

AGENDA

MEETING:	Board of Directors Meeting Schools Program Alliance Teleconference Meeting	A Action I Information
DATE/TIME:	February 12, 2024 at 10:00 AM PDT	1 Attached 2 Hand Out
LOCATION VIA TELECONFERENCE:	Toll Free (888) 475 4499 or (669) 900-6833 US Toll Meeting number (access code): 943 6858 5534	3 Separate Cover 4 Verbal
	https://alliantinsurance.zoom.us/j/94368585534?pwd=NUNwZIRnNnR1aXlsMkVSc1o3dmFkUT09	

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
	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The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.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>	A 1
<i>Pg. 4</i> <i>Pg. 8</i>	<ol style="list-style-type: none"> 1. Minutes of SPA Board Teleconference Meeting January 8, 2024 2. Greg Rolan Retainer Executed Agreement – signed by Managing Member 	
	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

SPA is a Partnership of California Public Entity Joint Powers Authorities

F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS

- Pg. 20 **1. Strategic Planning Update** **I 1**
The Board will receive an update regarding the Strategic Plan.
- Pg. 23 **2. Claims Task Force Update** **I 1**
The Board will receive an update from the Claims Task Force.
- Pg. 24 **3. SPA Meeting Dates FY 24/25 (Including Strategic Planning Location)** **A 1**
The Board will consider meeting dates and will select the location for the Strategic Planning Location.

G. LIABILITY PROGRAM

- Pg. 25 **1. Excess Liability Program Renewal** **I 4**
Jim Wilkey may provide the Board with an update regarding the Liability Renewal.

H. PROPERTY PROGRAM

- Pg. 26 **1. 2024 Property (and APD) Renewal – Data Request Update** **I 1**
The Board will receive an update for the FY 24/25 renewal.
- Pg. 27 **2. Property Program Renewal – Adoption of Valuation and Trending** **A 1**
The Board will receive an update for the FY 24/25 renewal and will consider and approve the FY 24/25 trend factors.
- Pg. 28 **3. Property Program Coverage Limitation At July 1, 2024 Vacancy Property Exposure** **A 1**
Members will consider a vacancy definition to be included for FY 24/25
- Pg. 38 **4. Property Program Coverage Limitation At July 1, 2024 Remote And High Risk Locations** **A 1**
The Board will consider coverage limitations as it relates to remote locations.

- 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.

- J. ADJOURNMENT** **A 4**

Upcoming Teleconference Meeting Dates:
March 11, 2024 and April 8, 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 January 8, 2024
2. Greg Rolen Retainer Executed Agreement – signed by Managing Member

SCHOOLS PROGRAM ALLIANCE

January 8, 2024 Teleconference Board 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
North Bay Schools Insurance Authority (NBSIA)	Brandon Schlenker
Redwood Empire Schools Insurance Group (RESIG)	Sandy Manzoni
Schools Insurance Authority (SIA)	Martin Brady
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 Group (SIG)	Nancy Mosier
Central California Schools Authority (CCSA)	Alan Caeton

Consultants & Guests

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

A. CALL TO ORDER, ROLL CALL, QUORUM

Mr. Martin Brady called the meeting to order at 10:07 a.m. The above-mentioned members were present constituting a quorum.

B. APPROVAL OF THE AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Cindy Wilkerson

SECOND: Kim Santin

**MOTION CARRIED
UNANIMOUSLY**

C. PUBLIC COMMENT

There were no public comments.

D. CONSENT CALENDAR

1. Minutes of SPA Board Teleconference Meeting November 13, 2023

It was noted the spelling of Patty Eyres name was incorrect and the correct spelling was provided.

A motion was made to approve the Consent Calendar as amended.

MOTION: Christy Patterson**SECOND: Kim Santin****MOTION CARRIED
UNANIMOUSLY****E. MEMBER PROGRAM AND IDEA SHARING**

Cindy Wilkerson provided this presentation indicating that it had some relevant information to what we have discussed over the past few meetings especially with the FEMA Assistance. Dan Howell provided some additional comments about business interruption losses and how they are different for Public Entities. Additionally it was noted the presentation provided some additional information about what may be needed to keep organizations open with OES and FEMA assistance.

F. GENERAL ADMINISTRATION AND FINANCIAL REPORTS**F.1. FINANCIALS AS OF SEPTEMBER 30, 2023**

Phil Brown provided the Board with a review of the SPA Financials as of September 30, 2023. He provided a review of the net position and claims liabilities that are outstanding.

A motion was made to accept the financials as presented.

MOTION: Cindy Wilkerson**SECOND: Kim Santin****MOTION CARRIED
UNANIMOUSLY****F.2. LOSS CONTROL FUNDS UPDATE**

Marcus Beverly provided a review of the available loss control funds so that members would be encouraged to use the funds, especially on items that can help to market the coverage. Members seemed interested in setting up training for staff with focus on building maintenance crews

F.3. APPROVE CLAIMS PAYMENT(S) TO MEMBER(S)

Phil Brown provided that there are 2 payments that need to be approved by the Board – one for the Mosquito fire and the second is the first installment on the SIG Snow CAT Loss claim. After a discussion it was generally agreed to approve the payments.

A motion was made to approve the payments as presented.

MOTION: Kim Santin**SECOND: Cindy Wilkerson****MOTION CARRIED
UNANIMOUSLY****F.4. STRATEGIC PLANNING UPDATE**

Marcus Beverly provided that we will review this list at each meeting and indicated that some of the tasks are listed on the agenda and will be reviewed later today.

F.5.CLAIMS TASK FORCE UPDATE

Marcus Beverly provided the Board with an update related to the Claims Task Force. He noted that there have been a couple calls with a focus on one or two claims at each meeting. It was noted that there is a difference in opinion on claim related to Title 5 Code Requirements and DSA Requirements for reconstruction.

G. LIABILITY PROGRAM

G.1. EXCESS LIABILITY PROGRAM RENEWAL

Jim Wilkey noted that the renewal process for the next year has begun and reviewed the ADA numbers that were provided by members. It was noted that they have received renewal information from members and provided a review of the marketing efforts to potentially explore a 3 year policy.

G.2. SPA LIABILITY POLICY & PROCEDURE – AGGREGATE EROSION POLICY

Cindy Wilkerson noted that the task force was exploring the option to purchase additional limits to address the aggregate erosion if possible but wanted to draft language to address the process if aggregate limits were exhausted. She provided the board with a review of the draft SPA Policy & Procedure. After a discussion the task force was asked to continue work on the draft policy and bring back to a later meeting. Mike Kielty and Brooks Rice volunteered to join the task force also.

H. PROPERTY PROGRAM

H.1. 2024 PROPERTY (AND APD) RENEWAL DISCUSSION

Dan Madej provided the Board that we have sent out our request for renewal information and noted this is the first year that all members are using Alliant Connect Property Schedule to house their information which should help with data collections from members. Chris Tambo and Ryan Telford from AmWins provided a review of the property market and indicated that we are in a better position this year as it relates to large losses in the marketplace. Dan Madej provided comments related to the renewal for APD and noted efforts to increase limits. Additionally it was noted that Deadly Weapons is requesting some additional information as it relates to ADA counts.

H.2. PROPERTY PROGRAM RENEWAL – ADOPTION OF VALUATION AND TRENDING

Ryan Telford and Chris Tambo provided comments related to the Trend factors the marketplace is accepting. After a discussion it was noted the Board will select a trend factor at the next meeting.

H.3. COVERAGE LIMITATION AT JULY 1, 2024 PROPERTY PROGRAM RENEWAL – VACANCY AND LOSS VALUATION

Dan Howell provided that we have been exploring vacant locations and potential sublimits for buildings that are vacant and how members can provide confirmation of efforts to protect locations. After a discussion the group was agreeable to the concept and requested something more formal be brought back to a future meeting.

H.4. COURSE OF CONSTRUCTION (COC) POLICY & PROCEDURE

The Board was presented with a draft of the COC policy & procedure and after a discussion the Board generally agreed to the process.

A motion was made to approve the Policy & Procedure as presented.

MOTION: Cindy Wilkerson

SECOND: Nicole Strauch

**MOTION CARRIED
UNANIMOUSLY**

I. INFORMATION ITEMS AND DISCUSSION

Dan Howell provided a brief review of the SIS that was included in the agenda.

J. ADJOURNMENT

A motion was made to adjourn.

MOTION: Cindy Wilkerson

SECOND: Brandon Schlenker

**MOTION CARRIED
UNANIMOUSLY**

The meeting was adjourned at 12:44 P.M.

NEXT MEETING DATE: February 12, 2024 via Teleconference

Respectfully Submitted,

Martin Brady, Secretary

Date

Gregory J. Rolen
direct: (415) 281-7654
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January 2, 2024

PRIVILEGED & CONFIDENTIAL
HAIGHT ATTORNEY-CLIENT RETAINER
AGREEMENT

VIA E-MAIL

Mr. Martin Brady
Schools Program Alliance

Re: General Counsel Services

Dear Mr. Brady:

This letter follows our recent communications and will when signed by you confirm your engagement of Haight Brown & Bonesteel LLP (“Haight” or “the Firm”) to represent the interests of Schools Program Alliance (“Client”) in connection with the above-referenced matter. This Attorney-Client Retainer Agreement (“Agreement”) sets forth the terms and conditions of our engagement in compliance with the requirements of the California *Business and Professions Code* (including Section 6148 thereof) and the California *Rules of Professional Conduct*.

We have examined our conflicts database based on the information provided to us and are not aware of any conflicts at this time. If additional parties adverse to your interests are added to this matter, or as expert witnesses are identified, we will update our conflicts check and advise you of any issues.

We have always sought to communicate about fees and billing practices at the outset of any matter; indeed, California requires written fee agreements in most cases. We ask that you carefully read this letter. If you have any questions, concerns or comments, please feel free to discuss those with us. We encourage you to discuss these matters with our attorneys at the inception of the matter, and to continue to do so should you have questions as the matter proceeds.

The scope of the representation that you have asked us to undertake is as follows:

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General Counsel Services

The scope of our representation may be expanded from the services described above only if agreed upon in writing by both of us.

The undersigned will be the principal attorney supervising this matter and is also responsible for billings. Any billing-related inquiries can be directed to the undersigned's attention, or you may contact our Manager of Finance, David Bacon, in the Firm's Los Angeles office. It is our practice to assign the lowest billing rate professional who is sufficiently experienced and well capable of handling a particular matter. However, we reserve the right to make assignments which, in our reasonable judgment, are necessary and desirable irrespective of the billing rate(s) of such person(s).

The following standard terms and conditions of our engagement shall apply to this matter:

Execution of Retainer Agreement. If this Agreement was executed on behalf of a corporate or partnership entity, the representative(s) of such corporate or partnership entity represent(s) that he/she/they is/are a duly appointed officer, partner, shareholder, or manager of such corporation or partnership, that the corporation or partnership is active and in good standing and that he/she/they possess actual authority to enter into this Agreement on behalf of such corporate or partnership entity. If more than one person executed this Agreement as Client, then each of them waives any conflict of interest that may exist or might hereafter arise between them in their representation by Haight, except this waiver shall not apply after written notice from one of them objecting to continued representation, or from us notifying you that a conflict has arisen which would preclude such joint representation.

Fees. Haight will bill Client on a monthly basis (unless otherwise agreed to in writing). Each invoice will provide a detailed accounting of services rendered during the immediately preceding month. Descriptions of such services may therefore be subject to the attorney-client privilege and we recommend therefore that our invoices be treated as privileged communications and safeguarded appropriately. With respect to legal services, Client will be billed on an hourly basis (unless otherwise agreed to in writing) at rates which will vary with the nature of the matter, as well as with the experience and skill of the attorney(s), paralegal(s) or professional(s) rendering the services. Please note that our regular hourly rates are typically adjusted every twelve (12) to twenty four (24)

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months. We will notify you at least thirty (30) days in advance of any such adjustment before any legal services at the adjusted rates are provided. For purposes of this matter, our present rates are as follows:

<i>Partners:</i>	<i>\$435 /hour</i>
<i>Of Counsel:</i>	<i>\$395 /hour</i>
<i>Senior Associates:</i>	<i>\$315 /hour</i>
<i>Associates:</i>	<i>\$280 /hour</i>
<i>Paralegals:</i>	<i>\$150 /hour</i>

Reimbursable Costs. Our invoices will also reflect reimbursable costs incurred on your behalf in the referenced matter at the amount(s) actually charged or incurred, including costs associated with copying, scanning, printing; telephone calls; courier/overnight services; postage; third-party conference calls and third-party services such as: transcript, filing, and recordation fees; and other case-related disbursements such as charges by expert witnesses, consultants and investigators. While many expenses are generally paid by the Firm and charged to Client, it is our practice to forward invoices for significant disbursements greater than Five Hundred Dollars (\$500.00) to Client for direct payment to the vendor. In addition, if it becomes apparent that substantial costs are to be advanced in connection with this matter, it is the Firm's practice to obtain a "cost retainer" from Client for payment of such expenses. Client hereby authorizes us, consistent with any applicable written litigation guidelines or procedures applicable to this matter with which Haight has agreed to comply, in our discretion and without the need for prior consultation or approval, to incur on Client's behalf filing fees, attorney service fees, registration fees, recording fees, copying costs, travel costs and other costs incurred in representing Client's interests in this matter. The Firm also utilizes litigation management and trial presentation software to more efficiently and effectively deliver high quality legal services to clients, including *Logikull* and *Relativity*; depending upon storage volume and/or usage, there will be direct, out-of-pocket costs incurred in the use of such programs which Client hereby authorizes the Firm to incur and to itemize on its billing statements. Client also authorizes the Firm to instruct court reporters and other vendors to bill Client directly for services incurred, consistent with the foregoing.

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Retainer. It is the Firm's policy to require an initial retainer before commencing legal services for a new client, or where circumstances warrant a retainer for existing clients. Accordingly, the amount of the initial retainer for this matter is \$ 10,000.00. The retainer to be paid by you constitutes fees paid in advance to us as compensation for the legal services to be performed. You hereby authorize us to charge our fees and costs against this retainer as earned. When the retainer is exhausted, you agree that you will replenish the retainer to its original balance (\$10,000.00) within fifteen (15) days of notice from us of the need to do so.

It is against our policy to prepare for or to begin trial for a client without a paid-up account and, as appropriate and upon written request to you, an additional retainer payment. We will generally address such issues with you not less than one hundred twenty (120) days prior to the trial date. Upon the conclusion of our representation of you, we shall refund any remaining unearned portion of a retainer.

Payment. Our invoices will be issued monthly and are due and payable immediately; as set forth above, as applicable, invoices shall first be charged against an existing retainer balance. If there is no retainer or such balance is insufficient to pay the subject invoice in full, Client agrees to pay the balance due and, as appropriate, to replenish the retainer within fifteen (15) days. The full and prompt payment of our invoices is vital to our ability to efficiently provide legal services to all clients. Failure to timely pay our bills may affect our ability to represent you adequately and could result in our withdrawal as legal counsel. We reserve the right to discontinue services if our bills are not paid in a timely manner, and to seek payment for all past services rendered and costs advanced.

Payment is expected upon receipt of our invoice for the provision of legal services and costs. If we do not receive payment in full on any invoice within thirty (30) days, late charges at one percent (1%) interest per month (twelve percent (12%) per year) will be imposed on your unpaid balance after 30 days. Your unpaid balance is determined by taking the beginning balance of your account for each month, adding any new charges and subtracting any payments made to your account. We will then multiply this amount by the one percent (1%) monthly periodic interest rate to compute the late charge for your account for that month.

Conflicts of Interest. Haight observes the professional and ethical requirements of the Rules of Professional Conduct as promulgated by the State Bar of California,

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including its rules as to avoiding the representation of adverse interests among clients and protecting the confidentiality of attorney-client communications. Please be advised that the Firm invests time, energy, and commitment in certain long term client relationships of our choosing, in which clients may rely upon the availability of our representation. Accordingly, it is understood and agreed, and you hereby consent, that our attorney-client relationship with you and the matters in which we represent you or any related persons' and entities' interests will not, in themselves, serve as a basis for our disqualification from representation of other clients or parties in any legal proceedings, cases, controversies, or matters, except if and to the extent absolutely non-waivably required by the Rules of Professional Conduct. In the event of a conflict, we may withdraw from representing you or another client in our discretion in order to address conflict issues.

Our engagement by you is also understood as entailing your consent to our representation of our other present or future clients in "transactions," including litigation and business or counseling matters, in which we have not been engaged to represent you or in which you have other counsel, and in which one of our other clients would be adverse to you in matters unrelated to those that we are handling for you. Given the nature of our relationship with certain long term clients, there is a need for our Firm to preserve its ability to represent existing clients on matters which may arise in the future including matters which may be adverse to you, provided that we would only undertake such adverse representation of others under circumstances in which we do not possess confidential information of yours relating to the subject transaction, and we would staff such a project with one or more attorneys who are not engaged in your representation. In such circumstances, the attorneys in the two matters would be subject to an ethical wall, screening them from communicating with each other regarding their respective engagements and preventing them from accessing case or client files, records, or communications of the other's matter. And of course, if circumstances should reveal an actual conflict of interest in our representation of your interests and those of another, existing client, we would notify you immediately and, assuming such conflict cannot be waived or reconciled, we would take immediate and orderly steps to withdraw from representing one or both such clients. We anticipate that you will consent to our present and future representation of you and our other clients under those circumstances, provided that in the future you may, of course, choose to withdraw any waiver of conflicts and terminate the Firm's representation of you, but not our representation of other clients. Your signature on this letter in the space provided below signifies that you understand this paragraph, that you have had a reasonable opportunity to consult an

independent lawyer of your choice regarding this letter, and that you have either obtained such independent advice or have made an intentional and informed decision not to seek such advice.

Attorney-Client Communications. This will confirm that your attorney-client communications and any confidential client information you provide to us will be protected by us at all times from disclosure by us, except as may be in your interest and under your direction, or as may be required by law.

Insurance. To the extent Client has liability insurance coverage applicable to the subject matter of this retention, Haight shall, consistent with the terms and conditions of such insurance coverage, including applicable deductible or retention provisions, seek to obtain payment for its legal fees and costs directly from such insurer(s) as have agreed to participate in Client's defense once any such deductible or retention has been satisfied, typically by Client's payment of Haight's legal fees and costs until exhaustion of such deductible or retention. Some insurance companies may impose restrictions on the type, amount of or hourly rate for legal services which they will pay and may further refuse reimbursement for various cost items. In addition, some insurance companies may unilaterally impose other restrictions which are different from the terms of this Agreement. While Haight will, of course, work cooperatively with any insurance company defending Client, and make every effort to minimize the expense not absorbed by Client's insurance company, Haight's agreement is with Client, and Client nevertheless understands and agrees that it shall remain liable to Haight for all legal fees and costs which are not paid by such insurer(s) or which are within the applicable deductible(s) or retention(s) of, or are otherwise not covered by, such insurance policy(ies).

Term of Engagement. Either of us may terminate this engagement by fifteen (15) days' prior written notice to the other, for any reason, by written notice to that effect, subject on our part to applicable Rules of Professional Conduct. If permission for withdrawal is required by a court, Haight will promptly apply for such permission, in accordance with local court rules, and Client agrees to cooperate in such process and to engage successor counsel.

Information/Client Responsibilities. We will keep Client informed of the status of the referenced matter and will send copies of correspondence, pleadings and/or other relevant documents which we initiate, and copies of correspondence, pleadings and/or

other relevant documents we receive from others. Client agrees to cooperate fully with the Firm and to provide promptly all information known or available which is relevant to the Firm's representation of Client's interests, including furnishing all documents requested by us.

Disposition of Records. Haight is not obligated to keep files/records related to a matter after that matter is finished unless required to do so by operation of law. Client agrees that Haight may destroy matter files or records thirty (30) days after providing notice of its intention to destroy them (unless Client requests delivery of those materials within thirty (30) days of such notification), or without prior notice after five (5) years from the date the matter has been completed, whichever is earlier.

Responses to Audit Letters. If Client engages certified public accountants to audit Client's financial statements, it is likely the accountant or accounting firm will request, during the audit, that Haight provide a written description of all pending or threatened claims or lawsuits to which Haight has given substantive attention on Client's behalf. This request is typically a standardized letter provided by the accountant or accounting firm which Client is requested to send to Haight. Minimum fees for responses to such audit letters will be billed at \$500. However, if more than two hours of time is necessary to prepare such a response, we will charge our regularly hourly rates for time actually incurred.

No Representations as to Outcome. Litigation and business disputes are, by their very nature, unpredictable. It is impossible to warrant a successful result or represent that a particular result can be obtained within a specified time frame. Haight makes no representations or warranties concerning the successful prosecution or defense of this matter, or the favorable outcome of any legal action that may be filed, and does not guarantee that Haight will obtain compensation for or reimbursement to Client of any of Client's costs, expenses or other claimed damages resulting from the matters out of which the referenced matter arises. All statements of Haight on these matters are statements of opinion only.

Experts, Consultants and Investigators. In its discretion, and with Client's prior approval, Haight may retain experts, consultants and/or investigators to report to Haight as to the facts of this matter, to testify, if necessary, at trial, or both. Client authorizes Haight to execute retainer or engagement agreements on its behalf with such experts, consultants or investigators. The experts, consultants or investigators will report

exclusively to Haight. Said experts, consultants or investigators shall be deemed employed by Client, not by Haight. However, such experts, consultants and/or investigators may present bills for their services to Haight, who may either (a) forward such bills to Client for direct payment if they exceed the sum of \$500, or (b) pay such bills, in which event the amount paid shall be considered a cost advanced by Haight to be reimbursed by Client. Haight will consult, in advance, with Client before retaining such experts, consultants or investigators, or incurring significant expenses associated therewith.

External Electronic Communication and Data Storage Authorization. The Firm may send documents or other information that is covered by the attorney-client or work product privileges using external electronic communication (via the internet or other network) and/or may store such information utilizing “cloud-based” storage media (all collectively “EC”). Client understands that EC is not an absolutely secure method of communication and/or data storage. Client’s execution of this Agreement will serve to acknowledge and accept the risk and authorize the Firm to use EC means to communicate with Client or others necessary to effectively and efficiently represent Client. If there are certain documents or information with respect to which Client wishes to maintain absolute confidentiality, Client must advise the Firm in writing not to transmit or store such documents or information via EC and the Firm will thereafter comply with Client’s request.

Retention of Records by Client. The files and records of Client pertaining to the underlying matter may be important evidence. These records include essentially all records Client produced or received, whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, an invoice or a contract, or something not as obvious, such as a computerized desk calendar, an appointment book or an expense record. Various laws, some specific to your business or particular activity, may require you to maintain certain types of records, usually for a specified period of time. Regardless of the application of other laws, however, if this matter reaches litigation the discovery laws require you to retain potentially relevant records, including electronic data. Failure to retain those records and data could subject you to sanctions and fines, cause the loss of rights, obstruct justice, place you in contempt of court, and/or seriously disadvantage you in the litigation. Accordingly, we request that if you have not already done so, you immediately secure and retain all materials, whether paper or in electronic or other form, that may be relevant to this engagement. Please contact me directly with

any questions you or your colleagues or staff may have about any document or electronic data issues.

Allocation of Award of Statutory Fees and Costs. Client agrees that any award of fees and costs pursuant to statute will belong exclusively to the Firm, subject to the following provisions. If such fees are based upon an application for fees filed by the Firm pursuant to a governing statute, and fees are thereafter awarded against and paid by an opposing party in litigation, Client agrees that once fees for legal services previously paid by Client and/or its insurer and which were the subject of such application are reimbursed to the client, any excess fees awarded for the same services on the basis of a multiplier, “lodestar” or court-approved rates reflective of the Firm’s attorneys’ experience and geographic location shall belong exclusively to the Firm in consideration of the fact that in handling the subject litigation at the reduced hourly rates applicable to this matter, the Firm actually received lower rates than would otherwise be commensurate with the skill and experience of the Firm’s attorneys in this matter.

Post-Engagement Matters. Client has engaged the Firm to provide legal services in connection with the specific matter identified above. After completion of the matter, changes may occur in applicable laws or regulations that could have an impact on Client’s future rights and liabilities. Unless Client engages the Firm, in a writing signed by both parties, to provide additional advice on issues arising from the matter, Haight has no continuing obligation to advise you with respect to future developments.

Haight’s General Counsel. Circumstances arising during the subject engagement may cause Haight to seek legal advice about its own rights and responsibilities regarding its engagement by Client pursuant to this Agreement, and in connection with its provision of legal services for Client in the most effective and efficient manner. Haight may seek such advice from one or more Haight attorneys who are designated as General Counsel or Associate General Counsel; such attorneys do not work for Client and will not be performing any services for Client or on Client’s behalf, nor will the time of any such attorneys be charged to Client. Alternatively, Haight may seek such advice from outside attorneys, at its own expense. Client agrees that any such communications and advice are protected by Haight’s attorney-client privilege with its own counsel and that neither the fact of any such communications nor their substance will be subject to disclosure to Client. To the extent Haight is, through any such communications, addressing its own rights and responsibilities, a conflict of interest might be deemed to exist between Haight and Client, particularly if a dispute should later arise between them arising out of the

subject representation. Client hereby consents to such consultation(s) occurring and waives any claim of a conflict of interest based on such consultation(s) or resulting communications that might otherwise disqualify Haight from providing legal services for Client or prevent it from acting on its own behalf, even if such consultations and communications with Haight's counsel might be deemed adverse to Client's interests. Because a waiver of a potential conflict of interest may affect Client's rights, Client is encouraged to seek the advice of an independent lawyer of Client's choice before agreeing to such a waiver. By executing this Agreement, Client represents and agrees that Client has had a reasonable opportunity to consult such an independent lawyer and that, whether or not Client elected to consult with such an independent lawyer, Client agrees to the waiver of such potential conflict of interest as specified above.

Arbitration of Fee Disputes. Client and Haight agree that if any dispute arises with respect to Client's liability for fees and costs incurred, said parties agree first to try in good faith to settle the dispute themselves, or by mediation under the auspices of the bar association in the County where the Haight office responsible for the majority of services provided in the referenced matter is located, before resorting to arbitration. Client has the right under California law to require a non-binding fee arbitration in the event a dispute over our fees arises; Client may also elect binding arbitration. Client's agreement to arbitrate disputes regarding Client's liability for fees and costs is not a condition of Haight agreeing to represent Client, and if Client does not wish to agree to arbitrate such disputes, Client should immediately advise us before counter-signing this Agreement. Following the mediation procedure referenced above, any remaining, unresolved controversy pertaining to legal fees and costs incurred by Haight shall be submitted to arbitration under the auspices of the bar association in the County where the Haight office responsible for the majority of services provided in the referenced matter is located in accordance with that bar association's applicable rules, and Client agrees to participate in and to cooperate with such submission. Because of the material savings in time and expense afforded by such arbitration procedures, Haight will request binding arbitration of any such dispute. If Client also agrees to binding arbitration at or prior to the fee arbitration hearing, Judgment upon an award rendered by the arbitrator(s) may be entered in any Court having jurisdiction pursuant to such rules. Under such circumstances, Haight and Client agree to be bound by the award of the arbitrator(s), and that any such award shall be enforceable in accordance with the provisions of the *California Code of Civil Procedure* and the *California Business and Professions Code*. California substantive law, including any applicable limitations periods, shall apply to

any dispute regarding fees and costs between Haight and Client. In any litigation or arbitration with respect to Client's liability for fees and costs incurred and arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs and, as applicable, interest at the legal rate from the relevant (unpaid) invoice date(s). Client acknowledges that Client can retain a law firm or attorney who does not require an arbitration provision. Because an agreement to binding arbitration and the resultant waiver of a right to a jury trial may affect Client's rights, Client also acknowledges that Client has had the opportunity to fully and freely discuss with a representative of the Firm the arbitration process and its consequences. Client is also encouraged to seek the advice of an independent lawyer of Client's choice before agreeing to such a waiver and to binding arbitration. By executing this Agreement, Client represents and agrees that Client has had a reasonable opportunity to consult such an independent lawyer and that, whether or not Client elected to consult with such an independent lawyer, Client agrees to the waiver of jury and to participate in arbitration as to fee disputes as set forth above. These provisions shall not apply to any other claim or dispute concerning Haight's performance of legal services for Client.

Entire Agreement. This Agreement represents our entire agreement, which is effective on the date you counter-sign this Agreement. No other agreement, statement or promise made on or before the date of this Agreement will be binding on the parties. This original Agreement has been executed on behalf of the Firm. You should sign and retain it for your file, and sign and return a copy to Haight with the retainer fee. By counter-signing in the space provided below and returning to Haight a copy of this Agreement (with the applicable retainer, if any), Client's representative confirms that she or he has read, understands and agrees to the terms of this Agreement and that she or he is authorized to execute this Agreement on Client's behalf to confirm the engagement of Haight Brown & Bonesteel LLP to represent Client in connection with the referenced matter, subject to the terms and conditions set forth above.

We welcome you as a valued Haight client and look forward to working closely with you and your colleagues towards a successful conclusion of this matter.

Mr. Martin Brady
January 2, 2024
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PRIVILEGED & CONFIDENTIAL
HAIGHT ATTORNEY-CLIENT RETAINER
AGREEMENT

Very truly yours,

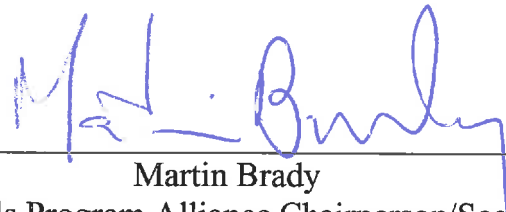
Gregory J. Rolan
Haight Brown & Bonesteel LLP

GJR

Agreed and accepted.

Dated:

2/1/2024



Martin Brady
Schools Program Alliance Chairperson/Secretary

Item No: F.1.

STRATEGIC PLANNING UPDATE**INFORMATION ITEM**

ISSUE: The Action Plan developed at SPA's recent Long Range Planning Meeting is attached for further review and approval by the Board.

A total of eight goals were identified, ranging from identifying and sharing resources to evaluating coverage for school sponsored housing. Six of the goals contain action items that are addressed later in the agenda for this meeting.

RECOMMENDATION: None.

FISCAL IMPACT: None expected from this item. Several of the goals have potential fiscal impacts that will be evaluated when addressed with the members.

BACKGROUND: SPA held its third long range planning meeting on September 11-12, 2023 and developed the attached Plan as a result. Key discussion points centered on the nature and extent of risk sharing among the members, growth of membership and coverage options, and identifying resources for sharing or group purchase.

ATTACHMENTS: FY 23/24 SPA Long Range Action Plan

FY 2023/24 SPA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
LRP-1	Implementation of Coverage Limitation for Vacant Structures and Process to Approve Exceptions				
	1. Develop MOC edits and P&P with new sublimit, definition of vacant building, process to obtain a permit	DM	PA	Dec-23	In Progress
	2. Develop Visual Aid on how to add and identify in Alliant Connect	MM	PA	Dec-23	Completed
	3. Memorandum on initial information to Members reviewed and approved for distribution	DM	BOD	Jan-24	In Progress
	4. SPA BOD adopts final draft and approves member communication	DM	BOD	Feb-24	
	5. Notice to members	MM	PA	Mar-24	
	6. Coverage change effective at renewal	MM	PA	Jul-24	
LRP-2	Process Improvement to Expedite Property Loss Valuations and Claims Resolution Process - Property Claims SWAT Team				
	1. Task Group to identify bottlenecks in claims process and potential solutions	MB, BF	PA, SM, BS, PB	Oct-23	In Progress
	2. Discussion presentation to SPA Board of potential process changes	MB, BF	SM, BS, PB	Jan-24	In Progress
	3. Execute next steps agreed upon to improve process, including MOC, P&P, vendor assignments, etc.	PA	BOD	Apr-24	
	4. Communicate changes to the Membership	MM	PA	Jun-24	
LRP-3	Adoption of Policy and Procedure to Submit and Approve Course of Construction (Builder's Risk) Coverage				
	1. Develop P&P with process and definitions	DM	PA	Nov-23	Completed
	2. Discussion draft of P&P to BOD for review and discussion with members	DM	BOD	Dec-23	Completed
	3. Comments and suggested changes sent to PA for review and incorporation in final draft	MM, DM	BOD	Feb-24	Completed
	4. Presentation and approval of revised and proposed final P&P to SPA BOD	DM	BOD	Mar-24	Completed
	5. Communicate SPA COC P&P to the Membership	MM	PA	Apr-24	
LRP-4	Property Program MOC Definition of Catastrophic Loss Occurrence for Additional Perils				
	1. Develop Definition of occurrence that addresses extended occurrence perils more broadly	DM	PA	Nov-23	In Progress
	2. Presentation and approval of revised and proposed final MOC changes SPA BOD	DM	BOD	Dec-23	
	3. Communication of revisions to MOC and effective date	MM	PA	Dec-23	
LRP-5	Business Continuity Planning Single Site Districts - Master Mutual Aid Policy Template				
	1. Gather sample continuity planning documents and mutual aid agreements, assign task group	JW	BOD/PA	Jan-24	In Progress
	2. Evaluate examples develop sample BCP and Mutual Aid templates	JW	Task Group	Mar-24	
	3. Presentation of proposed sample BCP and Mutual Aid templates to BOD for review/comment/approval	JW	BOD	Apr-24	
	4. Communication of recommended sample BCP and Mutual Aid templates to members	JW	PA	May-24	
LRP-6	Retained Layer Analysis to Evaluate Retaining More Risk in Property Program				
	1. Gather updated loss information for preliminary renewal submission and actuarial report	MM/DM	PA	Jan-24	In Progress
	2. Appointment of Ad Hoc Committee to develop P&P for BOD review	NF	NF, Ad Hoc	Jan-24	Completed
	3. Actuarial report preparation and presentation to SPA Board	DM	PA/Alliant Actuarial	Mar-24	
	4. Board evaluation and direction on long term retained layer direction	DM	BOD	Mar-24	
	5. Renewal Marketing and Underwriter Meetings	DM	PA	Feb-24 to Mar-24	
	6. Preliminary renewal options and NTE's and Board decision on retained layer for PY 24/25	DM	PA/BOD	May-24	
	7. Final renewal options and Board final action on retained layer for PY 24/25	DM	BOD	Jun-24	
LRP-7	Loss Control Budget Ideas				
	1. Appointment of Task Group to gather Loss Control ideas/initiatives and proposed budget	MM	BOD	Oct-23	In Progress
	2. Task Group to identify opportunities and long term strategies	MM, MB	PA, Task Group	Jan-24	
	3. Report to SPA Board of identified opportunities and Direction given by Board	MM, MB	Task Group, BOD	Feb-24	
	4. Final report on long term strategy developed along with budget projections	MM, MB	Task Group	Mar-24	
	5. Presentation to SPA Board of Directors for action and inclusion on FY 24/25 budget	MM, MB	Task Group, BOD	Apr-24	
LRP-8	Review of SPA Joint Powers Agreement				
	1. Identification of potential general counsel, direction from BOD	MM, DH	PA, MM	Nov-23	Completed
	2. Review of SPA governing documents and risk financing and contracting activities	DH	GC	Dec-23	In Progress
	3. Report to SPA Board by General Counsel initial direction from SPA Board	DH	GC, BOD	Jan-24	
	4. Development of amendments and/or replacement governing documents	DH	GC	Feb-24	
	5. Presentation of proposed changes in governing documents, direction from BOD	DH	GC, BOD	Mar-24	

FY 2023/24 SPA LONG RANGE ACTION PLAN

GOAL	ACTION / TASK	STAFF	Assigned	DEADLINE	STATUS
	6. Review of proposed changes with SPA member organizations	DH	PA	Apr-24	
	7. Final approval of proposed changes by SPA Board	DH	BOD	May-24	
	8. Final Approval of proposed changes by member boards	BOD	Membership	Jun-24	

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

Item No: F.2.

CLAIMS TASK FORCE UPDATE

INFORMATION ITEM

ISSUE: Members will receive a verbal update on the latest feedback from the Claims Task Force.

RECOMMENDATION: None.

FISCAL IMPACT: None expected from this item.

BACKGROUND: Members have formed a task force to identify and provide suggestions to resolve bottlenecks in the claims adjustment process, including achieving consensus on replacement cost and timely processing of proofs of loss and payments.

ATTACHMENTS: None.

Item No: F.3.

SPA MEETING DATES FY 24/25 (INCLUDING STRATEGIC PLANNING LOCATION)**ACTION ITEM**

ISSUE: The remainder of the Board Meetings for FY 23/24 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 (7/1/2023). 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 24/25 meetings.

- Strategic Planning Meeting Options
 - Week of 08/12/2024 or the
 - Week of 08/19/2024 or the
 - Week of 09/23/2024
- 11/18/2024 – MONDAY
- 1/13/2025 – MONDAY
- 2/10/2025 – MONDAY
- 3/10/2025 – MONDAY
- 4/14/2025 – MONDAY
- 5/12/2025 – MONDAY
- 6/9/2025 – 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 the SPA Board held the meeting in South Lake Tahoe.

ATTACHMENTS: None.

Item No: G.1.

EXCESS LIABILITY PROGRAM RENEWAL

INFORMATION 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: H.1.

2024 PROPERTY (AND APD/ADWP) RENEWAL DISCUSSION**INFORMATION ITEM**

ISSUE: We will review an update on the data collection efforts, review any issues with collection and revisit the timeline, as needed.

RECOMMENDATION: No action required.

FISCAL IMPACT: None identified for the review of this initial presentation.

BACKGROUND: This item remains on the agenda from January – June each year, touching on the progression of topics related to the renewal and marketing phase of the SPA Property, APD and ADW programs. We begin this item with pre-renewal discussions (and presentation) regarding topics of importance as we lead into the renewal season. We discuss and review, as needed, the data request for the submission each year. As the data is collected and the submission is created, we use this time to review key updates on the submission, in particular, how we are being represented in the market (what our losses show, what our exposures and changes show, etc.). This item is also used to update the board on market “happenings” and feedback from the marketplace on our program throughout the marketing phase. Additionally, as the modeling and/or any actuarial structuring and pricing initiatives are completed, these are presented and discussed with the board (AIR and CoreLogic results). As quotes and terms are received from the markets, these are presented and discussed with the to the board. And finally, the discussion of “not to exceed”, as well as binding intentions and orders are presented to and sought from the board as this item rounds out in May and June.

At the writing of this item for the February board meeting, we have thus far completed the following:

- January board meeting: renewal presentation and discussion; review of the data request email

ATTACHMENT(S): NONE - The 1/8/24 Data Request email, which was shared with all SPA Members, will be shared during this discussion, if needed.

Item No: H.2.

PROPERTY PROGRAM RENEWAL – ADOPTION OF VALUATION AND TRENDING

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 appraisals for SIA have been completed and values are anticipated to be uploaded before the end of the year. 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.

		Marshall Swift Trend Factors		SPA Trend Factors Used		
		Real	Contents		Real	Contents
January	2021	6.31%	2.44%	2021	3.1%	0.91%
January	2022	14.04%	14.99%	2022	3.5%	2.00%
January	2023	10.94%	7.24%	2023	3.5%	2.00%
January	2024	-0.97%	0.68%	2024		

RECOMMENDATION: Review and provide direction regarding use of the trend factors of 3% for Real Property and 3% for Contents for the SPA FY 24/25 property renewal.

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 not yet completed their appraisals and trend factors should be discussed to determine how those factors may impact the FY 24/25 property renewal.

ATTACHMENTS: None.

Item No: H.3.

PROPERTY PROGRAM COVERAGE LIMITATION AT JULY 1, 2024 VACANCY PROPERTY EXPOSURE

ACTION ITEM

ISSUE: SPA's property program is rated based on loss experience. Losses from vacant structures negatively impact the SPA Property Program's rates, ability to attract and retain underwriters, and perception of indemnity. The SPA Board is asked to consider a vacancy limitation to \$500,000 for all loss to a vacant structure and its contents. A District can apply to SPA for a vacancy permit that would allow for higher coverage limits upon the SPA Board's satisfaction that effective security, alarms and loss prevention efforts will be maintained during the vacancy period.

RECOMMENDATION: The Program Administrator recommends that the Board Evaluate the proposed MOC coverage language and Policy and Procedure for Vacant Property and direct staff to draft coverage language as appropriate.

FISCAL IMPACT: The proposed action would reduce the cost of losses at vacant locations.

BACKGROUND: SPA is underwritten as a program consisting mostly of highly protected property risks. Unexpectedly large losses happen at vacant locations cause significant impact to SPA's ability to secure coverage and the cost of coverage. The cost of such losses is shared among all the members and remain in the loss rating calculus for 5 years.

Vacant or unoccupied structures face a higher risk of loss. The Program Administrator proposes limiting coverage on vacant structures to \$500,000 which should be sufficient for minor repairs or demolition/debris removal to secure a vacant structure impacted by a covered loss. A member district that can show a vacant location is adequately protected will be eligible for an increased limit subject to the SPA Board of Directors approval.

At the January board meeting, a "Concept for Vacant Property Exposure" was presented, discussed and confirmed as the general direction the board would like to move. The key take-aways from that board meeting were:

- There would be a vacant property limitation of \$500,000 applied automatically for all loss to properties falling under the vacant property definition, weather identified in the SOVs or not.
- Vacant property will be defined in the MOC, as will the sublimit and the vacancy permit references.

- A vacancy permit will be created to allow members to warrant/demonstrate up-keep and security minimum requirements in order to remove the sublimit and obtain full coverage in the MOC
- An review policy/procedure will be created, as well as standard requirements for submission of a vacancy permit request and timeline for review & decision making on the request

ATTACHMENTS:

1. Draft SPA Vacant Property Policy and Procedure
2. Draft MOC showing relevant expected changes for 2024
3. Draft Vacant Property Permit application

Policy & Procedure No. P&P ~~X~~-Property

ADOPTED:

AMENDED:

AMENDED EFFECTIVE: July 1, 2024

SUBJECT: Vacant Property coverage and Vacancy Permit

Should there be any discrepancy between this documents and the JOINT POWERS AGREEMENT or the Property Program Memorandum of Coverage, the JOINT POWERS AGREEMENT and Property Program Memorandum of Coverage will govern.

PURPOSE:

The Schools Program Alliance (SPA) has developed a **Property Program** for its **Members**. SPA has established rating plans and operating practices for its **Property Program**, as well as coverage expectations and conditions. This Policy and Procedure describes the handling of the **Vacant Property** exposure in the portfolio and the **Vacancy Permit** process.

POLICY:

It is the policy of the SPA **Board** that the **Property Program Vacant Property** and **Vacancy Permit** balance and achieve the following goals:

- Mitigating the exposure of any **Vacant Property** exposures in the portfolio by establishing a standing \$500,000 sublimit for all such properties
- Allowing flexibility for broader coverage within the **Property Program** for those **Members** demonstrating a minimum level of security and risk management for any **Vacant Property**.
- A **Vacancy Permit** to be reviewed by a SPA committee and issued to qualifying **Members**, which will remove the standing \$500,00 sublimit for a **Vacant Property**

PROCEDURE:

The following underwriting procedures shall be followed in establishing the **Vacant Property** sublimit and the **Vacancy Permit** process.

1. MOC Modifications:

- A \$500,000 sublimit will be added to the MOC for any **Vacant Property**, with an exception included for properties holding a **Vacancy Permit**
- A definition for **Vacant Property** will be added to the MOC
- A definition of **Vacancy Permit** will be added to the MOC

2. Vacancy Permit Process

- SPA **Members** will notify their membership of the **Vacant Property** sublimit due to implement on the Amended Effective date if this P&P.
- SPA **Members** will advise their membership of the ability to remove the **Vacant Property** sublimit by applying for a **Vacancy Permit** with SPA
- The **Vacancy Permit** request should be submitted as soon as possible, if the **Vacant Property** currently exists in the portfolio, or 30 days prior to the property expected to become a **Vacant Property**.
- In order to qualify for a **Vacancy Permit**, the Member must confirm the minimum requirements exist, and will continue to exist, for security and risk management measures, via the criteria listed on the **Vacancy Permit**. **These conditions must also exist at the time of any loss.**
- If the conditions of the **Vacancy Permit** do not exist at the time of loss, SPA has the right to re-apply the **Vacant Property** sublimit of \$500,000.

3. SPA approval process of Vacancy Permits

- SPA **Board** will establish a **Vacancy Permit** committee consisting of **Members** and the **Program Administrator**.
- Once a complete and valid **Vacancy Permit** request is submitted to SPA, the **Vacancy Permit** committee will be allowed 10 business days to evaluate, ask questions/clarifications and/or respond with a decision.
- Any property not meeting the minimum requirement criteria of the **Vacancy Permit** will not be issued a **Vacancy Permit**. That decision will be sent to the Member with reasons outlined
- Any property meeting the minimum requirement levels of the **Vacancy Permit** will be issued a **Vacancy Permit** within 5 days of approval by the committee.
- The **Vacancy Permit** will be issued to the **Member** and that **Member** will notify and distribute to the contact for the property listed on the **Vacancy Permit**.
- The **Program Administrator** will keep a copy of all **Vacancy Permits** issued each year.

4. Periodic review

This Policy and Procedure shall be reviewed by the **Board** and amended as needed.

DEFINITIONS:

“**Board**” means the Board of Directors of the SPA Joint Powers Authority.

“**Member**” means the signatories to the SPA Joint Powers Authority.

“Program Administrator” means the person or organization designated by the Board to administer the SPA Property Program.

“Property Program” means the program established by the Board to provide a combination of self-insured, insured and reinsured coverages and services designated by the Board as elements of the SPA Joint Powers Authority property program offering.

“Vacancy Permit” shall follow the definition established in the MOC

“Vacant Property” shall follow the definition established in the MOC

SCHOOLS PROGRAM ALLIANCE PROPERTY PROGRAM DECLARATIONS

\$1,000,000	Claim Preparation Expenses
Included	Expediting Expense
No coverage provided	Terrorism
\$1,000,000	Personal Property of Students and Teachers, except \$10,000 any one item
\$10,000,000	Accounts Receivable
\$10,000,000	Valuable Papers and Records
\$500,000	Leasehold Interest
\$2,500,000	Asbestos Cleanup and Removal
\$2,500,000	Mold & Fungus
\$100,000	Reimbursement or Master Key Costs
\$2,500,000	Upgrade to Green
No coverage provided	Money and Securities
No coverage Provided	Communicable Disease
180 Days	Extended Period of Indemnity
\$2,500,000	Interruption by Civil or Military Authority, not to exceed 30 days (10 mile radius)
\$2,500,000	Ingress or Egress, not to exceed 30 days (10 mile radius)
\$500,000	Vacant Property, unless member holds a Vacancy Permit from SPA

BOILER AND MACHINERY SUB-LIMITS OF LIABILITY:

\$125,000,000	Boiler Explosion and Machinery Breakdown (USD 100,000,000 in respect of Butte Schools Self-Funded Programs)
Included	Jurisdictional and Inspections
Included	Business Income Coverage Extension (BI)
Included	Extra Expense Coverage Extension (BI)



**SCHOOLS PROGRAM ALLIANCE
PROPERTY PROGRAM DECLARATIONS**

180 Days	Extended Period of Indemnity
Included	Spoilage Damage Coverage Extension including Utility Interruption Spoilage (SD & Refrigerant Contamination), Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours
\$2,500,000	Off Premises Service Interruption including Service, Utility and Power, Coverage is provided when the duration of the interruption is in excess of twenty four (24) hours
\$3,000,000	Dependent Property Coverage Extension – All Direct Suppliers Dependent Property Locations; and Receivers
\$10,000,000	Expediting Expense
\$10,000,000	Hazardous Substances, Pollutants, Decontamination
\$10,000,000	Ordinance or Law including Demolition and Increased Cost of Construction
Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological

TERRORISM (INCLUDING SABOTAGE) SUB-LIMITS OF LIABILITY

\$50,000,000	Per Occurrence and in the Aggregate
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The above limits are provided per Occurrence, regardless of the number of SPA Members involved in the Occurrence.

G. DEDUCTIBLE PROVISIONS

Basic Deductible: \$250,000 per occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

Retention A – Excess of the basic deductible: \$250,000, Additional Self-Insured Retention per occurrence and \$1,000,000 in the annual aggregate which in turn

Retention B – Excess of Retention A: \$2,000,000 Self-Insured Retention per occurrence and in the annual aggregate;

Except as follows:

Wildfire

- \$5,000,000 per occurrence in respect of Butte Schools Self-Funded Programs
- \$2,500,000 per occurrence in respect of Redwood Empire Schools’ Insurance Group
- \$250,000 per occurrence for all other members.

**SCHOOLS PROGRAM ALLIANCE
PROPERTY PROGRAM DECLARATIONS**

5. PERIOD OF RESTORATION

The period during which business interruption and or rental interruption applies will begin on the date direct physical loss occurs and interrupts normal business operations and ends on the date that the damaged property should have been repaired, rebuilt or replaced with due diligence and dispatch, but not limited by the expiration of this MOC.

6. VACANCY PERMIT

A SPA approved and provided permit, allowing for the removal of the Vacant Property sublimit listed in this MOC for a property falling under the Vacant Property definition.

7. VACANT PROPERTY

Real Property, whose construction code calls for occupancy, that is not occupied by the member of the Named Insured and does not contain Business Personal Property in a sufficient amount to conduct normal operations. A property will be considered a vacant property if not occupied for 90 consecutive calendar days.



SPA VACANCY PERMIT REQUEST

The SPA Property Program, effective July 1, 2024, containing a Vacant Property sublimit for any properties falling under that definition in the Memorandum of Coverage (MOC).

For properties that are able to mitigate the higher risk associated with a Vacant Property, via security and risk management measures, SPA will issue a Vacancy Permit confirming the sublimit has been removed.

Criteria to apply for a Vacancy Permit:

The criteria a property must demonstrate and confirm is as follows:

a. Confirmation that regular and routine maintenance is being performed;

Answer:

b. Confirmation that documented site inspections no less than once a month;

Answer:

c. Confirmation that minimum protective safeguards, such as sprinkler systems and burglar alarm systems are maintained in full service;

Answer:

d. Confirmation that perimeter doors and windows are locked and secured;

Answer:

e. Confirmation that security guards patrol the property 24-hours per day;

Answer:

f. Confirmation that hazardous or combustible material are removed.

Answer:

G. Confirmation that the measures above will be kept in place until the time the property does not fall under the Vacant Property definition in the MOC.

Answer:

Timing:

A completed Request should be submitted 30 days prior to the property being considered a Vacant Property.

SPA will have 10 business days to respond, including asking additional questions.

If a Vacancy Permit is issued, SPA will release it within 5 business days of the approval notification.

Additional Information needed to submit this request:

Address of Property(ies) for which a Vacancy Permit is being requested:

Person and role of submitter of this request:

Signature:

Item No: H.4.

PROPERTY PROGRAM COVERAGE LIMITATION AT JULY 1, 2024 REMOTE AND HIGH RISK LOCATIONS

ACTION ITEM

ISSUE: SPA has seen over \$15 million of reported losses at locations that are exposed to wildfire. These tend to be single site districts as well which exacerbates the cost of the loss. The Program Administrator is recommending a plan along the following lines:

- Modify the existing margin clause for valuation of properties that applies currently only to all BSSFP property. Instead, apply a margin clause for all SPA member locations deemed high risk based on modeling. The margin clause would apply only to scheduled locations and limit Real and Personal Property loss to no more than 125% of reported value.
- Add an ordinance and law/increased cost of construction (ICC) limitation for these scheduled locations that limits the total amount of ICC to 100% of the reported value or the policy ICC sublimit of \$10 million – whichever is lower. This limitation would apply to requirements of the Department of the State Architect (DSA) and any other requirements, such as those in the California Education Code or regulations.

Note – while wildfire loss modeling along with remote locations or single site districts with high loss characteristics would be the point of initiating and underwriting review for scheduling a location for this coverage limitation, **the limitation would apply for all causes of loss, not just wildfire.**

If approved by the SPA Board, this change would need approval from the program’s excess insurers and reinsurers.

RECOMMENDATION: It is recommended that the SPA Board of Directors review the Program Administrator’s proposal and take action or provide direction as appropriate.

FISCAL IMPACT: The proposed action would likely reduce the cost of some property losses in the future and thereby reduce insurance costs.

BACKGROUND: SPA is underwritten as a program consisting mostly of highly protected property risks. Unexpectedly large losses happen at undervalued locations cause significant impact to SPA’s ability to secure coverage and the cost of coverage. The cost of such losses is shared among all the members and remain in the loss rating calculus for 5 years.

SPA has experienced significant losses due to wildfire at locations significantly undervalued for replacement cost and that incurred substantial increased cost of construction due to increased costs of reconstruction due to code and ordinance and requirements of the Department of the State Architect or California Education Code or regulations. Losses from wildfire that include near or total loss of a location have been shown to incur higher cost than would normally be anticipated. Rather than exclude these locations entirely, the Program Administrator recommends limiting coverage to preserve some level of insurability.

Under the Program Administrator's proposal, a school location that is specifically scheduled by endorsement for this coverage location would be subject to a recovery that may be below full replacement value. The following example shows how the coverage limitation would be applied:

- Reported Total Insured Value for scheduled location = \$4 million
- Maximum recovery at 125% of reported Value = \$5 million
- Maximum additional recovery for increased cost of construction, extra expense, etc. at 100% of reported value = \$4 million
- Total insurance proceeds for loss at scheduled location = \$9 million.

ATTACHMENTS: None.