



**Meeting Date:** June 20, 2016

**Consent Docket Item:** 2-e

**Report No.:** SUA-16-37

**Department:** Electric Utility

**Subject:** FY17 City of Stillwater Power Generation Plant Insurance

**Budget Impact:** No additional appropriations are necessary for this action.

**Prior Council Action or Part of an Approved Project:** Yes

**Related Items:** [City of Stillwater](#)

[Resolution SUA 2016-4](#); [May 2, 2016 SUA Minutes](#)

**Alternatives:**

- Purchase insurance through Marsh & McLennan Companies
- Purchase insurance from different vendor

**Recommendation:** Purchase insurance through Marsh & McLennan Companies with a \$500K deductible.

**Prepared by:** Melissa Reames, CFO

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**Background Information:** Stillwater Utilities Authority power generation plant has been covered under a builders risk policy during FY16. The builders risk policy will expire on 07/31/2016 as the power plant is coming online. Marsh has secured coverage for the power plant after approaching several companies who write coverage for electric generation plants. The premium including optional terrorism coverage and a \$250K deductible is \$176,643. The premium including the optional terrorism coverage and a \$500K deductible is \$138,361. Staff recommends the \$500K deductible as the electric rate stabilization fund provides a measure of self-insurance. No additional budget appropriation is required at this time.