



MEMO

To: NCRA Board of Directors

From: Executive Director Stogner

Date: June 13, 2018

Subject: **Agenda Item F.1 – Discussion and Possible Action Regarding License Agreement Recology MP 300.9 Humboldt County**

Last September, the Board of Directors approved an at grade License Agreement with a large recycling firm, Recology Inc., for use of a railroad crossing in Samoa (MP 300.9) which provides access to a warehouse facility used by the company.

On May 29, the Property Committee met to discuss a request by Recology to change the provisions in NCRA's standard license agreement, removing the requirement that the licensee (Recology) name NCRA as "Additionally Insured" on Recology's insurance policy for coverage of general liability and worker's compensation insurance.

The Property Committee recommended that NCRA Property Manager, Mike Dannelly, require Recology to secure a letter from its insurer specifying that it will not cover liability for 3rd parties, before NCRA will consider removing the provision from the license agreement with Recology.

In response, Mr. Dannelly advises that Recology is willing to include NCRA as a third party insured with respect to general liability insurance but would like to see third party coverage for worker's compensation removed from the license agreement.

Staff Recommendation:

NCRA's property manager recommends that NCRA agree to remove coverage for 3rd party worker's compensation liability coverage from the agreement so that the agreement can be finalized and the one-time payment of \$25,000 can be made to NCRA.