



Board of Directors' Special Meeting Minutes

May 18, 2026, 3:00 p.m.
MCIT Building, Room 313
St. Paul, Minnesota

Attendance:

Don Wachal, Vice Chair, Jackson County
Randy Schreifels, Secretary/Treasurer, Stearns County (Remote)
Marcia Ward, Winona County (Remote)
Jack Swanson, Roseau County (Remote)
Kurt Mortenson, Otter Tail County (Remote)
Todd Patzer, Lac qui Parle County
Brett Skyles, Itasca County (Remote)

Absent:

Ron Antony, Trust Chair, Yellow Medicine County
Lindsey Meyer, Wright County

MCIT Staff:

Steve Nelson, Executive Director
Gary Severson, Underwriting Manager
Dawn Hinkley, Staff Counsel for Risk Control
Sonya Guggemos, Staff Counsel for Risk Control
Karen Ebert, Staff Counsel for Risk Control
Heather Larson Blakestad, Communications Manager
Jeff Kulas, IT Manager

Service Providers:

Peter Bergstrom, General Counsel

CALL TO ORDER

000 Vice Chair Wachal called the MCIT Board of Directors' Special Meeting to order at 3:00 p.m. on May 18, 2026, in Room 313 at the MCIT Building in St. Paul, Minnesota. Wachal identified, and the minutes will reflect, specific board members participating in the meeting remotely by interactive technology because they were unable to travel to St. Paul on short notice.

CLAY COUNTY REHAB AND DETOX FACILITY COVERAGE DISCUSSION

000 Vice Chair Wachal recognized Executive Director Steve Nelson to introduce a discussion on the potential for MCIT to provide liability coverage to the Clay County Rehab and Detox Facility. Nelson recapped that at the May 8, 2026 Board meeting, Clay County requested reconsideration of a coverage disclaimer issued by MCIT for a liability claim arising out of the detox facility. The Board upheld the disclaimer on the basis that the detox facility's operations were excluded from coverage under MCIT's Medical Facilities exclusion. The Board asked staff to present additional information and possible coverage options for the board's consideration at a future meeting.

Nelson shared that through this process it came to light that Clay County has operated the detox facility in its present, newly constructed location since October 2024 and for several decades before that in an existing county facility. It became apparent through county representations that the County did not know that facility operations were not covered by MCIT and that likewise, MCIT did not know the county was providing medical services and overnight

bed care. Nelson confirmed that absent knowledge of the uncovered exposure, MCIT collected annual contribution on the basis of the county's budget allocation for operation of the facility, in addition to the number of employees and licensed (medical) professionals assigned to the facility. Nelson indicated that the facility's operations resemble those provided by several joint powers members that MCIT does cover, with the difference being that those are operated by law enforcement and not public health as is the case with Clay County. Nelson advised that staff is comfortable with the Clay County exposure knowing that "medical treatment", an uncovered exposure which is different than medical services, is not being provided at the facility. Nelson also added that MCIT would need to charge the member additional contribution for the overnight bed care exposure based on bed count, similar to how related exposures are handled for other members.

Nelson reported that MCIT staff is unaware of any other members providing direct detox and rehab services like the Clay County model. He proposed a coverage solution for the board's consideration that would consist of MCIT issuing a stand-alone endorsement to Clay County stating that the "Medical Facilities" exclusion does not apply to the detox facility. Further, Clay County would be subject to an additional contribution charge of \$5,000 for 2026 that could be pro-rated depending on the effective date of coverage. Nelson advised that this proposal in no way alters MCIT's existing medical malpractice related exclusion for claims arising out of medical treatment performed by practitioners of the healing arts as defined in the MCIT Coverage Document.

In response to board discussion Nelson confirmed that MCIT could make the coverage retroactive to January 2025 with a similar additional contribution of \$5,000 for that coverage year but the board would need to decide if it would then also assume responsibility for the claim that was the subject of the May 8 coverage appeal.

26-05-01 Motion by Swanson, seconded by Skyles to approve covering the Clay County Rehab and Detox Facility for liability coverage by endorsement as presented by staff effective January 1, 2025 with an additional contribution owed of \$5,000 for the 2025 coverage year and \$5,000 for the 2026 coverage year which includes providing coverage for the 2025 liability claim that was the subject of the May 8 coverage appeal. Vice Chair Wachal called for a roll call vote. Motion carried. Voting Yes: Wachal, Schreifels, Mortenson, Swanson, Skyles and Patzer. Voting No: Ward. Absent: Antony and Meyer

ADJOURN

Vice Chair Wachal adjourned the May 18, 2026 Special Meeting of the MCIT Board of Directors at 3:50 p.m.

Respectfully submitted by:

Randy Schreifels
MCIT Secretary/Treasurer