

RESOLUTION # 652

WHEREAS, the City of Stayton has a written analysis of the systems it believes most susceptible to Year 2000 failures; and

WHEREAS, the Year 2000 effects are unknown and uncertain, with experts' opinions ranging from no effect to catastrophe; and

WHEREAS, the City of Stayton acknowledges that in the absence of a commitment to addressing Year 2000 problems, such so-called "Y2K" failures may cause interruption of essential public services and;

WHEREAS, there are multiple existing concerns which must compete for the limited public resources available to deliver governmental services; and

WHEREAS, it is in the opinion of the City of Stayton that such limited resources are best utilized, as they concern Year 2000 issues, for those matters deemed "Mission-Critical:"

BE IT RESOLVED that: the City of Stayton hereby declares the following services to be deemed most likely susceptible to Year 2000 failures to be "Mission-Critical":

1. Delivery of potable water
2. Processing of waste water
3. Public Safety/Emergency Management
4. Y2K computer compliance
5. Public Awareness

The City of Stayton's 1999 - 2000 Budget authorizes the expenditure of certain funds to address Year 2000 problems. The City of Stayton delegates the discretion to determine these expenditures to the City Administrator.

Although the City of Stayton clearly recognizes that the Year 2000 problems may affect other areas, in recognition of the limited public resources available, it shall be the policy of the City of Stayton to address the areas determined above as in the overall best interest of the public.

This Resolution shall become effective September 7, 1999 upon adoption of the Stayton City Council

ADOPTED this 7th day of September, 1999.

DATE 9/7/99

By: Henry A. Porter
HENRY A. PORTER, Mayor

ATTEST

DATE 9.20.99

By: Thomas L. Barthel
Thomas L. Barthel, City Administrator



Property, Casualty and Employee Benefit Services

P.O. Box 311 • Salem, OR 97308
(503) 585-1121 • 1-800-922-2684
FAX 585-1140 or 375-7996

September 1, 1999

Mr. Jeff Piki
Y2K Coordinator
City of Stayton
386 N. Third Avenue
Stayton, OR 97383

Re: Y2K Liability Coverage

Dear Jeff:

We are pleased to notify you City of Stayton has qualified for Y2K coverage with CIS as described in earlier correspondence. An endorsement with details of the coverage is attached to the July 1, 1999-2000 coverage agreement. The enclosed Notice of Eligibility should be attached to your liability coverage agreement.

The coverage we are providing for Y2K liability is, of necessity, very limited. If there are Y2K claims, your entity will still have a significant financial stake in at least three ways: the \$1,000 deductible, the 30% "co-payment" on the next \$100,000, and all liability above \$100,000. Realistically, the total liability would probably never exceed \$500,000 because any Y2K liability claim would most likely be subject to the limits of the Oregon Tort Claims Act.

Our coverage should be viewed as one piece of your Y2K risk management program. Hopefully, with your continued diligence and the protection provided by the recently-enacted Senate Bill 268, Y2K liability will not in fact become a major problem.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Rauch", followed by a horizontal line.

Mark S. Rauch
Property/Liability Pool Manager

MSR:dkh
Enclosure

pc: Noel Klein/CIS Executive Director
Bob Murch/SiMS
Jack Darley/Davis-Darley Insurance (w/encl.)

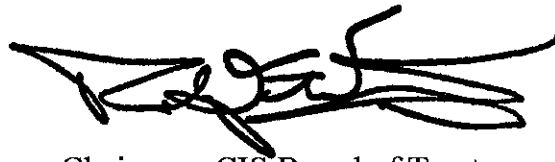


A Membership Service Of



NOTICE OF ELIGIBILITY: Date-Related Computer Failure Liability Coverage

This certifies, based on information and documentation submitted to City/County Insurance Services by or on behalf of City of Stayton, that, effective 7/1/99, City of Stayton is eligible for the coverage described in the document entitled, "ENDORSEMENT: Date-Related Computer Failure," which is attached to and part of the Certificate of Membership in the City/County Insurance Services Trust Liability Risk Sharing Pool issued to City of Stayton for the period July 1, 1999, through June 30, 2000.

A handwritten signature in black ink, appearing to be "R. J. ...", written over a horizontal line.

Chairman, CIS Board of Trustees
July 1, 1999