

**Minutes of Meeting of  
Claims Committee of  
Nevada Public Agency Insurance Pool  
Date: March 3, 2014  
Time: 9:00 A.M.**

**Place: Nevada Public Agency Insurance Pool  
201 S. Roop Street, Conference Room, 2<sup>nd</sup> Floor  
Carson City, NV 89701**

**AGENDA**

**Notices:**

- 1. Items on the agenda may be taken out of order;**
- 2. Two or more items on the agenda may be combined for consideration**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken. Public Comments are Limited to Three Minutes per Person.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

**1. Roll**

Members Present: Mike Rebaleati, Cash Minor, Alan Kalt, Roger Mancebo, Steve West  
Others Present: Wayne Carlson, Doug Smith, Ann Wiswell, Donna Squires  
Counsel Present: Bo Bingham, counsel for Virgin Valley Water District; Jack Angaran and Jaime Black, counsel for NPAIP

A quorum being present, Chair Rebaleati called the meeting to order.

**2. Public Comment**

Chair Rebaleati called for public comment and seeing none, close the comment period.

**3. For Possible Action: Approval of Minutes of Meeting of POOL Claims Committee November 5, 2012**

On motion and second to approve, the motion carried.

**4. For Possible Action: Consideration of Appeal from Virgin Valley Water District of Coverage Determination by Nevada Public Agency Insurance Pool in the Matter of Dishonesty Coverage for Acts by Employees Regarding Securities**

Chair Rebaleati invited Bo Bingham, counsel for VVWD as appellant to present their appeal. Mr. Bingham, in addition to having submitted a written summary of the appeal in advance of this appeal hearing, provided a visual presentation of the key arguments for coverage of the 2008 transaction in which two former employees allegedly profited from the sale of certain water rights owned by Donetti at inflated prices in conflict with their employment agreement with VVWD, pocketing a portion of the proceeds personally. He argued in part that the definition of securities meant that stock owned in the Bunkerville Irrigation Company was stock like any private company and not just an interest in water rights. He also asserted that the definition and interpretation of the provisions was ambiguous, thus should be construed in favor of VVWD for coverage. He cited the total amount of the loss of several million dollars was based upon post-loss appraisals for the period of time in which the transaction occurred. He noted that the coverage limit was \$500,000. He also demanded \$500,000 be paid for the 2005 transaction about which there was no coverage dispute. He responded to questions from the committee about his presentation.

Jack Angaran, counsel for NPAIP, then presented his arguments against coverage for the 2008 transaction, noting that certain presumptions stated by Mr. Bingham were inaccurate. He cited arguments against coverage included that there was no direct physical loss as required by the coverage extension because the loss was a diminution of value as a result of a voluntary transaction even if made on a fraudulent basis. He indicated that the coverage language was no ambiguous, that the stock only presented water rights and could not be sold in the marketplace, thus it was not a security. With regard to the 2005 transaction, he said that while there was not a dispute about coverage nor was it an issue before this committee today, proof of loss had not been submitted for payment of the claim. He responded to questions from the committee about his presentation.

Both Mr. Bingham and Mr. Angaran provided additional commentary in response to further questions from the committee members and between each other.

Chair Rebaleati then recessed the committee for the purposes of Item 5.

5. **For Possible Action: Closed Session pursuant to NRS 241.015 (2)(b)(2) to Receive Information from the Attorney Employed or Retained by the Public Body Regarding Potential or Existing Litigation Involving a Matter over which the Public Body has Supervision, Control, Jurisdiction or Advisory Power and to Deliberate toward a Decision on the Matter, or Both.**

Since this was a closed session, these minutes cannot contain information from that session.

6. **For Possible Action: Decision Regarding Appeal from Virgin Valley Water District of Coverage Determination by Nevada Public Agency Insurance Pool in the Matter of Dishonesty Coverage for Acts by Employees Regarding Securities**

Chair Rebaleati reconvened the committee following the closed session. On motion and second to deny the appeal, the motion carried.

#### 7. **Public Comment**

Chair Rebaleati called for public comment and seeing none, close the comment period.

#### 8. **For Possible Action: Adjournment**

On motion and second to adjourn, the meeting was adjourned.

**The Agenda was posted at the following locations:**

**N.P.A.I.P.  
201 S. Roop  
Carson City, NV 89701**

**Carson City Courthouse  
885 E. Musser Street  
Carson City, NV 89701**

**Eureka County Courthouse  
10 S. Main Street  
Eureka, NV 89316**

**Churchill County Courthouse  
155 North Taylor Street  
Fallon, NV 89406**