

AGENDA

MEETING:	Board of Directors Meeting Schools Program Alliance Teleconference Meeting	A Action I Information
DATE/TIME:	December 9, 2024 at 10:00 AM PDT	1 Attached
TELECONFERENCE:	Toll Free (888) 475 4499 or (669) 900-6833 US Toll	2 Hand Out
	Meeting number (access code): 989 0712 8901	3 Separate Cover
	https://alliantinsurance.zoom.us/j/98907128901?pwd=QRR3aoav8GRbOpKmDghTCIGaitmASM.1	4 Verbal

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715 twenty-four (24) hours in advance of the meeting. The Agenda packet will be posted at each member's site. Documents and material relating to an open session agenda item that are provided to the SPA members less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, SPA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

This Meeting Agenda shall be posted at the address of the teleconference locations shown below with access for the public via phone/speaker phone.

1. Butte Schools Self-Funded Programs, 500 Cohasset Road, Suite 24, Chico, CA 95926
2. North Bay Schools Insurance Authority, 380 Chadbourne Rd, Fairfield, CA 94534
3. Redwood Empire Schools' Insurance Group, 5760 Skylane Blvd., Suite 100, Windsor, CA 95492
4. Schools Insurance Authority, 9800 Old Placerville Rd, Sacramento, CA 95827
5. Schools Insurance Group, 550 High Street, Ste. 201, Auburn, CA 95603
6. Central California Schools Authority, 7170 N. Financial Dr. #130, Fresno, CA 93720

<i>PAGE</i>	A. CALL TO ORDER, ROLL CALL, QUORUM	A 4
	B. APPROVAL OF AGENDA AS POSTED	A 4
	C. PUBLIC COMMENTS <i>The public is invited at this point to address the Board of Directors on issues of interest to them.</i>	I 4
<i>Pg. 4</i>	D. CONSENT CALENDAR <i>The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.</i> <ol style="list-style-type: none">1. Minutes of SPA Board Teleconference Meeting October 21, 2024	A 1
	E. MEMBER PROGRAM AND IDEA SHARING <i>This is an opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the member is facing. Please mail a copy of any materials to each member City in advance of the meeting.</i>	I 4

F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

<i>Pg. 11</i>	1. Standing Committee and Task Group Updates a. Cost Allocation Task Force b. Property Claims Task Force c. Marketing Work Group d. Liability Claims Committee e. Property Program Loss Control Ad Hoc Committee f. SPA Reinsurer’s Claims TPA - Ad Hoc Committee	I 4
<i>Pg. 12</i>	2. Discussion on Property Program Reinsurer Adjusting Services <i>A representative of Engle Martin, Shannon Dunn, will provide a conceptual proposal of services to potentially serve as the Property Adjusting Claims firm.</i>	A 1
<i>Pg. 14</i>	3. Strategic Planning Objectives <i>The Board will receive an update regarding progress in completing Objectives from the August Strategic Planning session.</i>	I 1
<i>Pg. 16</i>	4. Coverage Counsel <i>The Board will consider selection of coverage counsel for the SPA JPA.</i>	A 1
<i>Pg. 17</i>	5. Draft Governing Documents for Entity JPA <i>The Board will review and provide feedback and direction for the following set of DRAFT governing documents intended to change SPA from a Partnership JPA to an Entity JPA.</i> a. Joint Exercise of Powers Agreement b. Bylaws c. Participation Agreement – Property d. Participation Agreement - Liability	A 1
<i>Pg. 48</i>	6. April 14, 2025 Meeting Reschedule <i>There is a conflict with the April meeting and the Board is asked to select another date for the meeting.</i>	A 1
<i>Pg. 49</i>	7. SPA Meeting Dates FY 25/26 (Including Strategic Planning Location) <i>Dates for the FY 25/26 are presented for the Board’s consideration and approval.</i>	A 1
<i>Pg. 50</i>	8. Rolling OCIP	A I

G. LIABILITY PROGRAM

<i>Pg. 51</i>	1. Renewal Timeline Update <i>Jim Wilkey from Newfront will provide the Board with a review of the renewal timeline.</i>	A 4
<i>Pg. 52</i>	2. Beazley Vendor SAM Liability Program	I 3

H. PROPERTY PROGRAM

<i>Pg. 53</i>	1. Pre-renewal Presentation <i>Dan Madej will provide the Board with a review of the upcoming Property Renewal.</i>	I 1
<i>Pg. 54</i>	2. Approval of Trend Factors <i>The Board will consider approval of a trend factor to be applied to the Property data.</i>	I 1
<i>Pg. 55</i>	3. Property Program Claims Policy & Procedure – CAT Loss Deductibles	A 1

I. INFORMATION ITEMS AND DISCUSSION **I 4**

This is an opportunity for a Board Member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the Member is experiencing.

1. Service Calendar 2024/25	I 3
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J. ADJOURNMENT **A 4**

**Upcoming Teleconference Meeting Dates:
January 13, 2024 and February 10, 2024**

Item No: D.

CONSENT CALENDAR**ACTION ITEM**

ISSUE: Items on the Consent Calendar are to be reviewed. If any item requires clarification, discussion, or amendment by any member of the Board, such item(s) may be pulled from Consent Calendar and placed on the agenda for separate discussion.

Items pulled from the Consent Calendar will be placed on the agenda in an order determined by the President.

RECOMMENDATION: Adoption of items presented on the Consent Calendar after review by the Board.

FISCAL IMPACT: As indicated on any item included.

BACKGROUND: Items of importance that may not require discussion are included on the Consent Calendar for adoption.

ATTACHMENTS:

1. Minutes of SPA Board Teleconference Meeting October 21, 2024

SCHOOLS PROGRAM ALLIANCE

October 21, 2024 Board Of Directors Teleconference

Meeting Minutes

Members Present:

Butte Schools Self-Funded Programs (BSSP)	Christy Patterson
Butte Schools Self-Funded Programs (BSSP)	Nicole Strauch
North Bay Schools Insurance Authority (NBSIA)	Kim Santin
Redwood Empire Schools Insurance Group (RESIG)	Cindy Wilkerson
Redwood Empire Schools Insurance Group (RESIG)	Sandy Manzoni
Schools Insurance Authority (SIA)	Debrah Sherrington
Schools Insurance Authority (SIA)	Phil Brown
Schools Insurance Authority (SIA)	Amy Russell
Schools Insurance Authority (SIA)	Brooks Rice
Schools Insurance Authority (SIA)	Olivia Nelson
Schools Insurance Group (SIG)	Kelli Hanson
Schools Insurance Group (SIG)	Gabbi Daniel
Central California Schools Authority (CCSA)	Alan Caeton
Central California Schools Authority (CCSA)	Jeff Pierce

Consultants & Guests

Dan Madej, Alliant Insurance Services	Jim Wilkey, Newfront
Dan Howell, Alliant Insurance Services	Eileen Massa, Newfront
Michelle Minnick, Alliant Insurance Services	Ryan Telford, AmWins
Marcus Beverly, Alliant Insurance Services	Chris Tambo, AmWins
Jenna Wirkner, Alliant Insurance Services	

A. CALL TO ORDER, ROLL CALL, QUORUM

Ms. Cindy Wilkerson called the meeting to order at 10:02 a.m. and welcomed the board. The above-mentioned members were present constituting a quorum. Cindy provided a brief welcome to the Board and noted that there are lots of items to discuss and members were encouraged to participate.

B. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Alan Caeton

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

BSSP: Aye
RESIG: Aye

SIA: Aye
SIG: Aye
CCSA: Aye

C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

1. Minutes of SPA Strategic Planning and Board Meeting August 20-21, 2024

A motion was made to approve the Consent Calendar.

MOTION: Kelli Hanson

SECOND: Alan Caeton

**MOTION CARRIED
UNANIMOUSLY**

E. MEMBER PROGRAM AND IDEA SHARING

Dan Howell noted his excitement to use AI technology to submit Certificate and contracts from vendors – Cindy indicated that Bob Marshburn came up with Evident Program to ensure they have the required documents for their contracts. Dan Howell indicated he would gather more information and report back to the SPA Board at a future meeting.

F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

F.1. STANDING COMMITTEE AND TASK GROUP UPDATES – COST ALLOCATION WORK GROUP

Dan Madej and Kelli Hanson provided the Board with a short review of the progress made so far and indicated that the group will be working over the next few months and will report back to the Board at a later date.

F.1. STANDING COMMITTEE AND TASK GROUP UPDATES – CLAIMS PROCESS TASK FORCE

Marcus Beverly provided the Board with an update and noted that we have been focused on getting the SPA loss run updated with payments recorded. He also indicated that we are waiting to receive a couple proofs of loss from McLarens. There was mention to change the title of this to Property Claims Task Force for future meetings.

F.2. STRATEGIC PLANNING OBJECTIVES

Marcus Beverly reviewed the Long Range Action Plan and the current status. Dan Howell noted that this is our list of items that we have from the meeting and we will share at each meeting to keep the Board apprised of the plan. There was a quick discussion about items for Marketing the group and it was confirmed by Jim Wilkey that they are seeking information from the SPA perspective. It was also mentioned that members of the Marketing Work Group (Mo from RESIG, Carrie Green from NBSIA, and Amanda from SIA) have met and are considering some infographics to help increase membership.

A motion was made to approve the Strategic Planning Objectives.

MOTION: Kim Santin

SECOND: Alan Caeton

**MOTION CARRIED
UNANIMOUSLY**

F.3. MANAGING MEMBER FINANCIAL REPORT

Phil Brown provided a review of Financials as of June 30, 2024 and noted there were a couple items that they are working to resolve. He noted total assets of \$9.6M, liabilities of \$4.5M and overall combined operations up \$1.6M from the prior year.

A motion was made to accept as presented.

MOTION: Kelli Hanson

SECOND: Christy Patterson

**MOTION CARRIED
UNANIMOUSLY**

F.4. AMENDMENT OF RESOLUTION 21-01 – RISK POOLING ACTIVITES

Marcus Beverly provided a brief review of the Resolution and indicated the reason it was being amended was a result of the counsel review of the formation documents. After the motion, it was noted that there is no change needed to the financial reporting at this time but if the Liability started a risk pooling program we would track that within the program and differentiate from the property program.

A motion was made to accept the Resolution.

MOTION: Brooks Rice

SECOND: Christy Patterson

**MOTION CARRIED
UNANIMOUSLY**

NBSIA: Aye
RESIG: Aye

SIG: Aye
CCSA: Aye

F.5. RESOLUTION LOCAL AGENCY INVESTMENT FUND (LAIF)

Phil Brown provided the Board with a review of the Resolution which establishes the authorized personnel for the LAIF account due to recent changes of the SIA and SPA Board.

A motion was made to accept the resolution.

MOTION: Kim Santin

SECOND: Christy Patterson

**MOTION CARRIED
UNANIMOUSLY**

RESIG: Aye
SIG: Aye

SIA: Aye
CCSA: Aye

G.1. RESOLUTION 24-03 ESTABLISHING GENERAL LIABILITY CLAIMS COMMITTEE

Marcus Beverly presented the Resolution to establish a General Liability Claims Committee and after a brief review the Board generally agreed. It was also noted Olivia Nelson will Chair the Committee.

A motion was made to approve.

MOTION: Kim Santin

SECOND: Kelli Hanson

**MOTION CARRIED
UNANIMOUSLY**

BSSP: Aye
SIA: Aye

RESIG: Aye
CCSA: Aye

After the motion Jim Wilkey indicated that he is very happy to see this come together and would like the group to meet before submission to the market.

G.2. RENEWAL TIMELINE UPDATE

Jim Wilkey provided the Board with an update that they will begin to collect renewal data in the coming weeks and indicated that members would receive a request before the Thanksgiving holiday. It was requested that any changes to the underlying MOC's be communicated to the Newfront team as soon as possible. HE also indicated they will continue to explore higher limits and aggregate limits.

H.1. CORELOGIC WILDFIRE REPORT

Dan Madej provided the Board with a review of the Corelogic meeting. After a discussion it was noted that while protections made at the site level including water supply or clearance or defensible spaces may not impact the CoreLogic Wildfire Risk Score but we still want to track that information to share with Underwriters as it may change the profile of the campus in their eyes. Dan Madej also indicated that he would draft a memo to share with the SPA underlying members.

H.2.A. PROPERTY CLAIMS – MANAGING MEMBER PROPOSAL FOR PROPERTY CLAIMS COORDINATION SERVICE

Phil Brown provided the Board with review of the proposal for Property Claims Coordination Service through SIA. Included in his discussion was a review of the Property Claims Service Instructions as well as the Memorandum of Understanding. After a discussion it was generally agreed this was a positive step.

A motion was made to accept the MOU and the Claims Service Instructions with the minor modification.

MOTION: Kelli Hanson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

H.2.B PROPERTY CLAIMS – RESOLUTION 24-024 APPOINTMENT OF PROPERTY CLAIMS REPRESENTATIVE

Marcus Beverly provided the Resolution and indicated that Josh Arnold will be appointed as the Claims Representative for SPA as noted in the prior item discussion.

A motion was made to approve the Resolution appointing Josh Arnold.

MOTION: Kelli Hanson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

BSSP: Aye
RESIG: Aye

SIA: Aye
CCSA: Aye

H.2.C. PROPERTY CLAIMS – CLAIMS SERVICE INSTRUCTIONS

This was included in a prior motion for Item H.2.A.

H.2.D. PROPERTY CLAIMS – SPA REINSURERS’ CLAIMS TPA DISCUSSION

Marcus Beverly noted that he was not able to meet with the vendors at the CAJPA Conference and led a discussion of the meeting with the Engle Martin team. It was noted that any firm who may be selected would need to be acceptable to both domestic and London underwriters. An Ad Hoc Committee was formed with the following members: Gabbi Daniel, Josh Arnold, Phil Brown, Sandy Manzoni.

H.3. APPLICATION OF DEDUCTIBLES FOR MULTI-MEMBER CAT’S

Dan Madej provided the Board with a review of how the deductibles apply for Multi-member CAT Claims. It was noted that if two or more SPA members are involved in a single occurrence that only one \$250k deductible applies. After a discussion it was agreed to consider modified language on a go forward basis at July 1, which would allow for multiple SPA members to have a \$250k deductible if involved in a single occurrence. It was also noted this would be brought back to a future meeting for discussion.

There was no motion made on this item.

H.4. WILDFIRE RISK REPORTS – CALIFORNIA SAFETY TRAINING

Cindy Wilkerson provided a review of the quote received from Mike Crandall since he has changed companies since he last performed inspections for the SPA members. The Property Task Group was provided with direction to identify properties on the High Risk Locations list that we would like to approach and designate authority to engage California Safety Training as members want to participate. Additionally, it was noted that inspections would be paid by SPA Loss Control Funds.

A motion was made to accept the proposal.

MOTION: Kim Santin

SECOND: Brooks Rice

**MOTION CARRIED
UNANIMOUSLY**

I. INFORMATION ITEMS

Items were shared with the Board to review - Dan Howell provided a review of the MROCIP program and how it could be used by the SPA members and indicated that he would bring this back to the December SPA Board meeting.

J. ADJOURNMENT

A motion was made to adjourn at 12:22 pm

MOTION: Kim Santin

SECOND: Kelli Hanson

**MOTION CARRIED
UNANIMOUSLY**

NEXT MEETING DATE: November 13, 2024 via Teleconference

Respectfully Submitted,

Cindy Wilkerson, Secretary

Date

J. ADJOURNMENT

The meeting was adjourned at 12:22 P.M.

DRAFT

Item No: F.1.

STANDING COMMITTEE AND TASK GROUP UPDATES**INFORMATION ITEM**

- a. Cost Allocation Task Force**
- b. Liability Claims Task Force**
- c. Property Claims Task Force**
- d. Marketing Work Group**
- e. Property Program Loss Control Committee**
- f. SPA Reinsurer's Claims TPA - Ad Hoc Committee**

Item No: F.2.

**DISCUSSION ON PROPERTY PROGRAM REINSURER ADJUSTING
SERVICES****INFORMATION ITEM**

ISSUE: The SPA Board of Directors is evaluating reinsurer property adjusting service provider options. Representatives of Engle Martin have been invited to provide a conceptual proposal of how their firm could serve the SPA Property Program

RECOMMENDATION: No action is requested on this item at today's meeting. This is an information presentation.

FISCAL IMPACT: No fiscal impact is expected from this item at today's meeting.

BACKGROUND: SPA's Property Program is reinsured with a layered and quota share placement with several property insurers. Lexington serves as lead market and by agreement with SPA has appointed the McLaren's firm to serve as the adjuster on behalf of the reinsurance panel. At the August Strategic Planning Meeting, the SPA Board of Directors asked the Program Administrator to evaluate options for providing this service. Engle Martin has been identified as a leading firm working on other similar public entity pool property insurance programs and will be present at today's meeting to provide their conceptual approach to serving SPA.

ATTACHMENTS: None.

FY 2024/25 SPA STRATEGIC PLANNING OBJECTIVES					
GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
LRP-1	Establish a Liability Claims Committee – this committee will be subject to the Brown Act				
	a. Staff to draft formation resolution for Board consideration & adoption	PA	MB	Oct	Done
	b. Liability Claims Committee to begin meetings and report out to Board	PA	JW	Dec	TBD
	c. Staff to work with Counsel to include establishment of Liability Claims Committee in Entity JPA Documents	PA	DH	Jan	TBD
LRP-2	Address counsel recommendations in JPA governing documents review				
	a. Amend Resolution 21-012 to incorporate terms and conditions of the Agreement by reference	PA	MB	Oct	Done
	b. Add to Annual Service Calendar the nomination and Board designation of the Managing Member for the upcoming fiscal year	PA	MM	Oct	Done
	c. Amend Property Program Memorandum of Coverage to define Coverage Provider	PA	DM	March	Prep by Submission to Market
	d. Establish basic contracting standards for SPA	MM	PB	TBD	
	e. Define "high risk" and "vacant" locations and submit for the Property Program Memorandum of Coverage for Board adoption	PA	DM	March	Prep by Submission to Market
	f. Establish core communications and distribution protocol for relevant documentation such as audits and policies & procedures, etc.	BOD	MB	Mar	
LRP-3	Consider transition to an Entity JPA - Have Counsel and Administrator develop entity joint powers documents for future consideration				
	a. Counsel and Program Administrator prepare draft entity joint powers agreement, bylaws, program participation agreements and supporting documents	PA, GC	DH/MB	Dec	Drafts On 12.9.24 Board Agenda
	b. Initial review and comments from SPA Board	BOD		Dec	Choose Counsel
	c. Revised draft entity JPA governing documents prepared by Counsel and Program Administrator for SPA Board review	PA, GC	DH/MB	Jan	
	d. SPA Board takes action to move forward or shelve establishment of entity JPA	BOD		Feb	
	e. SPA Members take action to approve participation in SPA as entity JPA going forward			Mar-Apr	
LRP-4	Property Loss Control – develop and execute a plan addressing the locations listed on the high risk/remote endorsement				
	a. Have Core Logic present on how their wildfire model works and whether SPA can impact that modeling via some risk control	PA	DM	Oct	Done
	b. Inventory previous loss control work at these locations to determine out what has been done and outstanding recommendations	PA	MB	Oct	Pending
	c. Property Program Loss Control Committee to recommend to SPA Board a loss control services plan for the scheduled locations			Dec	
	d. Execute plan as approved by SPA Board	PA	MB	Start Dec	
LRP-5	Property Claims Handling and Client Service Instructions				
	a. Develop resolution for October SPA meeting appointing SIA as SPA property claim adjuster	PA/MM	MB	Oct	Done
	b. Gather member comments on draft CSI's for SPA adjuster and finalize in October	PA/MM	MB	Oct	Done
	c. Meeting for SPA with Chris Stafford and McLarens about services	AIS	MB	Oct	Done - status?
	d. Introduce other independent adjuster alternative firms	PA	DH	Sept-Feb	Status?
LRP-6	Property Program Cost Allocation Task Force – (Kelli Hanson as chair, Phil Brown, Christi Patterson and ?)				
	a. Program Administrator to lead review of Property Program rating and cost allocation current status and options	PA	DM	Sept-Dec	Done
	b. Task Force to review and recommend Property Program Rating and Allocation Plan for FY 2025/26 and beyond	PA		Feb	
	c. SPA Board takes action to establish Property Program Rating and Allocation Plan for FY 2025/26	PA	BOD	March	
	d. Program Administrator communicates Plan to SPA Member Boards	PA		April - June	
	e. Plan changes effective at July 1, 2025 if approved	PA	DM	Jul	
LRP-7	Identify potential SPA Coverage Counsel firms for Property and Liability				
	a. Gather names of potential coverage counsel, verify if property or liability focused, confirm whether conflicts with current members and reinsurers	PA	MB/DH	Sep-Dec	Done
	b. Review candidates with SPA Board or designees	PA	MB/DH	Dec	Drafts On 12.9.24 Board Agenda
	c. Conduct interviews as needed	PA	BOD	Jan-Feb	
	d. Confirm appointment(s) by SPA Board action	PA	BOD	Mar	
LRP-8	Task force for marketing information, videos etc. SIA, North Bay and RESIG				
	a. This item needs further development by SPA Board	BOD	BOD	Dec	
LRP-9	Developing Program Specific Underwriting Policy & Procedures for Liability & Property				
	a. Establish separate working groups for Liability and Property Programs and inventory existing P&P	PA	NF/AIS	Dec	
	b. Working groups to prepare separate drafts for each program	PA	NF/AIS	Dec	
	c. Review of proposed separate Underwriting P&P and adoption by SPA Board	PA	BOD	Jan	
LRP-10	New Programs & Services				
	a. Look into MR OCIP partnership with PRISM	PA	AIS/KB	Dec	
	b. Student Accident Program exploration	PA	AIS/PD	Jan	
	c. Pollution program evaluation	PA	AIS/DM	Mar	
	d. Look into a cyber program that is loss prevention and security based with option for cyber insurance paired	PA	MM/AIS/TJ	Mar	
	e. Solution for adds and deletes and pending transactions in property program	PA	MM	Mar	
	f. Long, Long range – how could a SPA sponsored captive benefit the members – possible multi state diversification	PA	MM/DH		

BOD: SPA Board of Directors
 PA: SPA Program Administrator
 MM: Managing Member
 CFO: SPA Accounting and Finance

AIS: Alliant Ins. Svcs.(Property Program)
 NF: Newfront Insurance (Liability Program)
 GC: SPA General Counsel
 PCA: SPA Property Claims Administrator at SIA

Item No: F.3.

STRATEGIC PLANNING OBJECTIVES

INFORMATION ITEM

ISSUE: The Board regularly reviews the Strategic Planning Objectives for the latest updates and provides direction as needed.

A total of ten goals were identified, ranging from establishing a Liability Claims Committee to reviewing innovative programs and services. Three of the goals contain action items that are addressed later in the agenda for this meeting and are highlighted in the attached. Other items due in December are noted in red in Deadline column.

Two of the most significant goals are transition to an “Entity” JPA and development of a Property Program Rating and Allocation Plan for FY 25/26. At least one goal, LRP-8 - Task Force for Marketing, needs further development.

RECOMMENDATION: Review and provide feedback or direction as needed.

FISCAL IMPACT: None expected from this item.

BACKGROUND: SPA held its fourth long range planning meeting on August 20-21, 2024, and developed the attached Plan as a result. Key discussion points centered on SPA’s governing structure, claims management, cost allocation, and new programs and services.

ATTACHMENTS: SPA Strategic Planning Objectives as of 11.18.24

FY 2024/25 SPA STRATEGIC PLANNING OBJECTIVES						
GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS	
LRP-1	Establish a Liability Claims Committee – this committee will be subject to the Brown Act					
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	c. Staff to work with Counsel to include establishment of Liability Claims Committee in Entity JPA Documents	PA	DH	Jan	TBD	
LRP-2	Address counsel recommendations in JPA governing documents review					
	a. Amend Resolution 21-012 to incorporate terms and conditions of the Agreement by reference	PA	MB	Oct	Done	
	b. Add to Annual Service Calendar the nomination and Board designation of the Managing Member for the upcoming fiscal year	PA	MM	Oct	Done	
	c. Amend Property Program Memorandum of Coverage to define Coverage Provider	PA	DM	March	Prep by Submission to Market	
	d. Establish basic contracting standards for SPA	MM	PB	TBD		
	e. Define "high risk" and "vacant" locations and submit for the Property Program Memorandum of Coverage for Board adoption	PA	DM	March	Prep by Submission to Market	
	f. Establish core communications and distribution protocol for relevant documentation such as audits and policies & procedures, etc	BOD	MB	Mar		
LRP-3	Consider transition to an Entity JPA - Have Counsel and Administrator develop entity joint powers documents for future consideration					
	a. Counsel and Program Administrator prepare draft entity joint powers agreement, bylaws, program participation agreements and supporting documents	PA, GC	DH/MB	Dec	Drafts On 12.9.24 Board Agenda	
	b. Initial review and comments from SPA Board	BOD		Dec	Choose Counsel	
	c. Revised draft entity JPA governing documents prepared by Counsel and Program Administrator for SPA Board review	PA, GC	DH/MB	Jan		
	d. SPA Board takes action to move forward or shelve establishment of entity JPA	BOD		Feb		
	e. SPA Members take action to approve participation in SPA as entity JPA going forward			Mar-Apr		
LRP-4	Property Loss Control – develop and execute a plan addressing the locations listed on the high risk/remote endorsement					
	a. Have Core Logic present on how their wildfire model works and whether SPA can impact that modeling via some risk control	PA	DM	Oct	Done	
	b. Inventory previous loss control work at these locations to determine out what has been done and outstanding recommendations	PA	MB	Oct	Pending	
	c. Property Program Loss Control Committee to recommend to SPA Board a loss control services plan for the scheduled locations			Dec		
	d. Execute plan as approved by SPA Board	PA	MB	Start Dec		
LRP-5	Property Claims Handling and Client Service Instructions					
	a. Develop resolution for October SPA meeting appointing SIA as SPA property claim adjuster	PA/MM	MB	Oct	Done	
	b. Gather member comments on draft CSI's for SPA adjuster and finalize in October	PA/MM	MB	Oct	Done	
	c. Meeting for SPA with Chris Stafford and McLarens about services	AIS	MB	Oct	Done - status?	
	d. Introduce other independent adjuster alternative firms	PA	DH	Sept-Feb	Status?	
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	a. Program Administrator to lead review of Property Program rating and cost allocation current status and options	PA	DM	Sept-Dec	Done	
	b. Task Force to review and recommend Property Program Rating and Allocation Plan for FY 2025/26 and beyond	PA		Feb		
	c. SPA Board takes action to establish Property Program Rating and Allocation Plan for FY 2025/26	PA	BOD	March		
	d. Program Administrator communicates Plan to SPA Member Boards	PA		April - June		
	e. Plan changes effective at July 1, 2025 if approved	PA	DM	Jul		
LRP-7	Identify potential SPA Coverage Counsel firms for Property and Liability					
	a. Gather names of potential coverage counsel, verify if property or liability focused, confirm whether conflicts with current members and reinsurers	PA	MB/DH	Sep-Dec	Done	
	b. Review candidates with SPA Board or designees	PA	MB/DH	Dec	Drafts On 12.9.24 Board Agenda	
	c. Conduct interviews as needed	PA	BOD	Jan-Feb		
	d. Confirm appointment(s) by SPA Board action	PA	BOD	Mar		
LRP-8	Task force for marketing information, videos etc. SIA, North Bay and RESIG					
	a. This item needs further development by SPA Board	BOD	BOD	Dec		
LRP-9	Developing Program Specific Underwriting Policy & Procedures for Liability & Property					
	a. Establish separate working groups for Liability and Property Programs and inventory existing P&F	PA	NF/AIS	Dec		
	b. Working groups to prepare separate drafts for each program	PA	NF/AIS	Dec		
	c. Review of proposed separate Underwriting P&P and adoption by SPA Board	PA	BOD	Jan		
LRP-10	New Programs & Services					
	a. Look into MR OCIP partnership with PRISM	PA	AIS/KB	Dec		
	b. Student Accident Program exploration	PA	AIS/PD	Jan		
	c. Pollution program evaluation	PA	AIS/DM	Mar		
	d. Look into a cyber program that is loss prevention and security based with option for cyber insurance paired	PA	MM/AIS/TJ	Mar		
	e. Solution for adds and deletes and pending transactions in property program	PA	MM	Mar		
	f. Long, Long range – how could a SPA sponsored captive benefit the members – possible multi state diversification	PA	MM/DH			

BOD: SPA Board of Directors
 PA: SPA Program Administrator
 MM: Managing Member
 CFO: SPA Accounting and Finance

AIS: Alliant Ins. Svcs.(Property Program)
 NF: Newfront Insurance (Liability Program)
 GC: SPA General Counsel
 PCA: SPA Property Claims Administrator at SIA

Item No: F.4.

COVERAGE COUNSEL**ACTION ITEM**

ISSUE: Previously, the Board had appointed Gregory Rolan to serve as general Counsel. Mr. Rolan has since taken the position as General counsel for the Orange County Office of Education. The Board is today asked to consider the appointment of successor General Counsel and also Coverage Counsel.

RECOMMENDATION: It is recommended that the Board take action or provide direction to the Program Administrator at today's meeting.

FISCAL IMPACT: No fiscal action is expected from action at today's meeting. The cost of counsel is included in the SPA annual budget.

BACKGROUND: None.

ATTACHMENTS: None.

Item No: F.5.

DRAFT GOVERNING DOCUMENTS FOR ENTITY JPA**JOINT EXERCISE OF POWERS AGREEMENT****ACTION ITEM**

ISSUE: Attached please find a COMMENT DRAFTS of a Joint Exercise of Powers Agreement, Bylaws, Liability Program Participation Agreement and Property Program Participation Agreement for Board review and feedback. The Agreement is designed to transition SPA from a “partnership” JPA to an “entity” JPA. These drafts have been prepared by the Program Administrator for initial discussion and have not been reviewed by counsel.

RECOMMENDATION: It is recommended that the Board of Directors review the draft documents and provide direction to staff.

FISCAL IMPACT: None.

BACKGROUND: These documents have been developed as directed in the Strategic Planning meeting.

ATTACHMENTS: Comment Draft documents:

1. SPA Joint Exercise of Powers Agreement Comment Draft
2. SPA Bylaws Comment Draft
3. SPA Liability Program Participation Agreement Draft
4. SPA Property Program Participation Agreement Draft

COMMENT DRAFT

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DRAFT

SPA

JOINT EXERCISE OF POWERS AGREEMENT

AS OF JULY 1, 2025

JOINT EXERCISE OF POWERS AGREEMENT FOR THE SCHOOLS PROGRAM ALLIANCE (SPA)

THIS AGREEMENT is made and entered by and between the local government entities who are presently parties to that certain "Schools Program Alliance Joint Powers Agreement," or who subsequently become signatories to this instrument (the "Agreement").

Recitals

- A. On June 22, 2020, the Schools Program Alliance was formed by a group of California School Joint Powers Authorities who executed a certain "Schools Program Alliance Joint Powers Agreement" (the "JPA"). Other public entities have subsequently become signatories to the JPA and members of the Schools Program Alliance (SPA) and at the present time there are six members of SPA who are parties to the JPA.
- B. In the interval since SPA was founded, SPA has developed and is presently operating risk management and loss prevention programs related to public liability, auto liability, public officials' errors and omissions, crisis management, and property risks in which SPA's local government entity members may and do participate.
- C. With the increase in membership in SPA and the development and operation of multiple programs, the conduct of SPA's business has become significantly more complex, resulting in the need for a restructuring of certain elements of the SPA organization.
- D. In order to implement the required restructuring, make other needed amendments to the provisions of the JPA and incorporate all changes in a single instrument, the parties desire to restate the JPA in the form of this Agreement.
- E. In order to make the agreement easier to read and understand, all previous endorsements and adjustments have been incorporated into a single instrument.

Commented [DH1]: Should we count BASIC as a member - that would make seven

Terms and Conditions

In consideration of the foregoing Recitals and the mutual promises of the parties as set forth in the following Terms and Conditions, it is mutually agreed by all of the parties to this Agreement as follows:

SECTION 1: Definitions

The following definitions shall apply to the provisions of this Agreement:

- (a) "Agreement" shall mean this restated Joint Exercise of Powers Agreement.
- (b) "Authority" shall mean the Schools Program Alliance (sometimes also referred to in this Agreement as "SPA") created by and existing under this Agreement.

- (c) "Board of Directors" shall mean the principal governing body of the Authority sometimes also referred to in this Agreement as "Board").
- (d) "Bylaws" shall mean the adopted Bylaws of the Authority as amended and/or restated in their latest approved form.
- (e) "Insurance" shall mean any program of the Authority providing coverage against losses to Member Agencies who are participants in the program whether the coverage is based upon purchased insurance, reinsurance, self-insurance, pooled funding or any other similar mechanism, instrument or facility.
- (f) "Member Agency" shall mean an entity of local government, which is a party to this Agreement.
- (g) "Program Director" shall mean the individual or firm retained by the Board of Directors to administer the Authority.

Commented [DH2]: Do we want to limit membership to School JPA's or allow single (likely large) districts to join?

SECTION 2: Legal Authority For Agreement

- (a) This Agreement is entered into pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (beginning with Section 6500) which authorizes two or more local public entities, such as the Member Agencies who are parties to this Agreement, to exercise any power which is common to each of them.
- (b) This Agreement is also based upon applicable provisions of law which empower local public entities, such as the Member Agencies who are parties to this Agreement, to engage in risk management and loss prevention activities. Those provisions of law include Chapter 3, Part 6, Division 3.6, Title 1 of the California Government Code (beginning with Section 989) having to do with insurance and self-insurance coverage for local public entities.

SECTION 3: Purposes

The purposes of this Agreement are to:

- (a) Provide for the continuation and effective governance of the Authority.
- (b) Continue effective operation of cooperative programs of risk management and loss prevention so as to reduce or eliminate losses and loss exposures, decrease the expenses of claims and claims administration, and improve procedures to manage risks commonly experienced by the parties to this Agreement.
- (c) Continue effective operation of existing Insurance programs in the areas of public liability, environmental impairment, auto liability, public officials' errors and omissions, workers compensation and property losses.
- (d) Implement new Insurance and other programs related to the foregoing purposes and including any Insurance related to property, casualty, accident, health, life and other

insurable perils which the Authority deems necessary, advisable, and beneficial to the parties to this Agreement.

- (e) Pool the self-insurance claims of two or more local public entities as referred to in California Government Code 6512.2.

SECTION 4: Parties to the Agreement

- (a) Only local public entities of California government which are empowered by law and actually engaged in activities may be considered for membership in the Authority.
- (b) The parties to this Agreement are all local public entities which are, as of the effective date of this Agreement, Member Agencies of the Authority or which are subsequently admitted as Member Agencies in accordance with Section 21 of this Agreement.

Commented [DH3]: Change to a reference of public K-12, community college and charter schools as described in the CA Ed Code or elsewhere

SECTION 5: Term of Agreement

Subject to the power to terminate any Member Agency's membership in the Authority, as provided for in this Agreement, this Agreement shall continue indefinitely, and it shall not be terminated so long as two or more Member Agencies agree that the Agreement, and the Authority, be continued.

SECTION 6: Existence of Authority As Separate Public Entity With Sole Responsibility For Its Obligations

Pursuant to California Government Code Sections 6500 et seq., a public entity of the State of California known as the Schools Program Alliance has been created and does now exist. The Authority exists separately and apart from the Member Agencies. Pursuant to California Government Code Section 6508.1 the debts, liabilities and obligations of the Authority shall be solely its own and they shall not constitute debts, liabilities or obligations of its officers, directors, employees, agents, Board of Directors, Program Director or of any Member Agency.

SECTION 7: Powers of Authority

- (a) The Authority shall have all of the powers common to the parties to this Agreement and all additional powers afforded under California law to public entities such as Authority, formed for the purpose of jointly exercising powers common to their members. The Authority is also authorized by this Agreement to do all acts necessary for the exercise of its powers. The Authority's powers include, but are not limited to, the following:
 - i. To make and enter into contracts.
 - ii. To incur debts, liabilities, and obligations.
 - iii. To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
 - iv. To sue and be sued in its own name, and to settle any claim against it.

- v. To receive and use contributions and advances from Member Agencies as provided in California Government Code Section 6505 et seq., including contributions or advances of personnel, equipment or property.
- vi. To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- vii. To carry out all provisions of this Agreement.

Pursuant to California Government Code Section 6509 the Authority's powers shall be exercised in the manner and according to Procedures provided in the laws applicable to a

Commented [DH4]: Refer to CA Education Code as per above.

SECTION 8: Board of Directors

The Authority shall be governed by a Board of Directors which shall be composed of representatives of those Member Agencies who have exercised their right to participate on the Board of Directors. Each Member Agency shall be entitled at any given time to appoint one member and one or more alternate member(s) of the Board of Directors, each of whom shall be an officer, director, or employee of the appointing Member Agency. Appointments shall be made as specified in the Bylaws. At any meeting of the Board of Directors, each duly appointed member, or in the member's absence, one of the alternate members as determined by the Member Agency, shall have one vote on behalf of his or her Member Agency.

Commented [DH5]: Do we want to limit SPA Board membership to Officers and Employees of the Member Agencies - ie not members of the Board of a member agency.

SECTION 9: Powers of the Board of Directors

- (a) The Member Agencies, acting through the Board of Directors, shall retain overall responsibility for governance of the Authority, including the right to exercise all powers of the Authority not delegated to other persons or bodies of the Authority.
- (b) The Board of Directors shall have the following express powers, duties and responsibilities:
 - i. Election of certain Authority officers , except that vacancies occurring in those offices during their term shall be filled pursuant to Section 11(f) and 12(d)
 - ii. Approval of the annual budget of the Authority.
 - iii. Approval of amendments to this Agreement and the Bylaws.
 - iv. Approval of new Insurance programs of the Authority.
 - v. The exercise of powers of the Authority, including promulgation of policies, procedures, and rules, with respect to all matters reserved to the Board of Directors by this Agreement, the Bylaws or otherwise.

SECTION 10: Meetings of the Board of Directors

- (a) The Bylaws of the Authority shall make provision for calling and holding meetings of the Board of Directors which shall include, in any event, at least one regular meeting annually.
- (b) Meetings of the Board of Directors shall be conducted in accordance with this Section, the Bylaws and applicable provisions of law governing the meetings of legislative bodies and governing boards of local public entities of the State of California including the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.).
- (c) The presence in person (or by telephone in the case of a noticed telephonic meeting) of a majority of the then duly appointed members (including alternate(s) in the case of absence of the member) of the Board of Directors shall constitute a quorum for the conduct of business of the Board except as otherwise provided by this Agreement, the Bylaws or other applicable provisions of law.

SECTION 11: Officers of the Authority

- (a) The officers of the Authority shall be a Chair, Vice-Chair, Secretary and Treasurer-Auditor whose duties shall be as set forth in this Agreement, the Bylaws or as prescribed by applicable provisions of law.
- (b) The President and Vice President shall be elected by the Board of Directors and shall serve two-year terms. Neither officer shall serve for more than two complete consecutive terms in his or her respective office. The terms of each office will ordinarily commence on July 1 of each odd-numbered fiscal year except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held.
- (c) Unless the Board of Directors determines otherwise, the Secretary shall be an individual who is the designated senior representative of the Program Director. The Secretary shall serve at the pleasure of the Board. If the designated senior representative of the Program Director is unable to serve for any reason, including his or her removal from office by the Board, the Board shall appoint a replacement who may be another senior representative of the Program Director, a senior staff member of the Authority, a member of the Board or an officer, or employee of a Member Agency.
- (d) Unless the Board of Directors determines otherwise, the Treasurer-Auditor shall be appointed by the Board and shall serve at the Board's pleasure. The Treasurer-Auditor shall be an officer or employee of a Member Agency.
- (e) The Authority may have such other officers as provided in the Bylaws.
- (f) If a vacancy occurs mid-term in the office of the Chair, the Vice Chair shall automatically succeed to the office of Chair to serve out the balance of the term of his/her predecessor. If a vacancy occurs mid-term in the office of Vice Chair, a successor shall be appointed by the Board to serve out the balance of the term.

COMMENT DRAFT

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SECTION 13: Committees

The Authority shall have standing and other committees as may be provided for in the Bylaws or which are created by the Board of Directors or the President. Committees of the Authority shall have powers, duties and responsibilities as provided in the Bylaws or as delegated and directed by the appointing person.

SECTION 14: Program Director and Other Staff

- (a) The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Authority as directed by the Board.
- (b) The Board of Directors shall appoint an attorney at law who shall serve as general Legal Counsel to the Authority.
- (c) The Board of Directors shall provide for the appointment of such other staff of the Authority as may be necessary for the administration of the Authority.
- (d) As determined by the Board, staff functions may be performed by employees of the Authority, by officers, directors, and employees of Member Agencies and by agents, advisors and consultants retained under contract by Authority.
- (e) The Program Director and other staff of the Authority shall have such powers, duties and obligations as are established by this Agreement, the Bylaws, the policies, procedures and rules promulgated by the Authority and any contractual arrangements which may exist between the Authority and the respective entity or person.
- (f) Subject to any applicable contractual arrangements which may take precedence, the Program Director and Legal Counsel shall serve at the will and pleasure of the Board of Directors and all other staff shall serve at the will and pleasure of the Board.

SECTION 15: Insurance Coverage

The Authority shall maintain insurance coverage on its activities as determined by the Board of Directors to be necessary and adequate.

SECTION 16: Accounts and Records

- (a) Annual Budget. The Authority shall adopt an annual budget, which shall include a separate budget for each Insurance program under development or adopted and implemented by the Authority. The Board shall cause to be prepared, shall review and approve and shall recommend a proposed annual budget to the Board of Directors for its consideration. In the event a proposed budget is not approved, the Authority shall continue to operate using the budget figures from the previous fiscal year.
- (b) Funds and Accounts. As directed by the Board, the Treasurer-Auditor of the Authority shall establish and maintain such funds and accounts as may be required by law and good accounting practices. Separate accounts shall be established and maintained for each Insurance program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Treasurer-Auditor shall be open to inspection at all reasonable times by authorized representatives of Member Agencies. A quarterly unaudited financial statement will be produced and distributed to all Member Agencies. The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

- (c) Treasurer-Auditor's Report. The Treasurer-Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member Agency .
- (d) Annual Audit. Pursuant to Government Code Section 6505, the Authority shall contract with an independent certified public accountant to make an annual fiscal year audit of all accounts and financial statements of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with the County Auditor of each Member Agency within six months of the end of the fiscal year under examination. Costs of the audit shall be considered a general expense of the Authority.

SECTION 17: Responsibilities for Funds and Property

- (a) The Treasurer-Auditor shall have custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.
- (b) Pursuant to Government Code Section 6505.5, the Treasurer-Auditor shall:
 - i. Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer-Auditor to the credit of the Authority.
 - ii. Be responsible upon his or her official bond for the safekeeping and disbursement of all Authority funds so held by him or her.
 - iii. Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Treasurer-Auditor. All warrants of the Authority shall be signed by two persons as designated by the Board; provided, however, that the Board may, by resolution, authorize imprest accounts for expenditures of funds in limited amounts for which only one authorized signatory shall be required on the instrument.
 - iv. Verify and report in writing to the Authority and to Member Agencies, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.
- (c) Pursuant to Government Code Section 6505.1, the Program Director, the Treasurer-Auditor and such other persons as the Board of Directors may designate shall have charge of, handle and have access to the property of the Authority.
- (d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in form specified by the Board of Directors, covering the Treasurer-Auditor and all other officers and staff of the Authority who are authorized to hold or disburse funds of the Authority, and all other officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

SECTION 18: Responsibilities of the Authority

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

- (a) Assist each Member Agency's designated risk manager with the risk management function;
- (b) Provide loss prevention and safety services to the Member Agencies;
- (c) Provide claims adjusting and claims management services as required;
- (d) Provide statistical reports to the Member Agencies;
- (e) Recommend standard contract clauses relating to indemnity, hold harmless, insurance and other similar matters affecting Member Agencies; and,
- (f) Provide other services consistent with purposes of the Authority as may be deemed necessary, advisable and beneficial to the Member Agencies.

SECTION 19: Responsibilities of the Member Agencies

- (a) Each Member Agency shall appoint one employee or other representative to be responsible for the Member Agency's risk management functions and to serve as liaison between Member Agency and the Authority as respects risk management.
- (b) Each Member Agency shall maintain for itself and its members an active risk management program as described in any Insurance programs or policies, procedures and rules promulgated by the Authority.
- (c) Each Member Agency shall timely pay all premiums, fees, charges and assessments imposed or levied by the Authority.
- (d) Each Member Agency shall provide the Authority with requested information and assistance in order to fulfill the programs under this Agreement.
- (e) Each Member Agency shall in all ways cooperate with and assist the Authority in all matters relating to this Agreement and comply with the Bylaws and the policies, procedures and rules promulgated by the Authority.
- (f) Each Member Agency shall cooperate fully with the Authority in determining the causes of losses and in the settlement of losses covered under the Authority's Insurance programs.

SECTION 20: Development, Implementation and Funding of Insurance Programs

- (a) Program Coverage. The Authority may develop and implement programs of Insurance, which the Authority deems necessary, advisable and beneficial to Member Agencies. Subject to any Insurance program's applicable underwriting rules and other qualifying

conditions, each Member Agency shall be eligible to apply for membership and participation in any program conducted by the Authority.

- (b) **Program and Authority Funding.** The Member Agencies developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs and shall be funded by the Member Agencies developing or participating in such programs in accordance with such allocations, as hereinafter provided.
- i. **Development Charge.** Development costs of an Insurance program shall be funded by a development charge as fixed by the Board of Directors. The development charge shall be paid by each Member Agency which wishes to join in development of the program, after receipt of information as estimated on the cost and scope of the program, and thereby reserve the option to participate in the program following its adoption by the Board. Development costs are those costs incurred by the Authority in developing a program for review and adoption by the Board, including but not limited to: research, feasibility studies, information and liaison work among Member Agencies, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include an equitable share of Authority general expense incurred in the development function. Upon the conclusion of program development: any deficiency in development funds shall be billed to all Member Agencies which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Board; and any surplus in such funds shall be transferred into the loss reserve fund for the program, or, if the program is not implemented, into the Authority's general fund.
- ii. **Annual Premium.** Except as provided in iii. below, all post-development costs of an Insurance program shall be funded by annual premiums charged to the Member Agencies participating in the program each policy year, and by investment income on the fund so accumulated. Premiums shall be determined by the Board of Directors upon the basis of a cost allocation plan and rating formula developed by the Authority with the assistance of an actuary, risk management consultant or other qualified person. The premium for each participating Member Agency shall include that Member Agency's share of expected program losses, program reinsurance costs, and program administrative costs for the year plus that Member Agency's share of Authority general expense allocated to the program. Annual premiums shall be billed by the Authority at the beginning of each policy year and shall be payable within thirty (30) days of the billing date. At the end of each policy year, program costs shall be audited by the Authority. Any deficiency or surplus in the premium paid by a participating Member Agency, as shown by such audit, shall be adjusted by a corresponding increase or decrease in the premium charge to that Member Agency for the next succeeding year, or held by the Authority to pay future expenses of the program unless the Member Agency withdraws or is canceled from the program.
- iii. **Assessment.** If the Authority experiences an unusually large number of losses under a program during a policy year, such that pooled funds for the program may be exhausted or depleted excessively before the next annual premiums are due, the Board of

Directors may, upon consultation with an actuary, impose assessments on all participating Member Agencies, which, in total amount, will assure adequate funds to the Authority for the payment of all incurred losses.

SECTION 21: New Members

An eligible local public entity that is not a Member Agency may become a party to this Agreement only upon approval of the Board of Directors and by paying an appropriate entry fee or charge as established by the Board. The Board may condition its approval upon the proposed new member's ability to satisfy the underwriting criteria and other qualifying conditions which may then be in effect for any Insurance program in which the proposed new member wishes to participate.

SECTION 22: Withdrawal

- (a) A Member Agency may withdraw as a party to this Agreement upon thirty (30) days' advance written notice to the Authority if it has never become a participant in any Insurance program, or if it has withdrawn from all insurance programs in which it was a participant, pursuant to (b) below.
- (b) After becoming a participant in an Insurance program, a Member Agency may withdraw from that program only at the end of a policy year for the program, and, unless the Insurance program's policies, procedures and rules otherwise provide, only if the Member Agency has given the Authority at least six (6) months' advance written notice of such action executed by the chief executive officer of the Member Agency.

SECTION 23: Termination

- (a) Notwithstanding the provisions of Section 22, the Board of Directors may:
 - i. Terminate any Member Agency from this Agreement and membership in the Authority, on a vote of two-thirds of the Board members present and voting. Such action shall have the effect of terminating the Member Agency's participation in all Insurance programs of the Authority as of the date that membership is terminated.
 - ii. Terminate any Member Agency's participation in an Insurance program of the Authority, without terminating the Member Agency's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting.
- (b) The Board of Directors shall give sixty (60) days' advance written notice of the effective date of any termination under the provisions of (a) above. Upon the effective date, the Member Agency shall be treated the same as if it had voluntarily withdrawn from this Agreement or from the program, as the case may be. A termination procedure will be set forth in the Bylaws of the Authority.
- (c) A Member Agency which does not enter one or more of the Programs of the Authority within 318 months after the Member Agency becomes a party to this Agreement shall be considered to have withdrawn as a party to this Agreement at the expiration of the 18-

month period, and its membership in the Authority shall be automatically canceled as of that time without action of the Board of Directors.

- (d) A Member Agency which withdraws from all Insurance programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to this Agreement at the end of that period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

SECTION 24: Effect of Withdrawal or Termination

The withdrawal or termination of any Member Agency from this Agreement shall not terminate the responsibility of the Member Agency to continue to contribute its share of assessments or other financial obligations incurred by reason of its prior participation, nor shall a Member Agency's withdrawal or termination require the Authority to repay or return to the Member Agency all or any part of any contributions, payments or advances made by the Member Agency expect as provided in Section 24.1 below.

SECTION 24.1: Disposition of Property and Funds

- (a) Upon the dissolution of the Authority or other final termination of the Agreement, any properties of the Authority shall be liquidated, and the funds received, together with other funds on hand, shall be used first to discharge all obligations of the Authority. These obligations shall include all claims for which the Authority may have financial responsibility including claims which have been incurred but not reported and shall be determined by independent accountants and actuaries selected by the Board of Directors. Any surplus funds remaining after payment of or providing for the Authority's obligations shall be applied in accordance with Subsection (b) below.
- (b) Surplus money on hand in a self-insurance pool operated by the Authority shall be returned to present and former Member Agencies who participated in the pool in proportion to contributions made and claims or losses paid as specified in California Government Code Section 6512.2. Any other surplus money remaining on hand shall be returned in proportion to contributions made as specified in California Government Code Section 6512.

SECTION 25: Provision for Bylaws

The Authority shall develop, adopt, amend and promulgate Bylaws and other executive directives to govern the operations of the Authority. Each Member Agency will be provided with copies of all such materials.

SECTION 26: Amendment of Agreement

This Agreement may be amended at any time by a two-thirds vote of the entire Board of Directors, provided, however, that:

- (a) Any meeting at which an amendment is to be acted upon shall require sixty (60) days' prior notice of the proposal, with the specifics of the proposed amendment to be set forth in the notice; and
- (b) No amendment which increases the liability or financial obligation of a Member Agency shall be approved without:
 - i. That Member Agency's consent; or
 - ii. That Member Agency being given the specific option to withdraw from the Authority.

SECTION 27: Agreement Complete

The foregoing constitutes the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in this instrument.

SECTION 28: Effective Date of Restated Agreement

The effective date of this Agreement as restated shall be the date that the Board of Directors of the Authority duly and regularly adopts a resolution approving the form of this Agreement in the manner provided by Section 26 of this Agreement.

SECTION 29: Superseding Effect

This Agreement supersedes JPA (referred to in Recital A above) and shall govern the rights and obligations of the parties as to all matters covered by this Agreement after its effective date.

SECTION 30: Contract with Each Signatory

Each party to this Agreement, whether by having been a signatory to JPA (referred to in Recital A above) or by having become a signatory to this Agreement, shall be deemed and is, a contracting party with each and all of the other parties to this Agreement without regard to the time that a party became a party to the Agreement. The deletion of one or more parties from this Agreement shall not affect the validity, term or continuing effectiveness of this Agreement.

COMMENT DRAFT

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Certificate of Secretary

The undersigned Secretary of Member Agency certifies that the foregoing Joint Exercise of Powers Agreement was adopted by Resolution No. TBD(BD) of the Board of Directors of Member Agency at a meeting of the Board duly and regularly called and conducted on TBD, 2025.

Secretary

**BYLAWS
of the
SCHOOLS PROGRAM ALLIANCE**

PREAMBLE

These Bylaws are adopted effective July 1, 2025, pursuant to the "Joint Exercise of Powers Agreement for the Schools Program Alliance (SPA)" (the "Agreement").

ARTICLE I - THE AUTHORITY

SECTION 1.1. Name of Authority. The name of the Authority created by the Agreement shall be the Schools Program Alliance (the "Authority").

SECTION 2.1. Office of Authority. The principal office of the Authority shall be at the address listed in Attachment A to these Bylaws, or at such other location as the Board of Directors may designate by resolution.

SECTION 3.1. Fiscal Year. The fiscal year for the Authority shall commence July 1 of each calendar year and end June 30 of the following calendar year.

ARTICLE II - BOARD OF DIRECTORS

SECTION 2.1. Membership. The Authority shall be governed by a Board of Directors. Each of the parties to the Agreement as set forth in Sections 4 and 21 of the Agreement (the "Member Agencies") shall be entitled to participate and be represented by a representative on the Board of Directors. If a Member Agency elects to exercise its right to representation on the Board of Directors, it shall promptly notify the Authority in writing of the names of the Board member and alternates who have been selected to represent the Member Agency, and subsequently of any successors to them. The Member Agency shall also comply with any other procedures which may be established by resolution of the Board of Directors to identify Member Agencies who have chosen to participate and be represented on the Board of Directors and to authenticate Member Agencies' representatives. All designated Board members and alternates shall comply with the provisions of California law which require certain public officials to file Statements of Economic Interests. Any Member Agency which is not then exercising its right to participate on the Board of Directors may change its status at any time by written notice to the Authority of that decision, by designation of its representative Board member and alternates and by compliance with any other procedures established by the Board of Directors.

SECTION 2.2. Powers. The powers of the Board shall be as set forth in Section 9 of the Agreement.

SECTION 2.3. Meetings.

(a) Regular Meetings. Regular meetings of the Board shall be held at least once a year at a time and place to be set by the Board. Except as otherwise provided in Section 26 of the Agreement, the agenda for each regular meeting of the Board shall be posted at the principal office of the Authority and delivered to each Member Agency in accordance with the Ralph M. Brown Act (California Government Code Section 54950 et seq.).

(b) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956.

(c) Public Meeting. All meetings of the Board shall be open to the public, except as provided by law.

(d) Quorum. The presence of a majority of the members of the Board shall constitute a quorum for the transaction of business. Except as otherwise provided in the Agreement, the Bylaws or by law, no action may be taken by the Board except by affirmative vote of not less than a majority of those members of the Board present. A smaller number may adjourn a meeting.

(e) Order of Business. At the regular meetings of the Board, the following shall be the order of business:

- i. Roll Call.
- ii. Approval of Minutes of the previous meeting.
- iii. Agenda Items.
- iv. Adjournment

(f) Manner of Voting. With respect to matters of business affecting only a particular insurance program, voting on such matters shall be restricted to those Board members whose Member Agencies are participants in that particular program, and the votes of other Board members shall not be counted.

(g) Action by the Board. All resolutions of the Board shall be in writing, signed by the President and attested to by the Secretary. All other actions of the Board shall be by motion recorded in written minutes.

(h) Rule of Order. All rules of order not otherwise provided for shall be determined, to the extent practicable, in accordance with "Robert's Rules of Order;" provided, however, that no action of the Board shall be invalidated, or its legality otherwise affected, by the failure or omission to observe or follow "Robert's Rules of Order."

ARTICLE III - OFFICERS

SECTION 3.1. Principal Officers.

The principal officers of the Authority are the Chair, Vice-Chair, Secretary and Treasurer-Auditor, as provide in Section 11 of the Agreement.

SECTION 3.2. Other Officers.

The Board of Directors may create such other offices and appoint such other officers as it deems necessary and advisable. Officers so appointed shall serve at the pleasure of the Board and shall exercise such powers, perform such duties and assume such responsibilities as set forth in a resolution duly adopted by the Board for that purpose.

ARTICLE IV - COMMITTEES

SECTION 4.1. Establishment of Committees.

Pursuant to Section 12 of the Agreement, the Authority shall have the standing committees specified in this Article and such other committees as may be appointed from time-to-time by the Board of Directors or the Chair.

SECTION 4.2: Property Program Committee.

(a) The "Property Program Committee" shall be a standing committee of the Authority. All members of the committee shall be: (1) affiliated with Member Agencies who are participants in the Authority's Property Program; (2) knowledgeable about the operation of the program; and (3) selected by the Board Chair. Committee members other than the Committee Chair shall serve two, two-year terms with the terms of two or three members beginning in even-numbered calendar years and the other members' terms beginning in odd-numbered calendar years. The term of the Chair shall be indefinite and at the pleasure of the Board Chair.

(b) The purpose of the Property Program Committee shall be to advise the Board of Directors of all operational aspects of the Property Program and to execute and implement the directions of the Board with regard to matters within the committee's powers, duties and responsibilities, which shall be as follows:

(c) Underwriting

i. Solicit information necessary to evaluate membership applications. Determine adequacy of information provided by prospective members.

ii. Advise and report to the Board on matters relating to prospective new members to the program.

(d) Coverage Issues

i. Review coverage issues as they arise and make a recommendation to the Board.

(e) Claims Administration

i. Advise and report to the Board of Directors as to the status of the Program.

ii. Solicit proposals, select, and recommend to the Board qualified candidates to serve as the program's Claims Administrator.

iii. Administer the contract for claims services and review invoices.

iv. Provide supervision and direction to the Authority's claims administrator.

v. Review procedures for claim processing and recommend changes if appropriate.

vi. Review claims frequency and severity reported by participants.

vii. Oversee the preparation of a quarterly claims report to all participants.

viii. Identify needs of participants and recommend training.

ix. Review disputed claims and settle claims within authority granted by the Board pursuant to the **Property Claims Management Policy & Procedure**.

(f) Loss Control

i. Develop programs, policies and resources that will enable participants to reduce property losses.

ii. Provide for inspections of participants' facilities to assist in reducing losses and improving safety.

iii. Administer contract for loss control services and recommend approval of payments.

iv. Provide supervision and direction to the Authority's loss control consultant.

v. Prepare and coordinate an annual safety program.

vi. Coordinate safety program with the Liability Program Committee.

(g) Budget

i. Recommend Program budget.

(h) Delegation of Duties

i. Delegate any of these duties and responsibilities as it deems appropriate.

SECTION 4.3. Liability Program Committee.

(a) The "Liability Program Committee" shall be a standing committee of the Authority. All members of the committee shall be: (1) affiliated with Member Agencies who are participants in the Authority's Liability Program; (2) knowledgeable about the operation of the program; and (3) selected by the Board Chair. Committee members other than the Committee Chair shall serve two, two-year terms with the terms of two or three members beginning in even-numbered calendar years and the other two members' terms beginning in odd-numbered calendar years. The term of the Chair shall be indefinite and at the pleasure of the Board Chair.

(b) The purpose of the Liability Program Committee shall be to advise the Board of Directors of all operational aspects of the Liability Program and to execute and implement the directions of the Board with regard to matters within the committee's powers, duties and responsibilities, which shall be as follows:

(c) Underwriting

i. Advise and report to the Board on matters relating to prospective new members to the Program.

ii. Solicit information necessary to evaluate membership applications.

iii. Determine adequacy of information provided by prospective members.

(d) Coverage Issues

i. Review and advise on Memorandum of Coverage matters.

ii. Make recommendations to the Board concerning coverage issues.

(e) Claims Administration

i. Advise and report to the Board as to the nature and extent of claims adjusting and legal defense services necessary to protect the funds of the Authority, and as to the settlement of those claims which involved liability of the Authority.

ii. Recommend policies and procedures for claim processing.

iii. Review all claims reported by Member Agencies.

iv. Approve settlement of claims within a range of authority as determined by the Claims Management Policy & Procedure.

v. Make recommendations on settlement of claims greater than the limit of authority established in the Claims Management Policy & Procedure.

vi. Oversee the preparation of a quarterly claims report to all members.

vii. Administer contract for claims services and recommend approval of payments.

viii. Make recommendation on the selection of a claims administrator.

(f) Loss Control

i. Develop programs, policies and resources that will enable Member Agencies to reduce liability and property damage losses.

ii. Provide for inspections of facilities to assist members in reducing losses and improving safety and to determine compliance with SPA standards.

iii. Administer contract for loss control services and recommend approval of payments.

iv. Provide supervision and direction to the Authority's loss control consultation service provider.

v. Prepare an annual loss control program and budget.

vi. Coordinate safety programming with the Property Program Committee.

vii. Make recommendation on the selection of a Loss Control service provider.

(g) General

- i. Advise on structure and funding of the Pool layer.
- ii. Develop budget recommendation.
- iii. Oversee projects of consultants.
- iv. Report annually on the program and on the performance of contractors.

(h) Delegation of Duties

- i. – Delegate any of these duties and responsibilities as it deems appropriate.

SECTION 4.4. Meetings of Standing Committees. Standing committees shall meet on the call of their respective committee chairs. Minutes of committee meetings shall be recorded and upon approval shall be distributed to the Board of Directors. Meetings of committees shall be conducted in accordance with the Ralph M. Brown Act (California Government Code sections 54950 et seq.) including, as applicable, the provisions of sections 54952.2 and 54952.3.

ARTICLE V - PROGRAM DIRECTOR

SECTION 5.1. Appointment. The Board shall appoint a Program Director in accordance with Section 14 of the Agreement.

SECTION 5.2. Powers. In accordance with Section 13 of the Agreement, the Program Director shall administer the business and activities of the Authority. The Program Director shall have such powers, duties and responsibilities as set forth in the Agreement, these Bylaws and as may be provided by agreement between the Program Director and the Authority or as otherwise delegated to the Program Director by the Board of Directors.

ARTICLE VI - REIMBURSEMENT FOR TRAVEL EXPENSES

SPA shall reimburse a Board of Directors Member or Committee Member any reasonable and necessary travel expenses incurred for the member to attend a SPA meeting.

Reasonable and Necessary is defined as those expenses which the member would not have incurred in performing the normal business of its agency.

Article VII - TERMINATION OF A MEMBER AGENCY MEMBERSHIP

A Member Agency may be terminated from membership in the Authority or from participation in a program of the Authority, in accordance with Section 22 of the Agreement. The procedures for terminating a Member Agency are as follows:

SECTION 7.1. Initiation. Proceedings for termination of a Member Agency as a participant in a program of the Authority or as a member of the Authority may be initiated by the Program Director, by any officer, director, or standing committee of the Authority or by any Member Agency. The person initiating termination proceedings shall do so by a written report and recommendation to the Board of Directors, setting forth in detail the grounds upon which the recommendation is made.

SECTION 7.2. Hearing and Determination of the Board of Directors. The Board of Directors shall hold a hearing on the recommendation at its next meeting, which may be a regular or a special meeting; provided, however, that the affected Member Agency shall have received a copy of the recommendation and such notice of the meeting as is given to all Board members. At the hearing the affected Member Agency shall have the right to offer written and oral testimony. At the close of the hearing, the Board of Directors shall decide whether or not to terminate the Member Agency. If the Board votes to terminate the Member Agency, the reasons for such decision shall be given in writing to the Member Agency. Termination shall be **effective sixty (60) days after the date of mailing** of such written reasons to the Member Agency.

SECTION 7.3. Withdrawal. A Member may withdraw from the Authority or a program by providing notice as required in Section 21(b) of the Agreement. A notice of withdrawal may not be rescinded, except upon Member request submitted at least sixty (60) days prior to the effective date of withdrawal, and subsequent approval by the Board, for good cause shown and upon a finding by the Board that rescission of the notice of withdrawal will not prejudice the Authority or other Members.

ARTICLE VIII - AMENDMENT

These Bylaws may be amended from time to time by resolution of the Board of Directors duly adopted upon a two-thirds vote of the entire Board of Directors at a regular or special meeting of the Board; provided, however, that no such amendment shall be adopted unless at least thirty (30) days written notice thereof has previously been given to all Member Agencies and members of the Board of Directors. Such notice shall identify the section or sections of the Bylaws proposed to be amended.

ARTICLE IX - COVERAGE DOCUMENTS

Each Member Agency participating in a program of the Authority shall be provided with either a memorandum of coverage or an insurance policy, as the case may be, which shall describe in detail the nature of the applicable coverage, including dollar amounts, together with any deductibles, exclusions, limitations, or other provisions of the coverage.

ARTICLE X - RECORDS RETENTION

All records and documents of the Authority shall be retained in accordance with a records retention policy and procedure adopted by the Board of Directors.

ARTICLE XI - LIABILITY AND INDEMNIFICATION

SECTION 11.1 - INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES - The Authority shall defend and indemnify its directors, officers and employees to the same extent as any public agency of the State of California is obliged to defend and indemnify its public employees pursuant to California Government Code Section 825 et seq. or other applicable provisions of law.

SECTION 11.2 - INSURANCE - The Authority may insure itself to the extent deemed necessary by the Board of Directors against loss, liability and claims arising out of or connected to the conduct of the Authority's activities.

SECTION 11.3 - INDEMNIFICATION BY MEMBER AGENCIES - To the extent any Member Agency's negligent or wrongful act or omission is the cause of an injury for which other Member Agencies may be, or are sought to be, held liable pursuant to California Government Code e 895 et seq., the Member Agency which is legally responsible for the injury shall, at its own expenses, defend, indemnify and hold harmless all of such other Member Agencies from any and all legal consequences of the negligent or wrongful conduct or omission. Nothing in this Section shall be deemed to preclude a Member Agency having the duty to defend, indemnify and hold harmless, from resorting to any insurance or other form of coverage for losses available to the Member Agency, including insurance or coverage for losses procured through the Authority.

**SCHOOLS PROGRAM ALLIANCE (SPA)
PARTICIPATION AGREEMENT
FOR THE
LIABILITY PROGRAM**

We, _____, signatory to the Schools Program Alliance (SPA) Joint Exercise of Powers Agreement, have agreed by action of our Board of Directors on _____, 20____, to participate in the SPA Liability Program, hereinafter referred to as "Liability Program." As evidenced by the authorized signatures on page 3 of this document, we agree to become a participant in the Liability Program and be referred to as a "Program Participant."

It is understood that this Participation Agreement pertains only to the Liability Program and not to any other program operated by SPA.

We understand that provided the following requirements are met, Liability Program coverage shall begin on _____ :

- 1) We have paid the Liability Program Fee;
- 2) We have executed this Liability Program Participation Agreement; and
- 3) We are a member of the Joint Powers Authority. This means we:
 - a) have been approved for Joint Powers Authority membership by the SPA Board;
 - b) have executed the Joint Exercise of Powers Agreement;
 - c) have executed a "Resolution to Join" in accordance with the Joint Exercise of Powers Agreement; and
 - d) have paid the initial membership fee.

MINIMUM PARTICIPATION PERIOD:

It is understood that the SPA Liability Program requires an initial three full program years commitment as a condition of participation in the program. Withdrawal from the Liability Program cannot occur until a three full years of participation have occurred, that is, from the coverage inception date until the end of the third full program year in which the Program Participant has participated, and only then if a six-month prior notice of withdrawal is provided in the form of a resolution adopted by the Program Participant's governing board in advance of the six-month notice period.

Our initial commitment to the Liability Program will expire on July 1, 20___, unless the program anniversary date is modified by the SPA Board of Directors. After the initial participation commitment has been met, withdrawal can occur at the end of a program year provided a six-month prior notice of withdrawal is provided to SPA, as noted above.

RESPONSIBILITIES OF PROGRAM PARTICIPANTS:

It is understood that as a Program Participant, we are obliged to do the following:

- Take such action, including providing the Liability Program staff with such statistical and loss experience data and other information, as is necessary to carry out the SPA Liability Program as required by the SPA Joint Exercise of Powers Agreement, Bylaws and the policies established by the Board of Directors;
- Pay the Liability Program when due any and all Premiums for each Program Year. Withdrawal does not relieve a Program Participant from liability for owed premiums; and
- Fully cooperate with the Liability Program staff and/or representatives in determining the cause of losses and in the investigation, adjudication, and settlement of claims.

RESPONSIBILITY FOR LIABILITY PROGRAM EXPENSES:

It is understood that Liability Program Participants are responsible for their share of all Liability Program expenses. A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Program Fee, which is based upon the Liability Program's budgetary needs, and any other expenses deemed necessary by the Board of Directors.

It is also understood that Liability Program Participants are responsible for their share of all Liability Program expenses, including:

projected losses; margin for contingency; claims adjusting and legal fees, loss control services, general administration, excess or reinsurance premium cost, and costs for any other services as identified by the Board of Directors per authority vested by the SPA Joint Exercise of Powers Agreement and/or Bylaws;

A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Deposit Premium which is based upon the Liability Program's budgetary needs, prior claims experience, actuarial projections for future years' losses and any other expenses deemed necessary by the Board of Directors. The cost allocation formula may be subject to change by the Board of Directors.

The withdrawal or termination of any Program Participant from the Liability Program shall not terminate the responsibility to continue to contribute to its share of assessment on prior Program Years or other financial obligations incurred by reason of its previous participation.

* * * * *

We acknowledge and agree that this Participation Agreement shall automatically conform to any amendments made to the SPA Joint Exercise of Powers Agreement or Bylaws, which affect the conditions of participation in the Liability Program. Any other amendments to this Participation Agreement shall require a two-thirds vote of the Liability Program Participants.

In recognition of the above, this Participation Agreement is executed on _____, 20 ____.

Program Participant

Signed

Name

Title

ATTEST:

Signed

Name

Title

SCHOOLS PROGRAM ALLIANCE (SPA)
PARTICIPATION AGREEMENT
FOR THE
PROPERTY PROGRAM

We, _____, signatory to the Schools Program Alliance(SPA) Joint Exercise of Powers Agreement, have agreed by action of our Board of Directors on _____, 20____, to participate in the SPA Property Program, hereinafter referred to as "Property Program." As evidenced by the authorized signatures on page 3 of this document, we agree to become a participant in the Property Program and be referred to as a "Program Participant."

It is understood that this Participation Agreement pertains only to the Property Program and not to any other program operated by SPA.

We understand that provided the following requirements are met, Property Program coverage shall begin on _____ :

- 1) We have paid the Property Program Fee;
- 2) We have executed this Property Program Participation Agreement; and
- 3) We are a member of the Joint Powers Authority. This means we:
 - a) have been approved for Joint Powers Authority membership by the SPA Board;
 - b) have executed the Joint Exercise of Powers Agreement;
 - c) have executed a "Resolution to Join" in accordance with the Joint Exercise of Powers Agreement; and
 - d) have paid the initial membership fee.

MINIMUM PARTICIPATION PERIOD:

It is understood that the SPA Property Program requires an initial three full program years commitment as a condition of participate in the program. Withdrawal from the Property Program cannot occur until three full years of participation have occurred, that is, from the coverage inception date until the end of the third full program year in which the Program Participant has participated, and only then if a six-month prior notice is provided in the form of a resolution adopted by the Program Participant's governing board in advance of the six-month notice period.

Our initial commitment to the Property Program will expire on July 1, 20___, unless the program anniversary date is modified by the SPA Board of Directors. After the initial participation commitment has been met, withdrawal can occur at the end of a program year provided a six-month prior notice of intent to withdraw is provided the Authority, as noted above.

RESPONSIBILITIES OF PROGRAM PARTICIPANTS:

It is understood that as a Program Participant, we are obliged to do the following:

- Take such action, including providing the Property Program staff with such statistical and loss experience data and other information, as is necessary to carry out the SPA Property Program as required by the SPA Joint Exercise of Powers Agreement, Bylaws and the policies established by the Board of Directors;
- Pay the Property Program when due any and all Premiums for each Program Year. Withdrawal does not relieve a Program Participant from liability for owed premiums; and
- Fully cooperate with the Property Program staff and/or representatives in determining the cause of losses and in the investigation, adjudication, and settlement of claims.

RESPONSIBILITY FOR PROPERTY PROGRAM EXPENSES:

It is understood that Property Program Participants are responsible for their share of all Property Program expenses. A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Program Fee, which is based upon the Property Program's budgetary needs, and any other expenses deemed necessary by the Board of Directors.

It is also understood that Property Program Participants are responsible for their share of all Property Program expenses, including:

projected losses; margin for contingency; claims adjusting and legal fees, loss control services, general administration, excess or reinsurance premium cost, and costs for any other services as identified by the Board of Directors per authority vested by the SPA Joint Exercise of Powers Agreement and/or Bylaws;

A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Deposit Premium which is based upon the Property Program's budgetary needs, prior claims experience, actuarial projections for future years' losses and any other expenses deemed necessary by the Board of Directors. The cost allocation formula may be subject to change by the Board of Directors.

The withdrawal or termination of any Program Participant from the Property Program shall not terminate the responsibility to continue to contribute to its share of assessment on prior Program Years or other financial obligations incurred by reason of its previous participation.

* * * * *

We acknowledge and agree that this Participation Agreement shall automatically conform to any amendments made to the SPA Joint Exercise of Powers Agreement or Bylaws, which affect the conditions of participation in the Property Program. Any other amendments to this Participation Agreement shall require a two-thirds vote of the Property Program Participants.

In recognition of the above, this Participation Agreement is executed on _____, 20 ____.

Program Participant

Signed

Name

Title

ATTEST:

Signed

Name

Title

Item No: F.6.

APRIL 14, 2025 MEETING DATE RESCHEDULE

ACTION ITEM

ISSUE: There is currently a conflict with the April 14, 2025 meeting – the Board is asked to consider an alternate date.

RECOMMENDATION: Consider and approve an alternate date for the April 2025 meeting.

FISCAL IMPACT: None.

BACKGROUND: We have determined there is a conflict for the April 2025 Board meeting as some folks will be in London meeting with the market. Alternate dates offered are as follows:

- Monday April 7, 2025
- Monday April 21, 2025

ATTACHMENTS: None.

Item No: F.7.

SPA MEETING DATES FY 25/26 (INCLUDING STRATEGIC PLANNING LOCATION)**ACTION ITEM**

ISSUE: The remainder of the Board Meetings for FY 24/25 have been set on the second Monday of the month. The SPA joint powers agreement calls for an annual meeting to adopt the budget and other administrative activities. Normally this meeting would be held in the period before the annual program renewals (7/1/2024). Members should also consider if these meetings will be held in person or via teleconference. Members should also consider and select a location for the Long Range Planning Meeting.

RECOMMENDATION: Consider and approve dates and locations for the FY 25/26 meetings.

- Strategic Planning Meeting Options
 - Week of 08/11/2025 or the
 - Week of 08/18/2025 or the
 - Week of 08/25/2025
- 10/13/2025 – MONDAY
- 11/10/2025 – MONDAY
- 12/8/2025 – MONDAY
- 1/12/2026 – MONDAY
- 2/9/2026 – MONDAY
- 3/9/2026 – MONDAY
- 4/13/2026 – MONDAY
- 5/11/2026 – MONDAY
- 6/8/2026 – MONDAY

FISCAL IMPACT:

BACKGROUND: Traditionally the SPA Board meets once a month on the second Monday of each month. In 2021 the SPA Board held its annual meeting in Napa during the month of August and in 2022 and 2023 the SPA Board held the meeting in South Lake Tahoe. And in 2024 the Board held its meeting in Tiburon.

ATTACHMENTS: None.

Item No: F.8.

ROLLING OCIP**ACTION ITEM**

ISSUE: At the Strategic Planning Meeting, the SPA Board of Directors discussed adopting a plan to launch a master rolling Owner Controlled Insurance Program (OCIP) for construction by SPA members' districts.

RECOMMENDATION: It is recommended that the SPA Board of Directors discuss options for developing a master rolling OCIP and take action or provide direction to staff.

FISCAL IMPACT: No fiscal impact is expected from action at today's meeting.

BACKGROUND: OCIP programs allow the owner (school district) to cover the liability and workers' compensation exposure on major construction projects. This provides control over coverage quality, claims and cost. Public entities with major capital construction programs almost universally utilize OCIPs due to the overall benefits. For individual school districts, there usually isn't enough project volume to support an OCIP for most districts. The solution is to gather from multiple districts projects with a constructed value (CV) over \$20 million. The challenge for an organization the size of SPA is that launching a master rolling OCIP requires an investment of substantial collateral funding with the lead insurer to get the policy placed followed by enrollment of at least \$250 million of projects. Also, a robust safety program with loss control engineers sponsored by the program needs to be in place. The Program Administrators believe that the best solution for SPA would be to join PRISM's MROCIP (aka "Mister OCIP"). This would require SPA to join PRISM and then have at least one project enroll in MROCIP within 6 months. An overview of the PRISM MROCIP is attached.

ATTACHMENTS: None.

Item No: G.1.

LIABILITY PROGRAM**RENEWAL TIMELINE UPDATE****ACTION ITEM**

ISSUE: The Board will receive information regarding the Excess Liability Program.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: Newfront is currently exploring options to purchase additional supplemental (or sideways) aggregate to shore up existing aggregate limits quoted and will present those as soon as possible.

ATTACHMENTS: None.

Item No: G.2.

LIABILITY PROGRAM**BEAZLEY VENDOR SAM LIABILITY PROGRAM****INFORMATION ITEM**

ISSUE: The Board will receive information regarding the Beazley Vendor SAM Liability Program.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: Brian Frost and Allison Granata from AmWins will provide a presentation for consideration by SPA.

ATTACHMENTS: None.

Item No: H.1.

PROPERTY PROGRAM**PRE-RENEWAL PRESENTATION****ACTION ITEM**

ISSUE: We will discuss initial renewal topics and data request for the 2025 property/APD/Deadly Weapons renewal process, including the draft timeline.

RECOMMENDATION: No action required.

FISCAL IMPACT: None.

BACKGROUND: We review renewal topics with the SPA Board prior to the data collection process each year. This discussion is meant to share market and program knowledge since the last SPA renewal at 7/1/24 and current market news, as well as discussing known SPA program topics expected to impact the upcoming renewal.

Timely collection of the data will assist in a timely review, evaluation, reconciliation and release of the data to the markets to begin the marketing process, as well as the additional analytics work (modeling, etc.).

A presentation has been prepared to facilitate this discussion.

ATTACHMENT(S): Renewal Presentation will be shared during the meeting

Item No: H.2.

APPROVAL OF TREND FACTORS

ACTION ITEM

ISSUE: The trend factors issued by Marshall and Swift (M&S) that are used by underwriters to increase insured values to keep up with inflation are attached for review and discussion.

Duff and Phelps uses the M&S factors and trends the values at the end of the calendar year based on 4th quarter factors, as does the Alliant property program, APIP. The appraised values likely will not need to be trended this year, though the properties not appraised will be subject to trending. The remaining appraisals will be uploaded without trending, with the remaining properties subject to trending.

RECOMMENDATION: The recommended trend factor for both real and personal property for the Property Program for FY 25/26 is 2%.

FISCAL IMPACT: Trending the values of insured property will tend to increase the premium, though perhaps not as much as the percentage increase in the values, given target premiums.

BACKGROUND: Four of the five SPA Members have completed appraisals and are now using the Alliant Connect Property Schedules to manage property schedules. One member has had their appraisals completed but we have not yet uploaded those into our system. For locations that have not been appraised in the last 18 months a trend factor should be discussed to determine how those factors may impact the FY 25/26 property renewal.

ATTACHMENTS: None.

Item No: H.3.

**PROPERTY PROGRAM CLAIMS POLICY & PROCEDURE – CAT LOSS
DEDUCTIBLES****ACTION ITEM**

ISSUE: At the last meeting, it was decided that SPA would leave the Property Program Memorandum of Coverage unchanged as respects treatment of Catastrophic Loss deductibles. As it stands, a catastrophic loss affecting more than one SPA Member (i.e. districts from two or more of the separate SPA Member JPA's) will continue to be treated as a single loss for purposes of attachment of the SPA reinsurance. That, said, there remains the question on whether SPA would expect that each Member JPA would retain the full deductible amount, without regard to how SPA's reinsurance attaches.

RECOMMENDATION: It is recommended that the SPA Board of Directors discuss how to apply the SPA Member deductible for catastrophic losses when more than one Member JPA's member districts are affected by the catastrophic loss.

FISCAL IMPACT: No direct fiscal impact is expected from action at today's meeting; however, application of deductibles may impact SPA funding following a catastrophic loss involving more than one SPA Member JPA.

BACKGROUND: When a catastrophic loss is covered under a property insurance policy, normally the insured pays one deductible even if multiple locations are affected by the catastrophe. The same generally holds true when a single JPA purchases coverage for its members – the JPA pays one retention or deductible per catastrophic loss. For SPA, our reinsurers treat SPA as the named insured, so only one retention will apply when there is a catastrophic loss, and it was agreed at the last meeting we would continue with that approach

Today, the SPA Board is asked to decide whether SPA Members will allocate the deductible. Options include:

- a. Non-Wildfire:
 - i. Allocate deductible by TIV
 - ii. Allocate deductible by ratio of member pool's loss to total loss
 - iii. Each SPA Member JPA responsible for \$250K no matter what, and SPA to retain in risk pool any extra recovery from reinsurance having a single deductible.
- b. Wildfire:
 - i. Allocate deductible by TIV
 - ii. Allocate deductible by member pool's loss to total loss

- iii. Each SPA Member JPA responsible for their deductible no matter what, and SPA to retain in risk pool any extra recovery from reinsurance having single deductible.

The Program Administrator believes that adopting a.iii for non-wildfire losses makes sense because each Member JPA will have adequately funded their \$250K deductible through their actuarial process and the impact of applying one full deductible will not be significant to the Member but will help SPA build its retained loss fund. For wildfire losses the Program Administrator believes adopting b.ii makes sense because some members have high wildfire deductibles and SPA does not cover wildfire losses in the retained loss fund.

The Program Administrator will memorialize the decision of the Board in a Property Program Claims Policy and Procedure, rather than in the Memorandum of Coverage so to avoid confusion with the reinsurers' adjusters.

PUBLICATION: The action of the Board will be memorized in SPA Property Program documentation as directed by the Board.

ATTACHMENTS: None.