



Washington Governmental Entity Pool  
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May 18, 2005

Board of Commissioners  
Port of Tahuya  
P.O. Box 90  
Tahuya, WA 98588-0090

Dear Board of Commissioners:

The Washington Governmental Entity Pool (WGEP) is a risk-sharing pool of local government entities in Washington State consisting of 380 special districts. WGEP purchases reinsurance at a discounted rate based on favorable claims and lawsuit history, and passes the savings through to the membership.

WGEP's contracted reinsurance company monitors the activity of pool members. Concern has been expressed regarding the extensive media coverage and lawsuits associated with the Port of Tahuya. The reinsurance company is concerned because they have extended \$9.5 million of financial credit to each every member of the pool.

To protect the members of the pool, the Intergovernmental Contract between WGEP and the Port of Tahuya allows the WGEP Board to cancel any member's participation in the pool. On April 15, 2005, the Board of Directors voted to not renew the Port of Tahuya's membership in the pool beginning next policy year, September 1, 2005.

This letter serves as your formal notification of non-renewal of coverage for the next policy year. If the Port of Tahuya can assure that positive changes have been made and documentation is available that will ensure confidence with the reinsurance company, the port can re-apply to join the pool.

The staff at WGEP will cooperate with your transition to a new insurance carrier and I am available to answer any questions your Board may have.

Very truly yours,

Mark A. Kammers  
Executive Director