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SEP 26 2005

CSAC EIA

September 22, 2005

Gina Dean
Chief Operating Officer
CSAC-EIA
3017 Gold Canal Drive, Ste. 300
Rancho Cordova, CA. 95670

Via Facsimile Transmission

Re: Proposed Amendment Relating to Nonprofit Entities

Dear Ms. Dean:

Please be advised that on September 20, 2005, the Lake County Board of Supervisors considered whether to approve the proposed amendment to the Joint Powers Agreement Creating the CSAC Excess Insurance Authority which would enable a member county, subject to approval by the EIA Underwriting or Program Committee, to extend coverage to a nonprofit entity whose main purpose is for the benefit of that county or for the benefit of the county in combination with other public agencies. The Board of Supervisors declined to approve the agreement as amended.

It was the recommendation of our office that the Board of Supervisors decline to approve this amendment. That recommendation was made as a result of the following concerns: A significant burden would be placed on a member county to provide risk management and loss prevention services to a nonprofit entity to which the county had extended coverage, without the ability to exercise any authority or control over that entity. Further, this amendment would unnecessarily expand the scope and purpose of the joint powers agreement. CSAC-EIA was formed to provide insurance coverage for governmental agencies, all of which share common goals and purposes; nonprofit entities may assist governmental agencies, but they do not necessarily share the identical goals and purposes.

If you have any questions, please do not hesitate to contact us.

Sincerely,

CAMERON L. REEVES
County Counsel

By:

Anita L. Grant

Senior Deputy County Counsel