



*Doña Ana Mutual Domestic Water Consumers Association*  
*Mailing Address: P.O. Box 866 • Doña Ana, NM • 88032*  
*Physical Address: 5535 Ledesma Dr • Las Cruces, NM 88007*  
*(575) 526-3491 Office • (575) 526-9306 Fax*

## **Agenda**

The following are the items for consideration at the Regular Board Meeting of the Doña Ana Mutual Domestic Water Consumers Association Board of Directors on October 5, 2017, convening at 9:00 a.m. at the Doña Ana Mutual Domestic Water Consumers Association Board Room 5535 Ledesma Dr., Las Cruces, NM 88007:

### **Call to Order & Roll Call**

### **Approval of Agenda**

#### **Minutes:**

1. Minutes of 09-07-2017 Regular Meeting

### **Approval of New Members & Meters**

### **Customer Issues and Public Input**

*Public Input will be limited to 3 minutes per person*

### **Board President Report**

#### **Staff Reports**

2. Executive Director

### **New Business**

#### **Consent Agenda**

None

#### **Unfinished Business**

3. Discussion of Customer Policies
4. Discussion and Approval of Leak Insurance

#### **Closed Session:**

As authorized by the Open Meetings Act, New Mexico Statutes Annotated, Section 10-15-1, Subsections H (2), H (7) and H (8), the following portion of the Board Meeting will be conducted in closed session:

1. Litigation and Threatened Litigation
  - a. D-307-CV-2013-01480, Moongate Water Company, Inc v. Dona An Mutual Domestic Water Consumers Association
  - b. D-307-CV-2013-01595, Dona An Mutual Domestic Water Consumers Association v. Forrest & Joyce Westmoreland

Take action, if any on closed session items.

### **Board Open Discussion**

### **Adjournment**

*A copy of this agenda may be requested by phone by calling (575) 526-3491 or in person at 5535 Ledesma Drive, Las Cruces, NM 88007. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, if summary or other type of accessible format is needed, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Stephanie Nelson at (575) 526-3491 on the Tuesday prior to the meeting or as soon as possible.*



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The following are the minutes of the Regular Board Meeting of the Doña Ana Mutual Domestic Water Consumers Association Board of Directors, September 7, 2017 convened at 9:00 A.M. in the Doña Ana Mutual Domestic Water Consumers Association Board Room located at 5535 Ledesma Dr., Las Cruces, NM 88007:

### **Call to Order & Roll Call**

President Melton called the meeting to order at 9:01 a.m. and called roll:

Vice President – Jamie Stull, Present

Board Member – Dr. Kurt Anderson, Present

Board Member – Raymond Ponteri, Present

A Quorum was declared

### **Others in Attendance:**

Executive Director – Jennifer Horton

Community Members – Jim Hayhoe and Nancy Simmons

### **Approval of Agenda**

Dr. Anderson moved to approve the agenda for the September 7, 2017 Regular Board Meeting as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Executive Director Jennifer Horton requested we remove Item Three as we are not ready to proceed with this presentation. Dr. Anderson amended his motion to which Mr. Stull seconded. The Chair called for a vote on the amended motion, which carried by roll call vote 4-0.

## **Minutes**

Dr. Anderson moved to approve the Board Meeting Minutes of August 17, 2017 as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. No discussion was brought forward. The Chair called for a vote on the minutes; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve the Special Board Meeting Minutes of August 28, 2017 as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion to which none was brought forward. The Chair called for a vote on the minutes; the motion carried by roll call vote 4-0.

## **New Members & New Meters**

Dr. Anderson moved to approve the New Members and New Meters list as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Executive Director Jennifer Horton advised we have twenty (20) names on the list; seventeen (17) are new members, and one (1) is a new meter. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

## **Board President Report**

Mr. Melton advised we do have a full plate today and have continued to move forward with daily activities at the Association.

## **Staff Reports**

Executive Director Jennifer Horton summarized the updated financial report. Ms. Horton will be attending several conferences throughout the State in September. We do have an update on the Westmoreland case; which is in our favor. A Closed Session will be scheduled during our next Regular Board Meeting scheduled for October 5<sup>th</sup>.

## **New Business**

Mr. Melton opened the floor for comments from the Board of Directors with regard to the new Customer Policies as presented. Instead of having individual policies we are proposing a handbook where all policies, procedures, and fees are encompassed in one document. This would be reviewed annually with a Resolution during the change of the fiscal year to coincide with budget reviews. This is similar to what the City of Las Cruces does. The Board will review and present comments to the Executive Director due September 30.

## **Unfinished Business**

Dr. Anderson moved to approve the Employed Handbook as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Ms. Horton summarized the Employee Handbook; all comments and input from the Board have been reviewed and incorporated. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve the award of Contract 6325370 WWTP Fence to Souder, Miller, & Associates as presented; Mr. Stull seconded the motion. The Chair called for discussion of the motion. Ms. Horton advised this is for the administration side of the construction and since State funding is involved we must have a licensed P.E. for observation on site. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve the award of Contract 6325349 Via Norte to Souder, Miller, & Associates as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Ms. Horton explained this is the project that will replace about 5,600 feet of old waterline with eight (8) inch pipe on Via Norte in

Picacho Hills. We do have funding for this project and are currently waiting on the finalization of our permit from Dona Ana County. Hurricane Harvey has created a few delays with regard to deliveries and higher pricing. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve the award of Contract 6326344 SE Collection to Souder, Miller, & Associates as presented; the motion was seconded by Mr. Stull. The Chair called for discussion of the motion. Ms. Horton explained attachments 2 and 3 show a diagram where the amount of work we are able to accomplish is determined by the pricing of bids. This is a multiphase project and we will not know the exact details of how much of the map we can complete as the pricing will determine how many construction phases will be needed. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve the award of Contract 6326321 WWTP District 5 Improvements to Souder, Miller, & Associates as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Mr. Ponteri inquired as to the status of our discharge permit that was filed October 2015? Ms. Horton advised we are still waiting on the discharge permit from NMED, but the plans are in review. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

Dr. Anderson moved to approve the Purchase of Work Order and Tyler Content Manager Module as presented; the motion was seconded by Mr. Ponteri. The Chair called for discussion of the motion. Ms. Horton reminded the Board this is one of our wish list items that will assist with our new preventative maintenance practices and tracking all of the in-house work we do; similar to how we track customer accounts. The Chair called for a vote on the motion; the motion carried by roll call vote 4-0.

**Open Discussion**

Dr. Anderson would like an update with regard to our water rights issues, and where we are at with Jornada and the City of Las Cruces. Ms. Horton counseled we are still waiting on data.

**Adjournment**

Dr. Anderson moved to adjourn at 10:05 a.m.; the motion was seconded by Mr. Ponteri. The Chair called for a vote on the motion which carried by roll call vote 4-0.

\_\_\_\_\_  
Kurt Anderson  
Secretary/ Treasurer

\_\_\_\_\_  
Date

New Meters		September 26 2017						Total
Name	Address	Tap In Fee	Water Rights	Membership	Tax	Sewer	Other Fees	Fees
Ross M. Talis	1305 Puerta Vieja			\$ 75.00	\$ 3.75			\$ 78.75
Jack & Shasta Younker	5147 Northwind Rd			\$ 75.00	\$ 3.75			\$ 78.75
Jeannie R. Caldwell	8084 Willow Bloom	\$ 1,340.67	\$ 1,750.00	\$ 75.00	\$ 217.53	\$ 1,185.00		\$ 4,568.20
Uriel & Erika Marquez	520 Hummingbird	\$ 1,312.03	\$ 1,750.00	EM	\$ 153.10			\$ 3,215.13
Maria Alvarez	1067 Hatfield Rd			\$ 75.00	\$ 3.75			\$ 78.75
Lawrence Rigg	8132 Constitution			\$ 75.00	\$ 3.75			\$ 78.75
Desiree A Young	1420 Tierra Del Sol			\$ 75.00	\$ 3.75			\$ 78.75
Ricardo Renteria	4642 April Pl			\$ 75.00	\$ 3.75			\$ 78.75
Valerie Rodriguez	1504 Taylor Rd			\$ 75.00	\$ 3.75			\$ 78.75
Adriana Chairez	861 Sunbonet			\$ 75.00	\$ 3.75			\$ 78.75
Marcelino Moreno	12370 Ft Cummings			\$ 75.00	\$ 3.75			\$ 78.75
Roger Whiteaker	1870 Cochita Lane			\$ 75.00	\$ 3.75			\$ 78.75
Michael A. Garcia	2887 Borroughs St			\$ 75.00	\$ 3.75			\$ 78.75
Jorjean Moreno	1131 king James	\$ 300.00		EM	\$ 15.00			\$ 315.00
Zia Homesites	304 Pawnee	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Zia Homesties	305 Pawnee	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Nicholas Cantrell	4635 Northwind			\$ 75.00	\$ 3.75			\$ 78.75
Ricky Christian	11879 Robledo Vista			\$ 75.00	\$ 3.75			\$ 78.75
Maria I Rosales	245 Rosales Farm			\$ 75.00	\$ 3.75			\$ 78.75
Desert View Homes	1606 Santa Thomas	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Desert View Homes	3042 San Lorenzo	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Desert View Homes	3058 San Lorenzo	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Desert View Homes	3027 San Elizario	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Ciri Enoch	1133 Snowy Egret	\$ 300.00		EM	\$ 15.00			\$ 315.00
Mesilla Valley Habitat	4162 Aurora Star	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Desert View Homes	3018 San Elizario	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.54			\$ 3,245.21
Mesilla Valley Habitat	4154 Aurora Star	\$ 1,340.67	\$ 1,750.00	\$ 75.00	\$ 158.58			\$ 3,324.25
Desert View Homes	3070 San Elizario	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20
Desert View Homes	3058 San Elizario	\$ 1,340.67	\$ 1,750.00	EM	\$ 154.53			\$ 3,245.20

\$ 45,292.09



# DAMDWCA Customer Service Department Report

5 October 2017

## I. Billing:

1. On August 31, 2017 billing was submitted and approved. Statements were mailed out on September 1, 2017.

## II. Penalties:

1. Penalties for August totaled: \$ 5,157.25
2. Penalties will be processed on September 25, 2017.

## III. Disconnects:

1. On Tuesday, August 22, 2017 we disconnected accounts for non-payment. There were 81 accounts up for disconnection. A total of 46 were disconnected.

Dona Ana: 38

Ft. Selden: 3

Picacho Hills: 5

Fairview: 0

Previously Locked: 7

Paid prior to disconnection: 24

Removed due to billing issues: 4

Total Reconnections for August 2017: 42

Disconnects are scheduled for Thursday, September 21, 2017.

## IV. Membership Certificates: Membership certificates are ready for signatures.

## V. Document Scanning: Scanning is completed on a daily basis. Towards the end of the month we catch up on items we were not able to scan earlier in the month.

I. Total Membership as of August 2017: 4,621

II. Total number of Connections as of August 11, 2017: 5,715





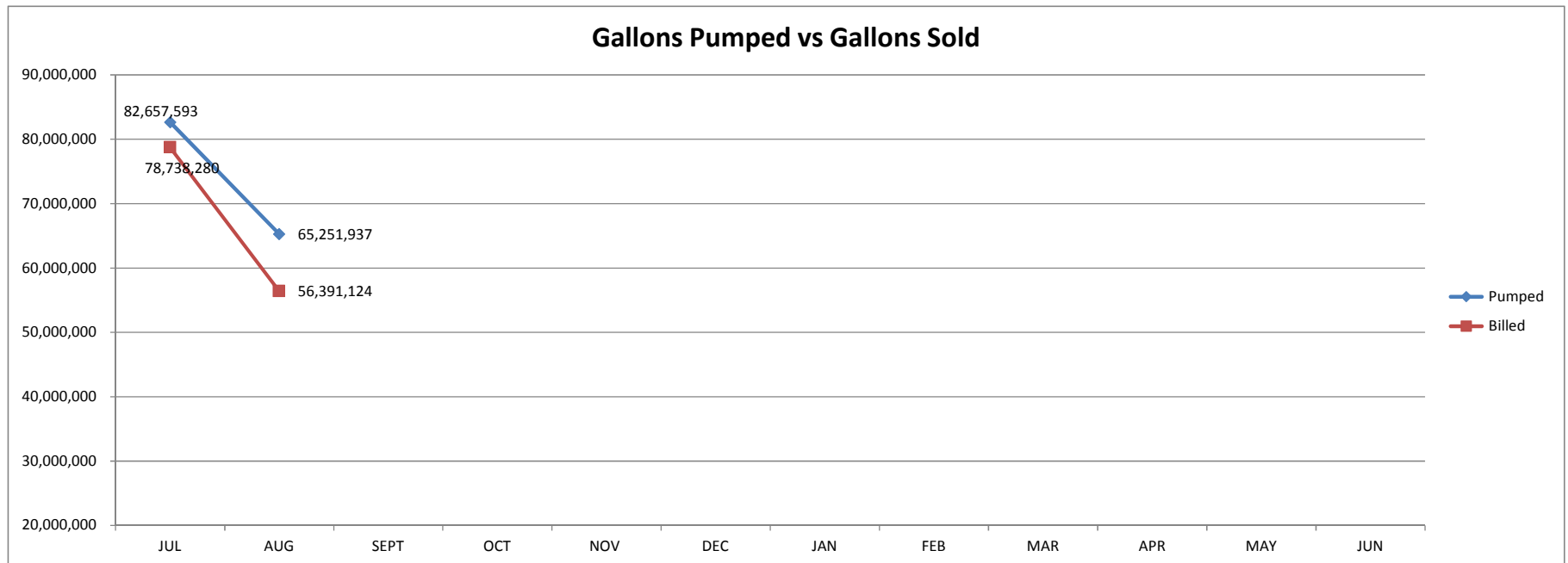
	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Yrly. Gal. Total
Pumped	82,657,593	65,251,937											147,909,530
Billed	78,738,280	56,391,124											135,129,404
Flushing/Breaks													-
Unbilled	4,671	170,656											175,327
Water Loss	3,914,642	8,690,157	-	-	-	-	-	-	-	-	-	-	12,604,799
% of Loss	5%	13%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9%

**Picacho Hills**

Pumped	15,705,500	11,416,300											27,121,800
Billed	13,973,131	10,248,313											24,221,444
Unbilled	-	20,000											20,000
Water Loss	1,732,369	1,147,987	-	-	-	-	-	-	-	-	-	-	2,900,356
	11%	10%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	11%

**Dona Ana/Radium/Fairview**

Pumped	66,952,093	53,835,637	-	-	-	-	-	-	-	-	-	-	120,787,730
Billed	64,765,149	46,142,811	-	-	-	-	-	-	-	-	-	-	110,907,960
Unbilled	4,671	150,656	-	-	-	-	-	-	-	-	-	-	155,327
Water Loss	2,182,273	7,542,170	-	-	-	-	-	-	-	-	-	-	9,724,443
	3%	14%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	8%



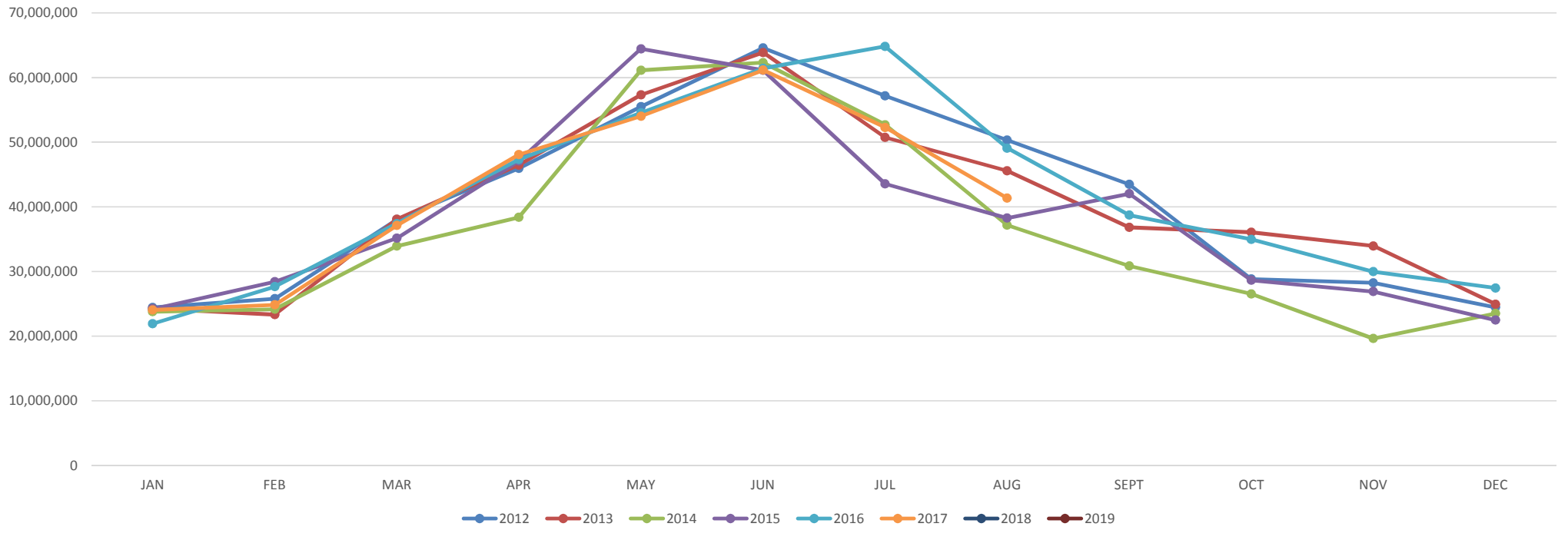
# DOÑA ANA WATER SYSTEMS PUMPING DATA

Doña Ana MDWCA Pumping Data 2012-2019

LRG-1905, 1905 S, 1905-S-1, 1905-S-2, 1905-S-3, 1905-S-4

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	Yrly. Gal. Total	Acre Feet
2012	24,432,587	25,782,264	38,044,794	45,962,262	55,513,568	64,595,847	57,170,585	50,339,544	43,466,702	28,850,122	28,243,781	24,453,634	486,855,690	1,494.105
2013	24,249,939	23,329,610	38,064,981	46,462,497	57,317,163	63,880,675	50,741,546	45,583,545	36,827,179	36,049,128	33,950,110	24,942,391	481,398,764	1,477.359
2014	23,766,965	24,148,114	33,926,528	38,390,499	61,134,851	62,314,015	52,701,447	37,175,209	30,841,408	26,531,104	19,621,484	23,514,412	434,066,036	1,332.100
2015	24,190,459	28,421,869	35,139,500	47,094,453	64,441,095	61,109,043	43,547,088	38,263,107	42,048,368	28,646,735	26,908,590	22,478,862	462,289,169	1,418.713
2016	21,917,333	27,667,934	37,409,118	47,305,711	54,528,331	61,418,100	64,814,800	49,086,700	38,724,900	34,980,100	29,969,000	27,447,400	495,269,427	1,519.926
2017	24,054,300	24,830,300	37,140,400	48,078,400	54,012,800	61,143,900	52,281,400	41,345,300					342,886,800	1,052.281
2018													0	0.000
2019													0	0.000

DONA ANA PUMPING DATA



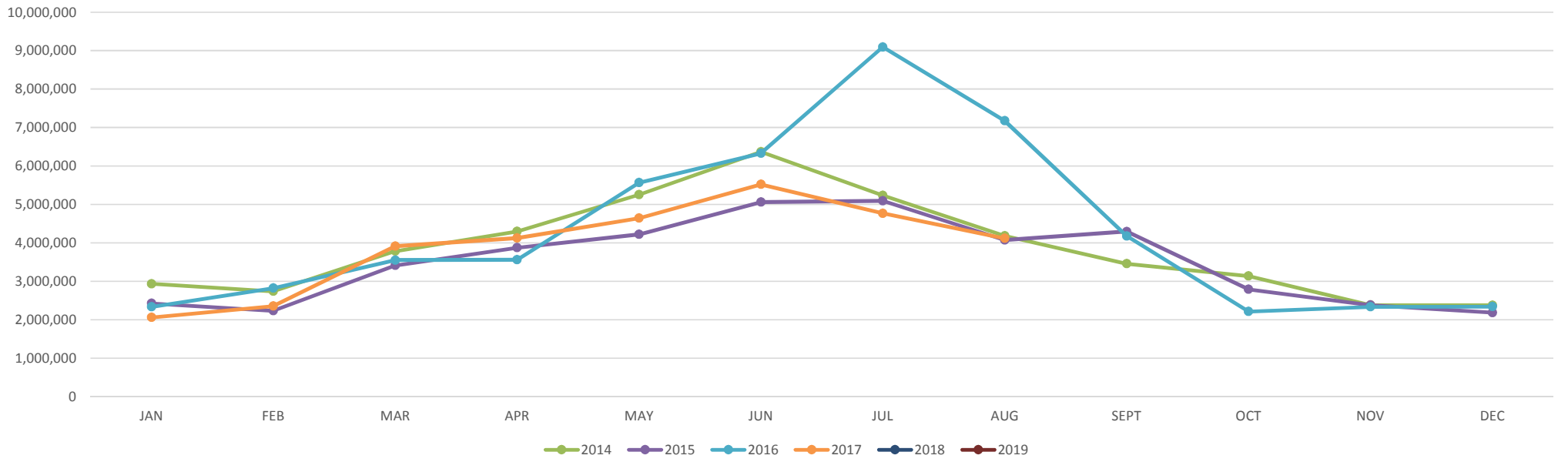
# DOÑA ANA WATER SYSTEMS PUMPING DATA

Doña Ana MDWCA at Ft. Selden Pumping Data 2012-2019

## LRG 80-S-2, 80-S-4, 80-POD6

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	Yrly. Gal. Total	Acre Feet
<b>2014</b>	2,933,000	2,738,994	3,784,702	4,294,279	5,251,524	6,367,011	5,229,115	4,179,437	3,453,971	3,132,991	2,377,540	2,371,998	46,114,562	141.520
<b>2015</b>	2,422,723	2,233,153	3,412,623	3,874,341	4,216,092	5,056,619	5,091,282	4,068,880	4,292,296	2,790,836	2,376,026	2,183,010	42,017,881	128.948
<b>2016</b>	2,331,220	2,822,148	3,549,071	3,555,730	5,567,131	6,325,250	9,094,146	7,172,737	4,176,932	2,210,441	2,333,818	2,341,439	51,480,063	157.987
<b>2017</b>	2,056,424	2,352,080	3,912,897	4,122,445	4,639,280	5,518,964	4,766,436	4,117,384					31,485,910	96.627
<b>2018</b>													0	0.000
<b>2019</b>													0	0.000

**FT. SELEDEN PUMPING DATA**



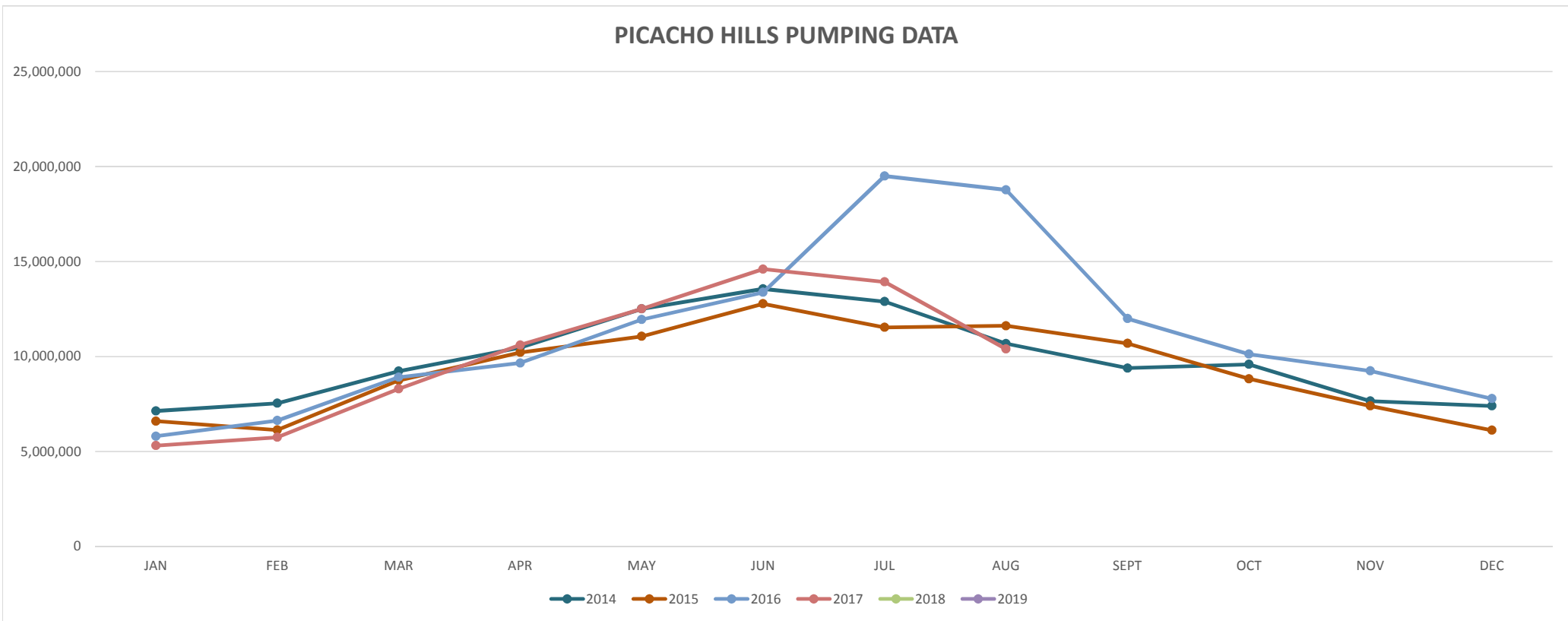
# DOÑA ANA WATER SYSTEMS PUMPING DATA

Doña Ana MDWCA at Picacho Hills Pumping Data 2012-2019

## LRG-4250, 4250-S, 4250-S-2

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	Yrly. Gal. Total	Acre Feet
2014	7,127,600	7,538,000	9,229,176	10,473,776	12,509,408	13,558,832	12,891,892	10,678,512	9,388,149	9,588,205	7,655,945	7,394,480	118,033,975	362.233
2015	6,594,504	6,131,834	8,739,758	10,213,292	11,057,268	12,772,516	11,534,792	11,617,400	10,691,123	8,823,303	7,393,799	6,115,782	111,685,371	342.750
2016	5,803,070	6,625,130	8,903,256	9,656,308	11,938,800	13,382,000	19,500,100	18,774,500	11,995,200	10,128,400	9,237,600	7,779,700	133,724,064	410.384
2017	5,305,200	5,746,900	8,297,200	10,604,000	12,503,600	14,601,900	13,933,700	10,398,200					81,390,700	249.779
2018													0	0.000
2019													0	0.000

PICACHO HILLS PUMPING DATA



# **PROJECT MANAGERS REPORT 10/5/2017**

## **PICACHO HILLS PROJECTS**

### **TANK @ PICACHO HILLS**

- General Hydronic's Inc. has completed the project. A final walk through will be scheduled and project will be finalized.

### **DISTRICT 5 WASTEWATER DISCHARGE PERMIT**

- Our discharge permit was submitted to New Mexico Environmental Department (NMED) Ground Water Quality Bureau (GWQB) for review and approval in October 2015.. However, NMED has indicated that review and/or approval of the permit could extend up to 12 months.

### **WELL #15**

- Both set of samples have been taken and submitted to Hall Environmental located in Albuquerque. Once results are acquired they will be submitted to New Mexico Environmental Department (NMED). NMED requires two set of samples to be taken from two different quarters before a new Well could be placed online. Coordination with SMA has been conducted to replace the Variable Frequency Device (VFD).

### **FENCE PROJECT WASTEWATER TREATMENT PLANT**

- The Wastewater Treatment Plant Fence Project has started on September 28, 2017. DJM Construction was approached by Doña Ana County last week stating that we needed a permit for a fence that was 6 feet or higher. Construction has commenced till the permit is acquired.

### **VIA NORTE WATERLINE PROJECT**

- The plans are being finalized along with the required permits. Once this completed the project will go out to bid.

## **FAIRVIEW PROJECTS**

### **FAIRVIEW WATER II**

- The Fairview II project bid opening date was held July 13, 2017. File Construction has started potholing the project to find locations for the existing utilities. The Notice of Intent (NOI) was not submitted to Dona Ana MDWCA for approval until September 28<sup>th</sup> which now construction cannot start for 14 days after the September 28<sup>th</sup> date. The official start date will be coordinated with SMA

## **DONA ANA PROJECTS**

### **SOUTHEAST COLLECTION**

- Comcast is placing a telephone line into the building and project will have a final walk through.

#### WELL #7

- Well #7 has been sent and placed back in the well. Bac-T's will be taken this week and will be placed back online.

#### RADIUM SPRINGS

##### RADIUM SPRINGS WATER

- SMA submitted preliminary plans to Dona Ana MDWCA for the second review. Plans will be submitted back to SMA on Friday October 6, 2017.

#### WELL #11

- Well #11 is working but not online as of today. Both set of samples has been taken and submitted to Hall Environmental located in Albuquerque. Sample have been received and have been submitted to SMA for completion of the well with NMED.

#### MISCELLANIOUS PROJECTS

##### VALVE EXERCISING PROGRAM

- The valve exercising program has started. The goal is to complete 30 valves a week. Valves will be signed a number and inspected with a check list.

# SUNBELT

## INSURANCE GROUP

Underground Utilities Coverage  
**INSURANCE PROPOSAL**

Proposal for:

Dona Ana Mutual Domestic  
Water Consumers Association  
PO Box 866  
Dona Ana, NM 88032

*This proposal shows the premiums for the general coverage described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company.*

**Proposal Date:**  
09/25/2017

**Effective Dates:**  
TBD



An Affinity Program of the



and the





## LEAK COVERAGE (WATER)

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**Limit of Insurance**                      **Option 1: \$500 (Per Occurrence and Annual Aggregate)**  
**Option 2: \$1,000 (Per Occurrence and Annual Aggregate)**  
**Option 3: \$2,500 (Per Occurrence and Annual Aggregate)**

**Deductible**                                      Waived  
**Reporting Conditions**                      Customer Schedule  
**Reporting & Adjustment Period**              Monthly

### Special Terms and Conditions

- Coverage designed to reflect the Dona Ana MDWCA's leak adjustment policy with guidelines and eligibility established in conjunction with ServLine.

**Residential Rate:**                              **Option 1: 1.30**  
**Option 2: 1.55**  
**Option 3: 1.80**

**Commercial Rate:**                              **Option 1: 3.60**  
**Option 2: 4.30**  
**Option 3: 5.00**

## LINE COVERAGE (WATER)

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**Limit of Insurance**                              **\$10,000 (Per Occurrence)**

**Coverage Extensions**  
**Re-seeding and Landscaping Expense**              **\$500 (Included within Limit of Insurance)**  
**Restoration of Paved Surfaces**              **\$500 (Included within Limit of Insurance)**  
**Deductible**                                      Waived  
**Valuation**                                      Replacement Cost  
**Reporting Conditions**                      Customer Schedule  
**Reporting Period**                              Monthly

**Residential Rates**                              **\$4.40**

**Commercial Rates**                              **\$13.00 Single Occupancy**  
**\$27.00 Multiple Occupancy**

## LINE COVERAGE (SEWER)

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**Limit of Insurance**                              **\$10,000 (Per Occurrence)**

**Coverage Extensions**  
**Re-seeding and Landscaping Expense**              **\$500 (Included within Limit of Insurance)**  
**Restoration of Paved Surfaces**              **\$500 (Included within Limit of Insurance)**  
**Deductible**                                      Waived  
**Valuation**                                      Replacement Cost  
**Reporting Conditions**                      Customer Schedule  
**Reporting Period**                              Monthly

**Residential Rates**                              **\$6.00**

**Commercial Rates**                              **\$13.00**

## SUMMARY

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**Billing**

**Agency; Monthly**

This quote is valid for thirty (30) days from the date of this letter.

All rates are per participating customer per month.

**Commercial is defined as 2" meters or less with business or agricultural occupancy excluding manufacturing, industrial or master metered habitational.**

*Terms and conditions outlined in the quote may differ from the specifications submitted; please review the specific coverage part for details on coverage and exclusions.*

## **Terrorism Risk Insurance Act of 2002 Disclosure**

The "Terrorism Risk Insurance Act of 2002" establishes a program within the Department of Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) acting on behalf of any foreign interest, provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for 90% of the losses in excess of the insurer's retention, which is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year unless subsequent action of Congress changes that amount; this provision serves to limit insurers' liability for losses. All insurers providing commercial property insurance are required to participate in the program to the extent of offering and making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils.

**TERRORISM PREMIUM: \$ TBD**

This quote outlines coverages and does not necessarily include all coverages requested on the application provided. Only coverages outlined above will be provided.

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**Name of Applicant:**

**Date of Notice:**

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as reauthorized and amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "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 - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and 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.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS REAUTHORIZED AND AMENDED, 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.

**Acceptance or Rejection of Terrorism Insurance Coverage**

- I hereby elect to purchase Terrorism coverage for certified acts of terrorism for a prospective premium of \$ TBD
  
- I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

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Policyholder Signature

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Date