Board of Directors
Meeting Minutes

Thursday, February 19, 2026

Call to Order: *Chair Matt Schanz called the meeting to order at* ***8:32 a.m.***

ROLL CALL

Board Members Present: Matt Schanz, Chair; BiJay Adams, Vice Chair; Donna Watts, Secretary/Treasurer; Noel Hardin, Board Member; Kelly Williquette, Board Member; Heather Yakely, Enduris General Counsel; and Sheryl Brandt, Executive Director.

Others Present: Holly Nelson, Incoming Executive Director Kimberly Millikan, Enduris Director of Finance; Joe Davis, Enduris Director of Risk Management and Member Relations; Alric Balka, Director of Operations; Amanada Kasper, Director of Claims Shawna Masterton, Executive Assistant; Ryan Wilson, Technology/Business Systems Coordinator

Mr. Schanz started the meeting with introductions. The meeting began with all attendees attending virtually.

Mr. Hardin noted that he needed to leave for a medical appointment and would try to return in about an hour.

Public Comments – RCW 42.30.340

- *No public present. – No comments were made.*

ADOPT AGENDA

WATTS/ADAMS *moved to adopt the agenda as presented.* ***Motion carried.***

CONSENT AGENDA

Board Policy GC-2.6 states that the Board will use a Consent Agenda as a means to expedite the disposition of routine matters and to dispose of other items of business it chooses not to discuss. An item may be removed from the Consent Agenda upon approval of a majority of the Board.

Administrative matters delegated to the Executive Director that require Board approval will be acted upon by the Board via the Consent Agenda. An item may be removed from the Consent Agenda upon approval by a majority of the Board.

Board:

Annual Meeting Minutes, **November 13, 2025,** and Special Board Meeting Minutes, **November 25, 2025.**

Executive Director:
Disbursements ***(October, November & December of 2026)***

ADAMS/HARDIN moved to approve all items on the Consent Agenda. **Motion carries.**

EXECUTIVE DIRECTOR REPORT
***Board Policy OE-8* states** that the Executive Director shall ensure that the Board is fully and adequately informed about matters relating to Board work and significant organizational concerns.

Pooling and Membership Updates:
Ms. Brandt informed the board she is collaborating with Mr. Wozniak on the upcoming renewal, which begins in January. They have been having frequent conversations as they identify the need to replace $4-5 million in coverage above GEM. Ms. Brandt mentioned that the cost of the replacement coverage could be up to 25% higher than the current coverage, and we will be reviewing it. Mrs. Brandt has been working diligently with Mr. Wozniak, who is speaking with prospective insurers.

Legislative Update
Ms. Brandt mentioned that she and Ms. Nelson are tracking Bill Tracker and noted that a lot is happening in the legislature. Ms. Nelson provided a brief update to the board members regarding the Liability Reform Coalition ***(LRC)***, which holds weekly calls on Thursday nights at 5:30 p.m.

Ms. Brandt asked Ms. Nelson to provide an update on the bills that Enduris is monitoring. Ms. Nelson's legislative update specifically focused on ***Senate Bill 2255***, which addresses third-party litigation financing. ***Senate Bill 6239***, which concerns mandatory arbitration for tort claims. Mr. Schanz asked for clarification on whether special-purpose districts are considered political subdivisions under the proposed legislation. Mr. Nelson confirmed that they would be included.

Ms. Brandt expressed concerns regarding arbitrators' management of complex, high-value cases. Ms. Yakely also expressed her concerns about arbitrators' qualifications and the expected progression of the appeal process.

Government Entities Mutual (GEM) Board Meeting Update:
Ms. Brandt reported that she, Ms. Nelson, and Ms. Millikan attended the in-person **GEM Members Sessions and Board Meeting** held in Scottsdale, AZ, from January 27 to January 29, 2026. Ms. Brandt summarized the key discussions and decisions from the GEM meeting, highlighting one significant decision: reducing members' coverage limits. The GEM Board has officially set the maximum coverage limit to $5 million. Enduris is currently working to secure replacement coverage in light of the reduced GEM limits. Ms. Brandt also noted that a copy of the meeting recap was included in the board packet.

Association of Governmental Risk Pools (AGRiP)
Ms. Brandt informed the board about the upcoming Association of Government Risk Pools Governance ***(AGRiP)*** Conference. The conference will be held in person in Nashville, TN, from March 1-4, 2026. This year's event has garnered significant registrations nationwide, with four Enduris directors and three board members in attendance.

Strategic Plan Dashboard:

Mr. Balka presented the strategic plan dashboard, which showed that most year-1 items have been started. Mr. Balka noted that as they get closer to next quarter, they expect to see items move from "in progress" to "completed."

QUARTERLY SUMMARY:
Ms. Brandt and Ms. Millikan presented the following key highlights:

Policy/ Reinsurance:
We are dedicated to ensuring our members' properties are insured to their full value. As of December, the reported net position increased by $2.1 million, raising the total to $53.5 million as of December 2025.

Ms. Brandt noted that they are forecasting exceeding the budget by $3 million by the end of the year. She explained that the capital target range has changed from $36-62 million to $40-70 million. Mr. Schanz expressed comfort with the current position, which lies between the midpoint and the upper bound of the target range. Ms. Watts suggested staying at the higher end of the range to better manage non-weather-related liability issues. The board supported continued moderate growth in net position.

Ms. Millikan presented detailed financial statements, showing total assets of $98 million and total liabilities of $44.5 million. She noted that cash has increased by $4.1 million, which is a 5% rise since August 2025. Additionally, Ms. Millikan provided an update on investment performance, reporting that the Local Government Investment Pool ***(LGIP)*** yielded 3.88%, while the State Pool Fund (***SPIF)*** yielded 3.82% in December.

Ms. Brandt emphasized that Enduris remains in a strong financial position within the targeted capital range. Cash balances continue to grow, supporting investment income despite potential decreases in interest rates.

Claims and Loss Development:
Ms. Brandt reviewed the current status of claims and the trends in loss development. She presented the actuarial report on ultimate losses and shared a historical loss development chart. Ms. Brandt noted that the projected ultimate losses for the current policy year are $10.9 million, an increase from $7.3 million last year. Ms. Brandt reported that there are currently 167 open claims, which are below the average of 193.

Ms. Brandt highlighted that while the frequency of claims is decreasing, the severity is increasing. The net cost of open claims is now $16.1 million, compared to the average of $11.6 million. In conclusion, claims frequency is trending downward, while claims severity is rising. The actuarial projection of ultimate losses has increased significantly compared to the previous year.

Update on Member Engagement and Risk Management Services
Ms. Brandt provided an update on member relations activities, which included in-person visits and conference attendance. Mr. Davis reported that during the first five months of PY26, they conducted 54 in-person visits and held 27 virtual meetings. He also highlighted that members completed a total of 671 online courses, and 395 participants attended 19 seminars sponsored by Enduris. Additionally, Mr. Davis noted that cybersecurity awareness training had the highest attendance, with 71 participants.

In conclusion, Enduris continues to offer comprehensive risk management services and training to its members. Member engagement remains robust, with numerous in-person and virtual interactions.

Leadership Transition Discussion of ongoing leadership changes at Enduris
Ms. Brandt welcomed Ms. Amanda Kasper, who started in December as the new Director of Claims. Ms. Brandt also mentioned that ongoing training with Ms. Nelson, as the Incoming Executive Director, is part of the leadership transition. Ms. Brandt has confirmed her retirement date as May 31, 2026.

Looking forward to: Strategy Initiatives and Future Planning:
Ms. Brandt and team will continue working on the Strategic Plan and finalizing pending property appraisals with Alliant.

The Board has approved the wording for obtaining member signatures for the revised Intergovernmental Contract. Our task now is to collect signatures from all 497 members.

We are progressing with our Rate Study in collaboration with ***PwC,*** evaluating our current rating and making necessary adjustments.

We will continue to monitor legislative activity at the state level and report back on the bills we are tracking, including any changes. In early March, we will begin data collection for member renewal, which will be a key focus for the remainder of this quarter and into the next.

The leadership transition is progressing smoothly, providing ample time for training. Ms. Nelson is gradually assuming more responsibilities in preparation for Ms. Brandt's retirement. We aim to complete the training, and it has been noted that Ms. Holly Nelson will take on a more prominent role at the meeting on May 21, 2026.

County Financial Support for Special Districts
Mr. Schanz raised concerns about counties withdrawing financial support from special-purpose districts. He reported that 26 out of 39 counties in Washington State have signaled they will no longer provide this support. Mr. Schanz expressed concerns about smaller districts' ability to manage their finances without assistance from the counties.

Fire Chief Hardin shared that Asotin County ceased providing payroll services last year, forcing his district to hire a third-party provider. Additionally, Fire Chief Hardin mentioned that an IRS audit revealed the county had not been paying Social Security and Medicare for volunteers.

Ms. Brandt inquired if other board members were experiencing similar issues with their counties. This trend appears to be growing across Washington State, posing challenges for smaller special-purpose districts that previously relied on county support for financial functions. Enduris will consider how to assist members in navigating this transition.

Mr. Schanz recessed the board meeting at 9:55 for a break.

EXECUTIVE SESSION
*The Board entered the Executive Session at **10:05 a.m.** and reconvened at **10:24 am** for an additional **10 minutes** to review the status of open claims. The meeting reconvened in Open Session at **10:34 p.m.***

DISCUSSION/ACTION ITEMS

CLAIM PAYMENT APPROVAL

Board Policy OE-6.10 states that the Executive Director will not settle any claim for $300,000 or more in indemnity per claimant without the Board's authorization. Claims over $300,000 are brought to the Board for ratification.

Boat houses collapsed onto several boats under the weight of snow and ice.

- ***An indemnity payment has been issued in the amount of $2,685,429.00***

WILLIQUETTE/WATTS To authorize and ratify indemnity payment of **$2,685,429.00** for ***Claim #121-137-1. Motion carries.***

Financial Report and Financial Statements/SCIP Report

Board Policy OE-6 states that the Executive Director shall not cause or allow any financial activity or condition that materially deviates from the budget adopted by the Board; cause or allow any fiscal condition that is inconsistent with achieving the Board's *Goal* or meeting any Operational Expectations goals; or place the long-term financial health of the Pool in jeopardy.

The Board of Directors formally reviews the pool's financial position quarterly. The Board received the financial reports for October, November, and December 2025. Ms. Brandt and Ms. Millikan presented the performance investment report as of December 31, 2025, along with the financial reports.

The performance of the Spokane County Investment (SPIF) report, dated December 2025, and the Local Government Monthly Investment Pool (LGIP) report, dated January 2026, were also included.

WATTS/WILLIQUETTE moved to approve the financial reports for October, November, and December 31, 2025, as presented. ***Motion carries.***

WATTS/ADAMS moved to accept the activity reports from the Spokane Public Investment Fund ***(SPIF)*** dated December 31, 2025, and the Local Government Monthly Investment Pool ***(LGIP)*** dated December 31, 2025, as presented. ***Motion carries.***

Board Workshop Rescheduling

Ms. Brandt explained that the workshop was postponed due to several board members' inability to attend. She proposed two options for rescheduling: either the day before the May board meeting (May 20th) or after the meeting. Mr. Schanz asked how much time would be needed for the workshop, and Sheryl suggested a minimum of 3 hours to cover the material adequately. Mr. Balka confirmed that 3-4 hours would be needed to properly review the board policies.

Mr. Williquette recommended holding the workshop on a separate day rather than combining it with a regular meeting. Ms. Watts suggested that it might be best to postpone until next year, given other priorities. Mr. Davis also noted a potential conflict with the Spring Washing Public Ports Association conference.

Ms. Masterton will reach out to absent board members to check their availability for May 20, 2026, followed by the board meeting on May 21, 2026. If May 20th does not work, they will consider a date in the fall. The workshop will be scheduled as a standalone event, rather than combined with a regular meeting.

DEBRIEF BY BOARD

Board Policy GC-2.4 states that as a means to ensure continuous improvement, the Board will regularly and systematically monitor all policies and will assess the quality of each meeting by debriefing the meeting following its conclusion.

Ms. Brandt thanked the board for their flexibility in moving the meeting to a virtual format and expressed her gratitude for everyone's attendance. Mr. Adams enjoyed meeting Amanda and looks forward to meeting her in person. Mr. Williquette also welcomed Amanda, noting his preference for in-person meetings. Ms. Watts echoed the welcome of Amanda and praised Ms. Millikan for her excellent work on the financials.

ADJOURNMENT

*Mr. Schanz adjourned the Board meeting at **10:50 a.m.***

WILLIQUETTE /ADAMS moved to adjourn the meeting. *Motion carries*

Matt Schanz

Matt Schanz, Chair

The Enduris Board meeting minutes are intended to be a reasonable summary of the Board's discussions and decisions. They are not a verbatim record of everything that was said during the meeting. The minutes reflect all actions taken by the Board.