is a renewal or replacement; or
 - (2) any civil, criminal, administrative or investigative proceeding involving any **Insured** pending as of or prior to the date stated in Item 8 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;
- D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property or the loss of use of any tangible property; or (3) humiliation, mental anguish, or emotional distress; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for an **Employment Practices Wrongful Act, Personal Injury Wrongful Act, or Third Party Wrongful Act**;
- E. for any actual or alleged violation by any **Insured** of the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act or any rules or regulations promulgated under these acts or any similar provisions of any federal, state, local or foreign law, except a **Claim** alleging retaliation for the exercise of any rights under such laws;
- F. for any **Wrongful Act** of any **Insured Persons** in their respective capacity as a director, officer, trustee, regent, governor, member of the Board of Managers, or equivalent position of an entity other than the **Organization**, any **Subsidiary**, or **Outside Entity**;
- G. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission, contamination or irritant of any kind, including but not limited to smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement I.A.;
- H. by, or for the benefit of, or at the behest of the **Organization** or any **Subsidiary** or any entity which controls, is controlled by, or is under common control with the **Organization** or any **Subsidiary**, or any person or entity which succeeds to the interests of the **Organization** or any **Subsidiary**, provided, however, this exclusion shall not apply to any **Claim** brought by the receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official of the **Organization**, if any, in the event of **Financial Insolvency**;
- I. for any actual or alleged breach by the **Organization** or any **Subsidiary** of an express or implied contract, except for employment related obligations which would have attached absent such contract or agreement;
- J. other than **Costs of Defense**:
- (1) for any obligation of the **Organization** or any **Subsidiary**, as a result of a **Claim**, seeking relief or redress in any form other than money damages, including but not limited to any obligations of the **Organization** or any **Subsidiary** to modify any building or property; or

(2) for any obligation of the **Organization** or any **Subsidiary** to pay compensation earned by any **Insured Person** in the course of employment, but not paid by the **Organization** or any **Subsidiary**, including any unpaid salary, bonus, wages, severance pay, retirement benefits, vacation days or sick days, provided, however, this exclusion shall not apply to front pay and back pay; or

(3) for any actual or alleged violation by any **Insured** of the Fair Labor Standards Act or any similar state or local law, provided, however, this shall not apply to the Equal Pay Act. **Costs of Defense** provided pursuant to this section, J.(3), shall be subject to the FLSA Defense Sublimit of Liability stated in Item 3(d) of the Declarations, if any;

K. for any obligations under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law; provided, however this exclusion shall not apply to a **Claim** for an **Employment Practices Wrongful Act** involving retaliation with regard to benefits paid or payable;

L. for the performance of or failure to perform psychological, counseling, financial counseling/advisory, legal (except **Employed Lawyer Legal Services**), arbitration, insurance or investment advisory services or referrals, if brought by or on behalf of any individual and/or entity for whom such services were, now are, or shall be performed;

M. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving infringement of any patent or misappropriation of trade secrets, provided, however, this exclusion shall not apply to copyright or trademark infringement;

With respect to this section of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present, or future Executive Director, President, or Chairman of the **Organization** shall be imputed to the **Organization** or any **Subsidiary** to determine if coverage is available.

Section V. Limits of Liability and Retention

A. The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** in excess of the Retention stated in Item 4 of the Declarations. The **Insurer's** maximum Limit of Liability for the aggregate amount of **Loss** resulting from all **Claims** deemed to have been made in a **Policy Year** shall be shown in Item 3 of the Declarations.

B. One Retention shall apply to each and every **Claim**. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims**, constituting a single **Claim**, shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.

C. **Costs of Defense** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defense** shall not be subject to the Retention amount. If **Costs of Defense** are incurred by the **Insured** with the **Insurer's** consent, such **Costs of Defense** shall be considered **Loss** and thus subject to the Limit of Liability and Retention.

D. With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations.

- E. For the purposes of the application of the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is legally permissible, regardless of whether actual indemnification is granted. The certificate of incorporation, charter or other organizational document of the **Organization**, including by-laws and resolutions, shall be deemed to require indemnification and advancement of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

Section VI. Costs of Defense and Settlements

- A. The **Insureds** shall not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defense** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B. The **Insurer** has the right to investigate and settle any **Claim** as it deems expedient. If the **Insurer** recommends a settlement and the **Insured** refuses to consent thereto, the **Insurer's** liability for such **Claim** is limited to the amount in excess of the Retention, which the **Insurer** would have contributed had the **Insured** consented to the settlement, the **Costs of Defense** covered by the Policy and incurred prior to the date of such refusal to settle, and seventy percent (70%) of any additional covered **Loss**, including **Costs of Defense**, incurred subsequent to such refusal and subject to the Limit of Liability.

If the **Insured** refuses to consent to a settlement as contemplated above, **Costs of Defense** shall be subject to the Retention.

Section VII. Notice of Claim

- A. The **Insureds** shall, as a condition precedent of their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date the President, Executive Director, Chief Financial Officer, General Counsel, or person with equivalent responsibility has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Year**.
- B. If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a specific **Wrongful Act** and gives notice to the **Insurer** of: (1) the specific **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.
- C. In addition to furnishing the notice as provided in Section VIII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.
- D. Notice to the **Insurer** as provided in Section VII A or B shall be emailed to **ELDClaims@gaic.com** or mailed to **GREAT AMERICAN INSURANCE GROUP, EXECUTIVE LIABILITY DIVISION, CLAIMS DEPARTMENT, P.O. BOX 66943, CHICAGO, IL 60666**.

Section VIII. Coverage Extensions

A. Spousal/Domestic Partner Provision

The coverage provided by this Policy shall also apply to the lawful spouse or "Domestic Partner" of any **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Person**. The term "Domestic Partner" shall mean any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide. The term **Insured Persons** is deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives, or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

D. Donor Data Loss Crisis Fund

The **Insurer** shall, subject to prior written consent, reimburse the **Organization** reasonable expenses incurred to hire an image consulting company for the purpose of reducing damage to reputation suffered by the **Organization** or any **Subsidiary** arising from donor information that is lost or stolen during the **Policy Period** and reported to the **Insurer** pursuant to the terms of this Policy, not to exceed the Donor Data Loss Crisis Fund Sublimit of Liability stated in Item 3(b) of the Declarations, if any. No Retention shall apply to this coverage extension.

Section IX. General Conditions

A. Cancellation or Non-Renewal

- (1) This Policy may be cancelled by the **Organization** at any time by written notice to the **Insurer**. In the event the **Organization** cancels this Policy for reasons other than the downgrade of the **Insurer's** rating by A.M. Best, the **Insurer** shall retain the customary short rate portion of the premium. However, if the **Organization** cancels the Policy due to a downgrade of the **Insurer's** rating to below [A-] by A.M. Best, the **Insurer** shall refund any unearned premium on a pro rata basis. Payment of any unearned premium by the **Insurer** shall not be a condition precedent of the effectiveness of cancellation but such payment shall be made as soon as practicable.
- (2) This Policy will only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Organization** with at least sixty (60) days advance notice thereof.

B. Proposal Form

It is agreed the particulars and statements contained in Proposal Forms submitted to the **Insurer** (and any material submitted therewith) are the representations of the **Insured** and are to be considered as incorporated in and constituting part of this Policy. It is also agreed this Policy is issued in reliance upon the truth of such representations. However, coverage shall not be excluded as a result of any untrue statement in the Proposal Form, except:

- (1) as to any **Insured Person** making such untrue statement or having knowledge of its falsity; or
- (2) as to the **Organization** and any **Subsidiary**, if the person(s) who signed the Proposal Form(s) for this coverage or any **Insured Person** who is or was a past, present or future Chief Financial Officer, President, or Executive Director of the **Organization** made such untrue statement or had knowledge of its falsity.

In no event shall Insuring Agreement I.A. of this Policy be rescinded by the **Insurer**.

C. Outside Entity Provision

In the event a **Claim** is made against any **Insured Persons** arising out of their service as a director, officer, trustee, regent, governor, or member of the Board of Managers of an **Outside Entity**, coverage as may be afforded under this Policy shall be excess of any indemnification provided by the **Outside Entity** and any insurance provided to the **Outside Entity** which covers its directors, trustees, officers, regents, governors, member of the Board of Managers, or natural person general partners.

In the event Great American Insurance Group provides Directors' and Officers' Liability Insurance for the **Outside Entity**, all **Loss** incurred from all **Claims** submitted under this Policy and the **Outside Entity's** Policy (hereinafter referred to as **Respective Policy(ies)**), arising out of **Related Wrongful Acts**, shall be considered a single **Loss** and the maximum annual aggregate Limit of Liability shall not exceed, under the **Respective Policies**, the higher Limit of Liability between the **Respective Policies**, such Limit of Liability being part of, and not in addition to, the Limits of Liability of the **Respective Policies** previously referenced.

D. Order of Payments

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Policy, the **Insurer** shall first, pay **Loss** for which coverage is provided under Insuring Agreement I.A. of this Policy; and thereafter with respect to whatever remaining amount of the Limit of Liability is available after such payment, pay such other **Loss** for which coverage is provided under any other applicable Insuring Agreements in Section I of this Policy.

E. Merger or Acquisition

If, during the **Policy Period**, the **Organization** acquires the assets of another entity, by merger or otherwise, and the acquired assets of such other entity exceed thirty-five percent (35%) of the assets of the **Organization** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

F. Conversion to Run-Off Coverage

If prior to the end of the **Policy Period**, the **Organization** merges into another organization and the **Organization** is not the surviving entity, another organization or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the **Organization**, or the **Organization** ceases to qualify as a not-for-profit organization under any federal, provincial and territorial legislation and/or the Internal Revenue Code (such events hereinafter referred to as **Transaction**), then:

- (1) the **Organization** must give written notice of such **Transaction** to the **Insurer** within thirty (30) days after the effective date of such **Transaction**, and provide the **Insurer** with such information as the **Insurer** may deem necessary; and
- (2) this Policy, including the **Discovery Period** if elected, shall apply, but only with respect to any **Wrongful Act** committed prior to the effective date of such **Transaction**.

G. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, those filing the claim, and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against any **Insured** nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

H. Subrogation

In the event of payment under this Policy, the **Insurer** shall be subrogated to all the **Insureds'** rights of recovery. The **Insureds** shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. In no event, however, shall the **Insurer** exercise its rights to subrogation against an **Insured Person** under this Policy unless, such **Insured Person**:

- (1) has been convicted of a deliberate criminal act, or
- (2) has been determined by a final adjudication adverse to the **Insured Person** to have committed a deliberate fraudulent act, or to have obtained any profit, advantage or remuneration to which such **Insured Person** was not legally entitled.

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Organization** or any **Subsidiary** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Organization** or any **Subsidiary** and shall be subrogated to rights of the **Insured Persons** hereunder.

I. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

J. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

K. Representative of the Insurer

Great American Insurance Group, Executive Liability Division, Post Office Box 66943, Chicago, Illinois, 60666 shall act on behalf of the **Insurer** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence.

L. Organization Represents Insured

By acceptance of this Policy, the **Organization** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

M. Entire Agreement

By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the Proposal Forms submitted to the **Insurer** and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.

GREAT AMERICAN INSURANCE COMPANY®



Secretary



President

Agenda Item 11

Receive report regarding recent and upcoming activities related to communications and outreach efforts on behalf of the Region H Planning Group.

Agenda Item 11

Community Outreach

Receive report regarding recent and upcoming activities related to communications and outreach efforts on behalf of the Region H Planning Group.



Agenda Item 11

Community Outreach

- SWIFT Funding Workshop: Focus on Water Conservation
Houston-Galveston Area Council
January 7
- Gulf Coast Water Conservation Symposium
United Way Community Resource Center
March 9

