

AGENDA

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**

MEETING: Board of Directors Organizational Meeting
 Schools Program Alliance
 Teleconference Meeting

DATE/TIME: June 22, 2020 at 11:00 AM PDT

LOCATION VIA [\(404\) 397-1516](tel:4043971516) US Toll or [\(877\) 309-3457](tel:8773093457) US Toll Free

TELECONFERENCE: Meeting number (access code): 161 421 8354

VIDEO: <https://alliant.webex.com/alliant/j.php?mtid=maa94a5354722e22583a44e9a8151e915>

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|---------------|--|--------------|
| <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The Board of Directors may take action on the items below as a group except a Board Member may request an item be withdrawn from the Consent Calendar for discussion and action.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 |
| | 1. There are no consent calendar items for today's meeting. | |
| | E. GENERAL ADMINISTRATION | |
| <i>Pg. 3</i> | 1. Receive and File Founding Members' Executed Joint Powers Agreements
<i>At this organizational meeting, the Board will review and accept the executed joint powers agreements of the five founding members.</i> | A 1/2 |
| <i>Pg. 19</i> | 2. Appointment of Chairperson/Secretary
<i>The Board will appoint a Chairperson/Secretary from any Member then in current good standing.</i> | A 1 |
| <i>Pg. 20</i> | 3. Appoint Managing Member
<i>The Board will appoint a Managing member from any Member.</i> | A 1 |
| <i>Pg. 21</i> | 4. Approval and Delegation of Authority to Execute Brokerage/Consultant Agreement
<i>The Board will be asked to approve the appointment of Alliant Insurance Services as Broker/Consultant to SPA and delegate authority to the Managing Member to finalize and execute a service agreement.</i> | A 1 |

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5. Approval of Property Program Cost Allocation and Delegation of Authority to Bind Excess Coverage for PY 20/21

The Board will be asked to review and approve the allocation of program costs as well as delegate authority to bind excess coverage for SPA Property Program coverage for the coming coverage term, including optional ancillary coverages per Member's preference to participate (terrorism, pollution and deadly weapons).

A 1

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6. Adoption of Date, Time and Location for SPA Annual Meeting

The Board will set the date time and location for the next Board Meeting which shall be the first Annual Meeting.

A 4

F. CLOSED SESSION

1. There are no closed session items for today's meeting.

G. INFORMATION ITEMS AND DISCUSSION

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 top or exposure the Member is experiencing.

I 4

H. ADJOURNMENT

A 4

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.



Item No: E.1.

**RECEIVE AND FILE FOUNDING MEMBERS' EXECUTED
JOINT POWERS AGREEMENTS**

ISSUE: This is the formation meeting of the Schools Program Alliance (SPA) Joint Powers Authority (JPA). At this time the Board of Directors consisting of one representative from each founding member will review, accept and direct staff to file the executed joint powers agreement from each Founding Member.

RECOMMENDATION: It is recommended that the Board of Directors review and take action to accept and file the executed joint powers agreements of the Founding Members.

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

BACKGROUND: SPA is being formed under CA Government Code Section 6500 *et seq.* as a partnership JPA. As provided in the joint powers agreement, SPA will not exist as a separate entity but rather serve as a vehicle for Contracted Services of the shared activities desired by the members. Initially SPA will provide a group purchase property insurance program with a funded retained layer shared by the members.

ATTACHMENTS: SPA's Founding Members have executed the agreements attached:

1. Butte Schools Self-Funded Programs
2. North Bay Schools Insurance Group
3. Redwood Empire Schools Insurance Group
4. Schools Insurance Authority
5. Schools Insurance Group

SCHOOLS PROGRAM ALLIANCE JOINT POWERS AGREEMENT

This Schools Program Alliance Joint Powers Agreement (“Agreement”) creates the Schools Program Alliance Joint Powers Authority (“SPA”), a public agency as defined in Government Code Section 6500. SPA is not an entity legally separate from its Members, but a joint powers authority that exists and operates in keeping with the rights and responsibilities set forth in this Agreement, and the inherent and express rights and authorities granted to joint powers authorities by California law, including the California Government Code.¹

1. SPA will exist as a joint powers authority on June 22, 2020, and shall continue in existence until dissolved by a three-quarters (3/4rs) vote of its Board of Directors. Upon dissolution and the winding down process following a dissolution vote, to the fullest extent allowed or required by law, Members shall remain individually liable for allocated debts and obligations with respect to Contracting Activities, and their separate contractual obligations for Shared Activities, on a pro-rata basis in proportion to their share of any Contracting Activity in which they are a participant. This may include, but is not limited to, retroactive assessments or financial obligations reasonable or necessary to resolve the debts or obligations of its Members.

2. A “Member” includes any public agency or entity executing this Agreement on or before June 22, 2020. After June 22, 2020, an offer of Membership may be extended by the SPA Board of Directors to any public agency or entity on such terms and conditions as the Board of Directors may deem just and proper. Membership shall be approved upon an affirmative vote of at least three-quarters (3/4rs) of the Board of Directors, with the new Member then required to sign an addendum to this Agreement obligating it to be bound by all of its terms and conditions. An original, facsimile or electronic signature on this Agreement, or any Addendum to this Agreement, shall be deemed an original and binding signature for all purposes.

A Member may thereafter be expelled from SPA or any SPA Program, for any good faith and proper reason upon a vote of at least three-quarters (3/4rs) of the Board of Directors.

3. SPA, and its administrative functions, shall be administered by a Board of Directors, in keeping with Government Code Section 6506, which shall be comprised of one appointed representative from each Member. The Board of Directors shall hold an annual meeting at a date designated by the current Chairperson/Secretary, at which time the Board shall: (a) appoint a Chairperson/Secretary, who shall be from any Member then in current good standing, (b) set forth the strategic and operational plans for SPA’s Members for the following 12 months, (c) establish the budget and allocated costs for the general administration of SPA by its Managing Member, (d) establish the budget and allocated costs, on a unanimous basis of the participating Members, for approved Contracting Activities, and (e) appoint/reappoint a Managing Member. Prior to the next annual meeting, a Managing Member may be withdrawn from this role, for any good faith reason, upon a vote of at least three quarters (3/4rs) of the Board of Directors. The Board of Directors may also specially meet to address and impose any corrective or remedial financial allocations to address the needs or best interests of SPA or its Members.

The SPA Board of Directors shall not be required to review or approve any Shared Activities of the Members, who shall separately agree on the terms, conditions, costs, and methods of payment for Shared Activities (that may or may not be reviewed at the annual meeting), recognizing always that Shared Services shall be evidenced by a separate writing approved by each participating Member’s governing Boards, a copy of which shall be provided to the Managing Member and the Chairperson/Secretary of SPA for purposes of maintaining accurate books and records of the activities of SPA and its Members.

¹ The terms and conditions of such statutes and authorities are incorporated herein by reference, as may be reasonable or necessary, to ensure compliance with law and to implement any processes or procedures, while shortening the overall length of this Agreement. The creation of SPA, and all actions taken hereafter by SPA, are presumed to be legally authorized and in full compliance with the terms and conditions of the California Government Code, and all other governing statutes and authorities. E.g., *Zack v. Marin Emergency Radio Auth.*, 118 Cal. App. 4th 617, 631-32 (2004) *Beckwith v. County of Stanislaus*, 175 Cal. App. 2d 40, 44-45 (1959) [“[i]t is to be presumed that [parties to a joint powers agreement] acted reasonably and within the scope of their respective powers”].

Special meetings of the Board of Directors may be called by the Chairperson or, if the Chairperson is unavailable, the Managing Member. All SPA meetings shall be conducted in accordance with the Brown Act, Government Code Section 54950, et seq., with the physical location of the Board Meeting being the primary place of business of the Managing Member, unless otherwise designated for any meeting or meetings.

4. SPA and its Members shall be entitled to engage in any lawful act permitted to be conducted on a joint powers basis ("Programs"), and which are approved by the Board of Directors, including, but not limited to: (1) the right, power, and authority to direct the Managing Member to enter into contracts in the names of its Members, for the benefit of any group or grouping of Members, for goods, services, or benefits (including insurance, reinsurance, or other financial or risk management/risk transfer benefits, and claims-related services) that may reduce the costs of goods, services or benefits, improve the quality or timeliness of goods, services or benefits, and/or provide access to marketplaces, services or benefits not otherwise available or readily available to any singular Member ("Contracting Activities"); and (2) the sharing or leasing of employees, shared services, equipment, or physical facilities ("Shared Activities"). Members shall be entitled to full participation in any Contracting Activities Program, subject to the terms, conditions, or requirements of the Board of Directors, including any current or future financial payment, reserve, or retroactive assessment obligations.

5. The Managing Member shall receive and disburse funds in accordance with strict accountability standards imposed by the State of California on local public agencies and/or Generally Accepted Standards Board pronouncements for local public agencies. The Managing Member shall be the party entering into contracts in the name of, or on behalf of, the participating SPA Members, as their duly authorized representative, accepting and disbursing funds of Members to Contracting Activities vendors or providers, and serving as the point of contact for the vendors, with the Managing Member at all times required to timely and fully report all material facts regarding Contracting Activities to the Board of Directors, and with the Managing Member following the directions of the Board of Directors in carrying out such tasks except when authorized by the Board of Directors to exercise independent discretion in such actions. The Managing Member shall serve with a bond in the amount of \$1,000.

6. Members authorize the timely payment in full of funds from their respective treasuries to the Managing Member to support the purposes of this Agreement, including any adopted budget for the operation of SPA and/or the existence of any Contracting Activity.

7. If a Member participating in Contracting Activities desires to withdraw from one or more Contracting Activities, or from SPA, the Member shall provide a written notice of its potential withdrawal to all SPA Members no later than December 31, and shall provide a final written notice of its withdrawal to all SPA Members no later than March 1. The withdrawing Member shall remain fully obligated to make any financial payments arising from its participation in the Contracting Activities or SPA, including any required retroactive assessments as the Board of Directors may adopt. Absent unanimous consent of all Members, a Member withdrawing from a Program or from SPA shall not be entitled to again participate in the Program or in SPA for a period of three years following the withdrawal.

8. Except for the sole and separate liability of the Managing Member, or any grossly negligent or intentional act or omission by the Managing Member or its directors, officers, or employees, each SPA Member agrees to jointly and severally defend, indemnify and hold the Managing Member and its directors, officers and employees harmless from liability for any act, error, or omission arising from, or related to, its role as the Managing Member. The Members also jointly and severally agreed to defend and indemnify themselves for any acts, errors, or omissions arising from the formation or operation of SPA or of its Programs.

9. By signing below, each representative of a Member warrants and represents that their Member has agreed to be bound by all terms and conditions of this Agreement, through their separately required review and approval processes, that they have had an opportunity to review the terms and conditions of this Agreement with counsel or representatives of their choice, they have no questions or reservations about entering into this Agreement, and this Agreement constitutes their full and complete understanding of their rights and obligations as members of SPA, subject to any duly adopted actions by the Board of Directors as authorized herein, and that this Agreement is deemed to include all terms and conditions of this Agreement, as well as the statutorily required or authorized provisions deemed incorporated herein by reference.

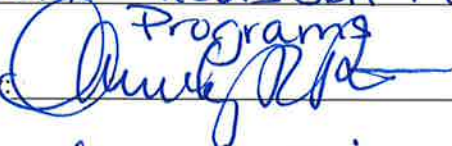
10. The actions of SPA and its Members may benefit public agencies participating in a Member's joint powers authority, or the employees or other individuals receiving benefits in some manner from their association with a Member. No such individuals or entities, however, shall be entitled to assert any direct right or claim under this Agreement, or under any Program of SPA, but they instead shall solely and only address any claims or grievances against the relevant Member, which will need to bring on their behalf any claim or claimed entitlement to some type of benefit from SPA or a SPA-sponsored Program.

11. In the event of a dispute regarding the adoption or enforcement of this Agreement, any rights or obligations owed under this Agreement, or any rights or obligations created by any Contracting Activities or Shared Activities, SPA's Members, or any other person or entity attempting to asserting a claim under a SPA Program, shall submit any such dispute to final and binding arbitration pursuant to the Arbitration Rules of the American Arbitration Association ("AAA") before a neutral arbitrator to be mutually selected by the parties, or appointed by the parties in keeping with the governing rules for selection if no joint appointment can be made. The Arbitrator shall solely derive his/her power from the terms of this Agreement, and any applicable rules of the AAA, but the Arbitrator shall not have the authority to add, delete, or modify the terms of this Agreement, or to enforce any claimed unwritten or parol agreements or understandings, with the Arbitrator required to adhere to all requirements of due process while still expediting and controlling the management of the process to ensure an efficient and effective resolution of the dispute. The Award of the Arbitrator shall be final and binding, provided, however, that the parties to the Arbitration shall retain the right to challenge the enforcement of the Award under any factual or legal basis otherwise available under California law, with California substantive law applied to all factual and legal issues in dispute.

The parties to the dispute shall share the expense of arbitration, with the prevailing party entitled to reasonable attorneys' fees and costs. In the event a party to the dispute fails to proceed with arbitration, unsuccessfully challenges the Arbitrator's Award, or fails to comply with an Arbitrator's Award, the other Party shall be entitled to an award of its attorneys' fees and costs in compelling arbitration or in defending or in enforcing the award.

IN WITNESS WHEREOF, the Members have caused this Agreement to be properly executed as of the date below.

Butte Schools Self-Funded SPA Member

By: 

Date: 6/5/2020

Title: Executive Directors

SCHOOLS PROGRAM ALLIANCE JOINT POWERS AGREEMENT

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2. A “Member” includes any public agency or entity executing this Agreement on or before June 22, 2020. After June 22, 2020, an offer of Membership may be extended by the SPA Board of Directors to any public agency or entity on such terms and conditions as the Board of Directors may deem just and proper. Membership shall be approved upon an affirmative vote of at least three-quarters (3/4rs) of the Board of Directors, with the new Member then required to sign an addendum to this Agreement obligating it to be bound by all of its terms and conditions. An original, facsimile or electronic signature on this Agreement, or any Addendum to this Agreement, shall be deemed an original and binding signature for all purposes.

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¹ The terms and conditions of such statutes and authorities are incorporated herein by reference, as may be reasonable or necessary, to ensure compliance with law and to implement any processes or procedures, while shortening the overall length of this Agreement. The creation of SPA, and all actions taken hereafter by SPA, are presumed to be legally authorized and in full compliance with the terms and conditions of the California Government Code, and all other governing statutes and authorities. E.g., *Zack v. Marin Emergency Radio Auth.*, 118 Cal. App. 4th 617, 631-32 (2004) *Beckwith v. County of Stanislaus*, 175 Cal. App. 2d 40, 44-45 (1959) [“[i]t is to be presumed that [parties to a joint powers agreement] acted reasonably and within the scope of their respective powers”)].

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9. By signing below, each representative of a Member warrants and represents that their Member has agreed to be bound by all terms and conditions of this Agreement, through their separately required review and approval processes, that they have had an opportunity to review the terms and conditions of this Agreement with counsel or representatives of their choice, they have no questions or reservations about entering into this Agreement, and this Agreement constitutes their full and complete understanding of their rights and obligations as members of SPA, subject to any duly adopted actions by the Board of Directors as authorized herein, and that this Agreement is deemed to include all terms and conditions of this Agreement, as well as the statutorily required or authorized provisions deemed incorporated herein by reference.

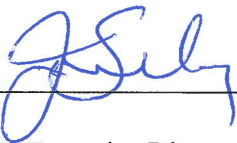
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11. In the event of a dispute regarding the adoption or enforcement of this Agreement, any rights or obligations owed under this Agreement, or any rights or obligations created by any Contracting Activities or Shared Activities, SPA's Members, or any other person or entity attempting to asserting a claim under a SPA Program, shall submit any such dispute to final and binding arbitration pursuant to the Arbitration Rules of the American Arbitration Association ("AAA") before a neutral arbitrator to be mutually selected by the parties, or appointed by the parties in keeping with the governing rules for selection if no joint appointment can be made. The Arbitrator shall solely derive his/her power from the terms of this Agreement, and any applicable rules of the AAA, but the Arbitrator shall not have the authority to add, delete, or modify the terms of this Agreement, or to enforce any claimed unwritten or parol agreements or understandings, with the Arbitrator required to adhere to all requirements of due process while still expediting and controlling the management of the process to ensure an efficient and effective resolution of the dispute. The Award of the Arbitrator shall be final and binding, provided, however, that the parties to the Arbitration shall retain the right to challenge the enforcement of the Award under any factual or legal basis otherwise available under California law, with California substantive law applied to all factual and legal issues in dispute.

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IN WITNESS WHEREOF, the Members have caused this Agreement to be properly executed as of the date below.

North Bay Schools Insurance Authority
_____, SPA Member

By:  _____
Janet Selby
Title: _____
Executive Director

Date: June 3, 2020

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4. SPA and its Members shall be entitled to engage in any lawful act permitted to be conducted on a joint powers basis ("Programs"), and which are approved by the Board of Directors, including, but not limited to: (1) the right, power, and authority to direct the Managing Member to enter into contracts in the names of its Members, for the benefit of any group or grouping of Members, for goods, services, or benefits (including insurance, reinsurance, or other financial or risk management/risk transfer benefits, and claims-related services) that may reduce the costs of goods, services or benefits, improve the quality or timeliness of goods, services or benefits, and/or provide access to marketplaces, services or benefits not otherwise available or readily available to any singular Member ("Contracting Activities"); and (2) the sharing or leasing of employees, shared services, equipment, or physical facilities ("Shared Activities"). Members shall be entitled to full participation in any Contracting Activities Program, subject to the terms, conditions, or requirements of the Board of Directors, including any current or future financial payment, reserve, or retroactive assessment obligations.

5. The Managing Member shall receive and disburse funds in accordance with strict accountability standards imposed by the State of California on local public agencies and/or Generally Accepted Standards Board pronouncements for local public agencies. The Managing Member shall be the party entering into contracts in the name of, or on behalf of, the participating SPA Members, as their duly authorized representative, accepting and disbursing funds of Members to Contracting Activities vendors or providers, and serving as the point of contact for the vendors, with the Managing Member at all times required to timely and fully report all material facts regarding Contracting Activities to the Board of Directors, and with the Managing Member following the directions of the Board of Directors in carrying out such tasks except when authorized by the Board of Directors to exercise independent discretion in such actions. The Managing Member shall serve with a bond in the amount of \$1,000.

6. Members authorize the timely payment in full of funds from their respective treasuries to the Managing Member to support the purposes of this Agreement, including any adopted budget for the operation of SPA and/or the existence of any Contracting Activity.

7. If a Member participating in Contracting Activities desires to withdraw from one or more Contracting Activities, or from SPA, the Member shall provide a written notice of its potential withdrawal to all SPA Members no later than December 31, and shall provide a final written notice of its withdrawal to all SPA Members no later than March 1. The withdrawing Member shall remain fully obligated to make any financial payments arising from its participation in the Contracting Activities or SPA, including any required retroactive assessments as the Board of Directors may adopt. Absent unanimous consent of all Members, a Member withdrawing from a Program or from SPA shall not be entitled to again participate in the Program or in SPA for a period of three years following the withdrawal.

8. Except for the sole and separate liability of the Managing Member, or any grossly negligent or intentional act or omission by the Managing Member or its directors, officers, or employees, each SPA Member agrees to jointly and severally defend, indemnify and hold the Managing Member and its directors, officers and employees harmless from liability for any act, error, or omission arising from, or related to, its role as the Managing Member. The Members also jointly and severally agreed to defend and indemnify themselves for any acts, errors, or omissions arising from the formation or operation of SPA or of its Programs.

9. By signing below, each representative of a Member warrants and represents that their Member has agreed to be bound by all terms and conditions of this Agreement, through their separately required review and approval processes, that they have had an opportunity to review the terms and conditions of this Agreement with counsel or representatives of their choice, they have no questions or reservations about entering into this Agreement, and this Agreement constitutes their full and complete understanding of their rights and obligations as members of SPA, subject to any duly adopted actions by the Board of Directors as authorized herein, and that this Agreement is deemed to include all terms and conditions of this Agreement, as well as the statutorily required or authorized provisions deemed incorporated herein by reference.

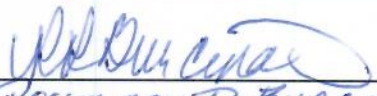
10. The actions of SPA and its Members may benefit public agencies participating in a Member's joint powers authority, or the employees or other individuals receiving benefits in some manner from their association with a Member. No such individuals or entities, however, shall be entitled to assert any direct right or claim under this Agreement, or under any Program of SPA, but they instead shall solely and only address any claims or grievances against the relevant Member, which will need to bring on their behalf any claim or claimed entitlement to some type of benefit from SPA or a SPA-sponsored Program.

11. In the event of a dispute regarding the adoption or enforcement of this Agreement, any rights or obligations owed under this Agreement, or any rights or obligations created by any Contracting Activities or Shared Activities, SPA's Members, or any other person or entity attempting to asserting a claim under a SPA Program, shall submit any such dispute to final and binding arbitration pursuant to the Arbitration Rules of the American Arbitration Association ("AAA") before a neutral arbitrator to be mutually selected by the parties, or appointed by the parties in keeping with the governing rules for selection if no joint appointment can be made. The Arbitrator shall solely derive his/her power from the terms of this Agreement, and any applicable rules of the AAA, but the Arbitrator shall not have the authority to add, delete, or modify the terms of this Agreement, or to enforce any claimed unwritten or parol agreements or understandings, with the Arbitrator required to adhere to all requirements of due process while still expediting and controlling the management of the process to ensure an efficient and effective resolution of the dispute. The Award of the Arbitrator shall be final and binding, provided, however, that the parties to the Arbitration shall retain the right to challenge the enforcement of the Award under any factual or legal basis otherwise available under California law, with California substantive law applied to all factual and legal issues in dispute.

The parties to the dispute shall share the expense of arbitration, with the prevailing party entitled to reasonable attorneys' fees and costs. In the event a party to the dispute fails to proceed with arbitration, unsuccessfully challenges the Arbitrator's Award, or fails to comply with an Arbitrator's Award, the other Party shall be entitled to an award of its attorneys' fees and costs in compelling arbitration or in defending or in enforcing the award.

IN WITNESS WHEREOF, the Members have caused this Agreement to be properly executed as of the date below.

RESIG, SPA Member

By: 
ROSEMARY R. BURCINA

Date: 6/11/2020

Title: EXECUTIVE DIRECTOR

SCHOOLS PROGRAM ALLIANCE JOINT POWERS AGREEMENT

This Schools Program Alliance Joint Powers Agreement (“Agreement”) creates the Schools Program Alliance Joint Powers Authority (“SPA”), a public agency as defined in Government Code Section 6500. SPA is not an entity legally separate from its Members, but a joint powers authority that exists and operates in keeping with the rights and responsibilities set forth in this Agreement, and the inherent and express rights and authorities granted to joint powers authorities by California law, including the California Government Code.¹

1. SPA will exist as a joint powers authority on June 22, 2020, and shall continue in existence until dissolved by a three-quarters (3/4rs) vote of its Board of Directors. Upon dissolution and the winding down process following a dissolution vote, to the fullest extent allowed or required by law, Members shall remain individually liable for allocated debts and obligations with respect to Contracting Activities, and their separate contractual obligations for Shared Activities, on a pro-rata basis in proportion to their share of any Contracting Activity in which they are a participant. This may include, but is not limited to, retroactive assessments or financial obligations reasonable or necessary to resolve the debts or obligations of its Members.

2. A “Member” includes any public agency or entity executing this Agreement on or before June 22, 2020. After June 22, 2020, an offer of Membership may be extended by the SPA Board of Directors to any public agency or entity on such terms and conditions as the Board of Directors may deem just and proper. Membership shall be approved upon an affirmative vote of at least three-quarters (3/4rs) of the Board of Directors, with the new Member then required to sign an addendum to this Agreement obligating it to be bound by all of its terms and conditions. An original, facsimile or electronic signature on this Agreement, or any Addendum to this Agreement, shall be deemed an original and binding signature for all purposes.

A Member may thereafter be expelled from SPA or any SPA Program, for any good faith and proper reason upon a vote of at least three-quarters (3/4rs) of the Board of Directors.

3. SPA, and its administrative functions, shall be administered by a Board of Directors, in keeping with Government Code Section 6506, which shall be comprised of one appointed representative from each Member. The Board of Directors shall hold an annual meeting at a date designated by the current Chairperson/Secretary, at which time the Board shall: (a) appoint a Chairperson/Secretary, who shall be from any Member then in current good standing, (b) set forth the strategic and operational plans for SPA’s Members for the following 12 months, (c) establish the budget and allocated costs for the general administration of SPA by its Managing Member, (d) establish the budget and allocated costs, on a unanimous basis of the participating Members, for approved Contracting Activities, and (e) appoint/reappoint a Managing Member. Prior to the next annual meeting, a Managing Member may be withdrawn from this role, for any good faith reason, upon a vote of at least three quarters (3/4rs) of the Board of Directors. The Board of Directors may also specially meet to address and impose any corrective or remedial financial allocations to address the needs or best interests of SPA or its Members.

The SPA Board of Directors shall not be required to review or approve any Shared Activities of the Members, who shall separately agree on the terms, conditions, costs, and methods of payment for Shared Activities (that may or may not be reviewed at the annual meeting), recognizing always that Shared Services shall be evidenced by a separate writing approved by each participating Member’s governing Boards, a copy of which shall be provided to the Managing Member and the Chairperson/Secretary of SPA for purposes of maintaining accurate books and records of the activities of SPA and its Members.

¹ The terms and conditions of such statutes and authorities are incorporated herein by reference, as may be reasonable or necessary, to ensure compliance with law and to implement any processes or procedures, while shortening the overall length of this Agreement. The creation of SPA, and all actions taken hereafter by SPA, are presumed to be legally authorized and in full compliance with the terms and conditions of the California Government Code, and all other governing statutes and authorities. E.g., *Zack v. Marin Emergency Radio Auth.*, 118 Cal. App. 4th 617, 631-32 (2004) *Beckwith v. County of Stanislaus*, 175 Cal. App. 2d 40, 44-45 (1959) [“[i]t is to be presumed that [parties to a joint powers agreement] acted reasonably and within the scope of their respective powers”].

Special meetings of the Board of Directors may be called by the Chairperson or, if the Chairperson is unavailable, the Managing Member. All SPA meetings shall be conducted in accordance with the Brown Act, Government Code Section 54950, et seq., with the physical location of the Board Meeting being the primary place of business of the Managing Member, unless otherwise designated for any meeting or meetings.

4. SPA and its Members shall be entitled to engage in any lawful act permitted to be conducted on a joint powers basis ("Programs"), and which are approved by the Board of Directors, including, but not limited to: (1) the right, power, and authority to direct the Managing Member to enter into contracts in the names of its Members, for the benefit of any group or grouping of Members, for goods, services, or benefits (including insurance, reinsurance, or other financial or risk management/risk transfer benefits, and claims-related services) that may reduce the costs of goods, services or benefits, improve the quality or timeliness of goods, services or benefits, and/or provide access to marketplaces, services or benefits not otherwise available or readily available to any singular Member ("Contracting Activities"); and (2) the sharing or leasing of employees, shared services, equipment, or physical facilities ("Shared Activities"). Members shall be entitled to full participation in any Contracting Activities Program, subject to the terms, conditions, or requirements of the Board of Directors, including any current or future financial payment, reserve, or retroactive assessment obligations.

5. The Managing Member shall receive and disburse funds in accordance with strict accountability standards imposed by the State of California on local public agencies and/or Generally Accepted Standards Board pronouncements for local public agencies. The Managing Member shall be the party entering into contracts in the name of, or on behalf of, the participating SPA Members, as their duly authorized representative, accepting and disbursing funds of Members to Contracting Activities vendors or providers, and serving as the point of contact for the vendors, with the Managing Member at all times required to timely and fully report all material facts regarding Contracting Activities to the Board of Directors, and with the Managing Member following the directions of the Board of Directors in carrying out such tasks except when authorized by the Board of Directors to exercise independent discretion in such actions. The Managing Member shall serve with a bond in the amount of \$1,000.

6. Members authorize the timely payment in full of funds from their respective treasuries to the Managing Member to support the purposes of this Agreement, including any adopted budget for the operation of SPA and/or the existence of any Contracting Activity.

7. If a Member participating in Contracting Activities desires to withdraw from one or more Contracting Activities, or from SPA, the Member shall provide a written notice of its potential withdrawal to all SPA Members no later than December 31, and shall provide a final written notice of its withdrawal to all SPA Members no later than March 1. The withdrawing Member shall remain fully obligated to make any financial payments arising from its participation in the Contracting Activities or SPA, including any required retroactive assessments as the Board of Directors may adopt. Absent unanimous consent of all Members, a Member withdrawing from a Program or from SPA shall not be entitled to again participate in the Program or in SPA for a period of three years following the withdrawal.

8. Except for the sole and separate liability of the Managing Member, or any grossly negligent or intentional act or omission by the Managing Member or its directors, officers, or employees, each SPA Member agrees to jointly and severally defend, indemnify and hold the Managing Member and its directors, officers and employees harmless from liability for any act, error, or omission arising from, or related to, its role as the Managing Member. The Members also jointly and severally agreed to defend and indemnify themselves for any acts, errors, or omissions arising from the formation or operation of SPA or of its Programs.

9. By signing below, each representative of a Member warrants and represents that their Member has agreed to be bound by all terms and conditions of this Agreement, through their separately required review and approval processes, that they have had an opportunity to review the terms and conditions of this Agreement with counsel or representatives of their choice, they have no questions or reservations about entering into this Agreement, and this Agreement constitutes their full and complete understanding of their rights and obligations as members of SPA, subject to any duly adopted actions by the Board of Directors as authorized herein, and that this Agreement is deemed to include all terms and conditions of this Agreement, as well as the statutorily required or authorized provisions deemed incorporated herein by reference.

10. The actions of SPA and its Members may benefit public agencies participating in a Member's joint powers authority, or the employees or other individuals receiving benefits in some manner from their association with a Member. No such individuals or entities, however, shall be entitled to assert any direct right or claim under this Agreement, or under any Program of SPA, but they instead shall solely and only address any claims or grievances against the relevant Member, which will need to bring on their behalf any claim or claimed entitlement to some type of benefit from SPA or a SPA-sponsored Program.

11. In the event of a dispute regarding the adoption or enforcement of this Agreement, any rights or obligations owed under this Agreement, or any rights or obligations created by any Contracting Activities or Shared Activities, SPA's Members, or any other person or entity attempting to asserting a claim under a SPA Program, shall submit any such dispute to final and binding arbitration pursuant to the Arbitration Rules of the American Arbitration Association ("AAA") before a neutral arbitrator to be mutually selected by the parties, or appointed by the parties in keeping with the governing rules for selection if no joint appointment can be made. The Arbitrator shall solely derive his/her power from the terms of this Agreement, and any applicable rules of the AAA, but the Arbitrator shall not have the authority to add, delete, or modify the terms of this Agreement, or to enforce any claimed unwritten or parol agreements or understandings, with the Arbitrator required to adhere to all requirements of due process while still expediting and controlling the management of the process to ensure an efficient and effective resolution of the dispute. The Award of the Arbitrator shall be final and binding, provided, however, that the parties to the Arbitration shall retain the right to challenge the enforcement of the Award under any factual or legal basis otherwise available under California law, with California substantive law applied to all factual and legal issues in dispute.

The parties to the dispute shall share the expense of arbitration, with the prevailing party entitled to reasonable attorneys' fees and costs. In the event a party to the dispute fails to proceed with arbitration, unsuccessfully challenges the Arbitrator's Award, or fails to comply with an Arbitrator's Award, the other Party shall be entitled to an award of its attorneys' fees and costs in compelling arbitration or in defending or in enforcing the award.

IN WITNESS WHEREOF, the Members have caused this Agreement to be properly executed as of the date below.

Schools Insurance Authority SPA Member

By: Martin Brody

Date: 6/16/20

Title: Ex. Dir.



Item No: E.2.

APPOINTMENT OF CHAIRPERSON/SECRETARY

ISSUE: SPA is not a separate entity from its members; however, Section 3 of the SPA joint powers agreement does require the appointment of a Chairperson/Secretary as well as a Managing Member. The Schools Insurance Authority (SIA) has agreed to serve as the initial Managing Member and it is recommended that SIA's Executive Director be appointed as the Chairperson/Secretary for administrative ease.

RECOMMENDATION: It is recommended that the Board of Directors appoint a Chairperson/Secretary at today's meeting.

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

BACKGROUND: SPA is being formed under CA Government Code Section 6500 *et seq.* as a partnership JPA. As provided in the joint powers agreement, SPA will not exist as a separate entity but rather serve as a vehicle for Contracted Services of the shared activities desired by the members. The Chairperson/Secretary acting through the Managing Member will implement the direction of the SPA Board to achieve SPA's goals.

ATTACHMENTS: None.



Item No: E.3.

APPOINTMENT OF MANAGING MEMBER

ISSUE: SPA is not a separate entity from its members; however, Section 3 of the SPA joint powers agreement does require the appointment of a Managing Member. The Managing Member's duties include but are not limited to:

- Administrative activities and compliance;
- Financial administration and recordkeeping; and
- Activities delegated by the SPA Board of Directors.

The Schools Insurance Authority (SIA) has agreed to serve as the initial Managing Member and it is recommended that SIA be appointed as the Managing Member.

RECOMMENDATION: It is recommended that the Board of Directors appoint a Managing Member at today's meeting.

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

BACKGROUND: SPA is being formed under CA Government Code Section 6500 *et seq.* as a partnership JPA. As provided in the joint powers agreement, SPA will not exist as a separate entity but rather serve as a vehicle for Contracted Services of the shared activities desired by the members. The Managing Member will implement the direction of the SPA Board to achieve SPA's goals.

ATTACHMENTS: None.

Item No: E.4.

APPROVAL AND DELEGATION OF AUTHORITY TO EXECUTE BROKER/CONSULTANT AGREEMENT

ISSUE: Anticipating continued hardening of the property insurance market, the Founding Members of SPA engaged Alliant Insurance services to conduct a feasibility study for the development of a group property insurance program that could offer a long term solution. In February, 2020, the Founding Members directed Alliant to market their respective property insurance programs to develop a program with broad coverage at efficient pricing. Alliant's activities included:

- Creating marketing specifications including updated underwriting information;
- Developing a rating plan that weighs exposure, catastrophic modeling, loss experience and market factors to allocate costs;
- Engaging specialist wholesalers AmWINS (domestic wholesale marketing) and BMS (London, European and Bermudan international wholesale marketing);
- Program memorandum of coverage and reinsurance certificate drafting;
- Claims handling protocols and processes; and,
- Program administrative activities including regular meetings and member board presentations.

Alliant has proposed a broker/consultant agreement including services to place insurance and reinsurance coverage, and perform administrative services to SPA. Alliant proposes commission based compensation to support and incentivize growth of the program through marketing and the addition prospective members.

RECOMMENDATION: It is recommended that the Board of Directors evaluate the proposed agreement and provide direction and delegate authority to the Managing Member to finalize and execute a service agreement.

FISCAL IMPACT: Alliant has proposed compensation not to exceed a 5% commission on excess insurance placements for the SPA Property Insurance Program. Commissions have been included in the pricing proposals to the SPA members.

BACKGROUND: Placement and administration of the SPA property insurance program requires the services of retail brokerage, wholesale brokerage and JPA administrative professionals. Typically domestic property insurance placements pay commissions of 15-20% and London/international market placements pay 20-22.5%. Alliant has engaged AmWINS for domestic placements and BMS for international placements. Each provider would receive commissions not to exceed 5% of the premiums placed by their respective firms.

ATTACHMENTS: DRAFT Broker/Consultant Services Agreement

BROKER/CONSULTANT SERVICES AGREEMENT

between

SCHOOLS PROGRAM ALLIANCE

AND

ALLIANT INSURANCE SERVICES, INC.

I. PARTIES

The PARTIES to this AGREEMENT are **Schools Program Alliance** (CLIENT) and **Alliant Insurance Services, Inc.** (BROKER/CONSULTANT).

II. AGREEMENT

In consideration of the payments and agreements specified in the AGREEMENT, BROKER/CONSULTANT shall perform SERVICES pursuant to Section IV, SCOPE OF SERVICE.

III. DEFINITIONS

When used herein, when capitalized, whether in the singular or in the plural, the following terms shall have the following meanings:

- A. BROKER/CONSULTANT – Alliant Insurance Services, Inc.
- B. CLIENT – Schools Program Alliance (SPA).
- C. AGREEMENT – This BROKER/CONSULTANT services agreement, including any written changes thereto, which were agreed upon by the PARTIES.
- D. COMPENSATION – Remuneration paid to BROKER/CONSULTANT as consideration within this AGREEMENT, which will be:
 - 1. COMMISSION – Remuneration paid by CLIENT's (re)insurance carriers (or excess pools) directly to BROKER/CONSULTANT.
- E. MANAGING MEMBER – The MEMBER of CLIENT designated by CLIENT to serve as MANAGING MEMBER
- F. MEMBER – All entities that are solicited and contracted for PROGRAMS offered and sponsored by CLIENT.
- G. PARTY – CLIENT or BROKER/CONSULTANT.

- H. PROGRAM – The lines of Insurance coverages placed on behalf of CLIENT set forth in **Addendum A** and SERVICE provided under the scope of this Agreement.
- I. SERVICE – Any and all obligations of BROKER/CONSULTANT to be performed pursuant to the AGREEMENT.
- J. KEY PERSONNEL – Those individuals on the Account Service Team, listed in **Addendum B** attached hereto, responsible for the BROKER/-CONSULTANT marketing role provided for under Section IV, SCOPE OF SERVICE.

IV. SCOPE OF SERVICE

BROKER/CONSULTANT shall, as respects the PROGRAMS identified in **Addendum A** attached hereto, at CLIENT's request, perform the following SERVICES:

- A. Develop and recommend to CLIENT insurance and other risk financing or loss funding PROGRAMS, techniques and methods whenever they will benefit CLIENT.
- B. Develop underwriting information, structure offerings to insurers and secure, when reasonably available, a PROGRAM as desired by CLIENT with financially acceptable insurance companies or other pooling programs providing the balance of coverage scope, cost and services selected by the CLIENT.
- C. Design insurance wording for PROGRAM contracts to meet the specific needs of CLIENT.
- D. Review marketing plan with CLIENT prior to approaching insurers on any PROGRAM.
- E. Review insurance policies, binders, certificates and other documents related to the PROGRAM for accuracy and obtain revisions in such documents when needed.
- F. Monitor the PROGRAM to assure its continuing balance of coverage scope, cost, service and stability.
- G. Prepare written reports to CLIENT management to include:

1. Reports as needed of pending rate, coverage or renewal expectations including significant changes in the financial status of major insurers, reinsurers and other entities providing services for PROGRAM. At least ninety (90) days prior to PROGRAM anniversary, a written report stating anticipated renewal terms and conditions and other indications of market conditions, trends and anticipated changes; and
 2. Not more than ninety (90) days after renewal, comprehensive annual summary report outlining the PROGRAM for use in the CLIENT Annual Report. Such report shall contain the following information:
 - a) Recapitulation of PROGRAM'S cost for current and preceding years.
 - b) Summary of coverages and other PROGRAM terms and conditions, including any coverage not purchased through the BROKER/-CONSULTANT.
- H. Provide additional brokerage services as agreed upon by the PARTIES.
- I. Evaluate the financial status and service capabilities of the insurers affording coverage or making quotations of coverage under the PROGRAM, based upon the available data. CLIENT recognizes and agrees that BROKER/CONSULTANT is not responsible for any change in the financial condition of any insurance carrier.
- J. Deliver binders or other evidences of insurance within ten (10) calendar days after the placement of any insurance under the PROGRAM to be effective until such time as the policy or policies for the placement are received by CLIENT from the insurance carriers. Such binders shall be signed by an authorized agent or employee of the insurance carrier.
- K. Use best efforts to secure a correct policy or policies within sixty (60) days of placement of any insurance under the PROGRAM.
- L. Issue all certificates of insurance in order to meet the needs of the CLIENT's members, in accordance with the standards, procedures and specifications set by the CLIENT.
- M. Maintain the property schedule of values for CLIENT's members.
- N. Prepare and maintain agendas, meeting materials, meeting arrangements, meeting notes and an annual calendar for all CSURMA Board of Directors, Executive Committee, standing committees, ad hoc committees and task groups.

- O. Record, prepare, maintain and timely distribute minutes of all CLIENT Board of Directors, standing committees, ad hoc committees and task groups.
- P. Record, prepare and maintain resolutions adopted by the CLIENT Board of Directors and committees.
- Q. Work with CLIENT committees and coordinate the activities of the committees.
- R. Develop and maintain the program manuals for each CLIENT program.
- S. Administer CLIENT PROGRAMS in conformance and compliance with the accreditation standard of the California Association of Joint Powers Authorities (“CAJPA”) to the extent and degree the CLIENT Board of Directors determines that standard is applicable.
- T. In conjunction and consultation with CLIENT’s MANAGING MEMBER develop an annual CLIENT budget and assist CLIENT’s MANAGING MEMBER accounting in producing invoices for billing CLIENT MEMBERS.
- U. Prepare rating and dividend calculations for CLIENT’s self-insured programs and allocate costs in compliance with CLIENT’s adopted program rating methodology, policies and procedures.
- V. Provide analysis and review, as needed, of CLIENT’s adopted program rating methodology, policies and procedures and make recommendations as warranted.
- W. Issue, modify as directed, and maintain CLIENT’s memoranda of coverage forms and policy forms.
- X. Assist, to the extent necessary, with annual financial audits conducted by CLIENT MEMBERS’ retained auditors.
- Y. Attend meetings at MEMBERS’ sites and attend CLIENT-related meetings and conferences as requested and necessary.
- Z. Produce all CLIENT general communications as directed by CLIENT.
- AA. Monitor loss reports prepared for CLIENT’s programs.
- BB. Assist in the development of new programs to the extent such programs fall within BROKER/CONSULTANT’s expertise and available resources.
- CC. Coordinate loss control and property appraisal services as directed by CLIENT.

- DD. Assist and advise CLIENT MEMBERS regarding contractual terms and provisions addressing insurance and insurance coverage related to CLIENT's PROGRAMS.
- EE. Serve as a central "clearing house" and custodian of records for the dissemination and retention of CLIENT administrative and operational documents, information and other materials.
- FF. Provide PROGRAM claims assistance and advocacy to CLIENT MEMBERS.

V. COMPENSATION

With respect to the PROGRAMS identified in **Addendum A** and the SERVICES specified in Section IV, SCOPE OF SERVICE, it is agreed that BROKER/CONSULTANT shall receive COMMISSIONS in an amount identified in **Addendum A** for the relevant lines of coverage.

A. Disclosures.

1. **Transparency and Disclosure.** During the time of this AGREEMENT, BROKER/CONSULTANT will annually disclose any commissions received by BROKER/CONSULTANT or any affiliated company in connection with any insurance placements on behalf of CLIENT under the BROKER's "Transparency and Disclosure" policy, a copy of which is made available upon request. Pursuant to its policy, Alliant will conduct business in conformance with all applicable insurance regulations and in advancement of the best interests of its CLIENTs. In addition, Alliant's conflict of interest policy precludes it from accepting any form of broker incentives that would result in business being placed with carriers in conflict with the interests of Alliant's and/or CLIENT's.
2. **Other Alliant Services.** In addition to the COMPENSATION that BROKER/CONSULTANT receives, its related entity, Alliant Specialty Insurance Services ("ASIS") and its underwriting operations, Alliant Underwriting Services ("AUS") may receive compensation from BROKER/CONSULTANT and/or a carrier for providing underwriting services. The financial impact of the compensation received by AUS and/or ASIS is a cost included in the premium. Compensation received by AUS and/or ASIS will be disclosed in writing to CLIENT and is agreed to by CLIENT as part of the premium. CLIENT further acknowledges that BROKER/CONSULTANT and ASIS maintain an arm's length relationship. CLIENT understands that while BROKER/CONSULTANT represents CLIENT as an individual entity, AUS and/or ASIS independently administers its program as a whole and

not on behalf of any particular member.

The amount of compensation to be received by ASIS will be disclosed in writing to CLIENT and is agreed to by CLIENT as part of the premium.

Additionally, the related entity of Alliant Business Services (ABS) may receive compensation from BROKER/CONSULTANT and/or a carrier for providing designated, value-added services. Services contracted for, by the CLIENT directly, will be invoiced accordingly. Otherwise, services will be provided at the expense of BROKER/CONSULTANT and/or the carrier.

3. **Non-Compete.** BROKER/CONSULTANT agrees that, for a period of two years following the TERMINATION of this AGREEMENT, it will refrain from soliciting CLIENT Members from PROGRAMS.

VI. TAXES & FEES, THIRD PARTY BROKERS AND INDIRECT INCOME

- A. **Surplus Lines Fees and Taxes:** In certain circumstances, placement of insurance services made by BROKER/CONSULTANT on behalf of CLIENT, with the prior written approval of CLIENT, may require the payment of surplus lines assessments, taxes and/or fees to state regulators, boards and associations. Such assessments, taxes and/or fees will be charged to CLIENT and identified separately on invoices covering these placements. CLIENT shall be responsible for all such assessments, taxes and fees, whether or not separately invoiced. BROKER/CONSULTANT shall not be responsible for the payment of any such fees, taxes or assessments, except to the extent such fees, taxes or assessments have already been collected from CLIENT.
- B. **Third Party Brokers:** BROKER/CONSULTANT may determine from time to time that it is necessary or appropriate to utilize the services of third party brokers (such as surplus lines brokers, underwriting managers, London market brokers, and reinsurance brokers) to assist in marketing the CLIENT insurance PROGRAM. Subject to the provisions herein, these third party brokers may be affiliates of BROKER/CONSULTANT (e.g., other companies of BROKER/CONSULTANT that provide services other than those included within the SCOPE OF SERVICES of this AGREEMENT), or may be unrelated third party brokers. Compensation to such third party brokers will be paid by the insurance company out of paid insurance premiums. Any such compensation to affiliates shall be disclosed in writing to CLIENT and is agreed to by CLIENT as part of the premium.

C. Indirect Income includes such items as insurance carrier contingency arrangements. BROKER/CONSULTANT will not accept these compensation incentives from insurers, including contingent commissions, market service agreements (MSA), volume-based commission incentives and rebates on business for any of the PROGRAMS placed on behalf of CLIENT within the scope of this AGREEMENT. Notwithstanding the foregoing, nothing in this AGREEMENT will preclude BROKER/CONSULTANT from recovering indirect income from insurers for those lines of insurance coverage placed on behalf of MEMBERS and/or CLIENT that are not within the scope of the PROGRAMS under this AGREEMENT.

VII. PERSONNEL

BROKER/CONSULTANT agrees key personnel are responsible for performance of the designated functions for CLIENT as delineated in **Addendum B**. Should such personnel become unavailable to perform SERVICES for CLIENT, BROKER/CONSULTANT agrees to replace, as soon as practical, such personnel with personnel of comparable skills and experience as determined by CLIENT's evaluation and subject to CLIENT's right of refusal for any reason.

VIII. TERM

The term of the AGREEMENT shall be effective from 12:00 a.m. July 1, 2020 and ending 12:01 a.m. June 30, 2025, (five years) unless cancelled pursuant to Section X, TERMINATION. CLIENT shall have an option to extend the AGREEMENT for two additional one-year periods, exercisable by CLIENT by notifying BROKER/CONSULTANT of such extension prior to the anniversary date. This AGREEMENT shall have an anniversary date each July 1st, for the purpose of reviewing compensation and optional extensions. This AGREEMENT supersedes and replaces all previous Agreements or Contracts.

IX. NONASSIGNABLE

This AGREEMENT is binding upon the PARTIES hereto and their respective successors by merger, sale, consolidation or reorganization. The AGREEMENT is otherwise personal to the PARTIES and cannot be assigned or delegated without prior written consent of the other PARTY.

X. TERMINATION OF THIS AGREEMENT

The AGREEMENT may be cancelled by either PARTY any time upon ninety (90) days advance written notice delivered or mailed to the other PARTY. In the event of termination or expiration of this AGREEMENT, BROKER/CONSULTANT will assist CLIENT in arranging the transition to another broker, including, but not limited to, providing CLIENT with copies of all products, files, records, computations, quotations, studies and other data prepared or obtained in connection with this AGREEMENT, which copies shall become the permanent property of the CLIENT. Except for this transition assistance, BROKER/CONSULTANT's obligation to provide SERVICES to CLIENT will cease at 12:01 a.m. upon the effective date of termination or expiration.

XI. DISASTER RECOVERY/CONTINUITY

BROKER/CONSULTANT agrees that it has a disaster recovery plan in place that is intended to secure, and if necessary, restore information physical and electronic data affected by a security breach, force majeure or natural disaster. In addition, BROKER/CONSULTANT will make commercially reasonable efforts to ensure that, at all times, it has a sufficient number of trained personnel on hand to meet its obligations under this AGREEMENT including in the event of a force majeure, natural disaster, or pandemic.

XII. NON-SOLICITATION

BROKER/CONSULTANT agrees that, during the TERM of this AGREEMENT, BROKER/CONSULTANT'S personnel shall not purposely solicit MEMBERS from PROGRAMS on which they provide SERVICES. CLIENT understands and agrees that BROKER/CONSULTANT has offices, staff, clients, and prospects nationwide and nothing in this paragraph shall restrict it from responding to any request for proposal, or from otherwise providing services or products when asked by a MEMBER; provided, however, that BROKER/CONSULTANT must receive permission from CLIENT prior to providing services or products to a MEMBER in connection with any PROGRAM serviced by BROKER/CONSULTANT under this AGREEMENT. In addition, this paragraph shall not prohibit BROKER/CONSULTANT from engaging in general advertising, or marketing campaigns. Nothing in this paragraph shall be applied in a manner that violates any state or federal law or regulation.

XIII. ENTIRE AGREEMENT MODIFICATION.

This AGREEMENT contains the entire agreement between the PARTIES and supersedes and replaces all previous agreements or contracts on the subject matter described herein. The AGREEMENT can be modified only by a written amendment signed by both PARTIES. This AGREEMENT shall be governed by the laws of the State of California without regard to any conflict of law provisions.

XIV. SEVERABILITY

If any term, covenant, condition or provision of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

XV. APPLICABLE LAW

This AGREEMENT has been executed and delivered in the State of California, and the validity, enforceability and interpretation of any of the clauses of this AGREEMENT shall be determined and governed by the laws of the State of California.

XVI. RELATIONSHIP OF THE PARTIES.

At all times and for all purposes, the relationship between the PARTIES is intended to be that of independent contractors and there is no intent to create a joint venture relationship, and any person representing BROKER /CONSULTANT, shall be an independent contractor to CLIENT, and the AGREEMENT shall not in any way be construed as a contract of employment between CLIENT and BROKER/CONSULTANT's agents. In addition, the PARTIES agree that, except as otherwise provided herein, CLIENT shall not be obligated for any expense incurred by BROKER/CONSULTANT in rendering SERVICES, or by engaging in any other transaction or conduct arising out of this AGREEMENT.

XVII. OWNERSHIP OF BOOKS AND RECORDS.

The PARTIES shall each maintain normal business records related to all business generated under this AGREEMENT. Upon reasonable request, and subject to the confidentiality provisions set forth herein, the PARTIES may each obtain from the other copies of all policyholder documents, including but not limited to policies, binders, certificates, endorsements, underwriting data, loss data, and other statistical information in the other's possession, custody, or control with respect to all business generated under this AGREEMENT.

XVIII. WAIVER.

No provision of this AGREEMENT shall be considered waived, unless such waiver is in writing and signed by the PARTY that benefits from the enforcement of such provision. No waiver of any provision in this AGREEMENT, however, shall be deemed a waiver of a subsequent breach of such provision or a waiver of a similar provision. In addition, a waiver of any breach or a failure to enforce any term or condition of this AGREEMENT shall not in any way affect, limit, or waive a PARTY'S right under this AGREEMENT at any time to enforce strict compliance thereafter with every term and condition of this AGREEMENT.

XIX. HOLD HARMLESS AND IDEMNITY

- A. In the event that BROKER/CONSULTANT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, any provision of the AGREEMENT, or any written rule, regulation, policy, procedure or similar instruction under the PROGRAM, BROKER/CONSULTANT shall indemnify, defend, and hold CLIENT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by CLIENT in connection with such conduct.
- B. In the event that CLIENT, its agents, employees, representatives, or assigns, negligently or intentionally violate any law or regulation, or any provision of the AGREEMENT, CLIENT shall indemnify, defend, and hold BROKER/CONSULTANT harmless from and against all loss and damage, including any reasonable costs or expenses (including attorney's fees), incurred by BROKER/CONSULTANT in connection with such conduct.

XX. INSURANCE REQUIREMENTS

During the term of this Agreement, BROKER/CONSULTANT shall maintain the following insurance coverage and limits or the equivalent self-insurance coverage:

1. Professional Liability insurance with minimum limits of at least \$10 million per claim providing coverage for any errors and omissions that the BROKER/CONSULTANT or its agents may make resulting in financial loss to CLIENT.
2. Commercial General and Automobile Liability insurance with limits of at least \$1 million combined single limit per occurrence and in the aggregate for bodily injury and property damage. The policies are to contain, or be endorsed to contain the following provisions:

- a) CLIENT, its trustees, officers, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of the work or operations performed by the BROKER/CONSULTANT or on behalf of the BROKER/CONSULTANT, or “any auto,” whether owned leased, hired or borrowed by the BROKER/CONSULTANT.
 - b) For any covered claims related to this Agreement, the BROKER/CONSULTANT’s insurance coverage shall be primary insurance as respects CLIENT, its trustees, officers, employees, or volunteers. Any insurance or self-insurance maintained by CLIENT or any of its members shall be excess to the BROKER/CONSULTANT’s insurance and shall not contribute with it.
3. Workers’ Compensation coverage in compliance with the laws of the State of California, and Employers’ Liability insurance in the amount of at least \$1 million per accident or aggregate.
 4. Excess Liability of at least \$4 million per occurrence (and in the aggregate) coverage over General Liability, and Auto primary coverage.

Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled or non-renewed by BROKER/CONSULTANT, except with notice by certified mail, return receipt requested, given to CLIENT.

All insurance carriers providing the coverages required by this section shall have a financial rating of at least an “A-” published A.M. Best or an equivalent financial rating firm published reports will be used to confirm the insurance carriers’ rating, unless the BROKER/CONSULTANT has obtained the CLIENT’s written acknowledgment that an insurance carrier with a lower financial rating is permitted.

BROKER/CONSULTANT shall also provide to CLIENT certificates of insurance and copies of applicable endorsements evidencing the above coverages and limits, and will maintain these coverages during the term of this Agreement.

The failure of the BROKER/CONSULTANT to procure and maintain the required insurance does not negate the BROKER/CONSULTANT’s obligation under this Agreement to do so.

XXI. OBLIGATIONS OF CLIENT

CLIENT agrees to cooperate with BROKER/CONSULTANT in the performance of BROKER/CONSULTANT's services by providing BROKER/CONSULTANT, upon request, with reasonable access to CLIENT's personnel and information, including providing complete and accurate information as to CLIENT's loss experience, risk exposures and any other pertinent information that BROKER/CONSULTANT requests. In addition, when known, CLIENT shall have the responsibility to keep record of and immediately report significant changes in exposures, loss-related data, and/or any other material changes to BROKER/CONSULTANT. This reporting must be memorialized in writing and delivered to Alliant in accordance with the notice provisions below.

CLIENT shall promptly review coverage documents delivered by BROKER/CONSULTANT for consistency with CLIENT's specifications, and shall designate one or more Officers or Committees of CLIENT to receive and evaluate recommendations to the Officer(s) or Committee(s) of CLIENT having ultimate decision-making authority on such matters.

CLIENT shall pay agreed upon insurance, reinsurance and other costs (including premiums, taxes and fees) timely upon receipt of invoices from BROKER/CONSULTANT. BROKER/CONSULTANT shall not be responsible for payment of insurance, reinsurance and other costs until paid in full to BROKER/CONSULTANT by CLIENT or CLIENT's MEMBERS.

XXII. DISPUTE RESOLUTION

Any dispute arising under the terms of this Agreement, which is not resolved within a reasonable period of time by authorized representatives of the BROKER/CONSULTANT and the CLIENT, shall be brought to the attention of the Chief Executive Officer (or designated representative) of the BROKER/CONSULTANT and the General Manager (or designee) of the CLIENT for joint resolution. At the request of either PARTY, the CLIENT shall provide a forum for discussion of the disputed item(s). If resolution of the dispute through these means is pursued without success, such dispute shall first be mediated before a neutral mediator selected by the parties. The mediation shall take place within forty-five (45) days of the impasse or as the parties may agree. If mediation is unsuccessful, the matter may be submitted to final and binding arbitration, upon agreement of both PARTIES, or either PARTY may elect to pursue any rights and remedies by legal action. Such arbitration shall be conducted under the auspices of, and in accordance with the procedures and rules of the California Arbitration Act (Code of Civil Procedure Sections 1280 through 1294). In any dispute arising out of or under the terms of this Agreement, the prevailing PARTY shall be entitled to recover its legal fees and costs including attorney fees from the other PARTY. Any such arbitration or legal action shall be venued in San Mateo County, California unless the PARTIES mutually agree in writing to another venue.

Despite an unresolved dispute, the BROKER/CONSULTANT shall continue without delay to perform its responsibilities under this AGREEMENT. The BROKER/CONSULTANT shall keep accurate records of its SERVICES in order to document the extent of its SERVICES under this AGREEMENT.

XXIII. COPYRIGHT

Any reports, documents or other materials produced in whole or in part under this AGREEMENT shall be the property of CLIENT and none shall be subject to an application for copyright by or on behalf of BROKER/CONSULTANT.

XXIV. CONFIDENTIALITY.

- A. **CLIENT Information.** BROKER/CONSULTANT will not disclose to any third party any of CLIENT's confidential information, protected tangible or intangible property rights, intellectual property, or trade secrets ("CLIENT INFORMATION") that are obtained in the course of providing SERVICES to CLIENT, except in the furtherance of insurance brokerage, risk management, risk transfer, employee benefits or other insurance related SERVICES or products provided by BROKER/CONSULTANT to CLIENT, and only on condition that such insurers and financial institutions are informed of the confidential nature of such information. This information may include information relevant to the underwriting and/or evaluation of CLIENT's risks and the processing of claims.
- B. **Confidential Information.** The services and work product exchanged by the PARTIES under this AGREEMENT are to be used exclusively to carry out the terms, conditions, and purposes set forth herein. The PARTIES acknowledge that during the term of this AGREEMENT, they may each exchange information considered confidential, proprietary and/or trade secret including, without limitation, data, recommendations, proposals, reports and similar information, CLIENT INFORMATION (as defined above), and work product (collectively, "CONFIDENTIAL INFORMATION"). For purposes of this AGREEMENT, the party disclosing CONFIDENTIAL INFORMATION shall be called the DISCLOSING PARTY and the party receiving CONFIDENTIAL INFORMATION shall be called the RECIPIENT PARTY. The PARTIES understand and agree that they will not distribute, use, or rely upon CONFIDENTIAL INFORMATION received from the other without the permission of the DISCLOSING PARTY.
1. **Ownership.** Except as otherwise provided in this AGREEMENT,

CONFIDENTIAL INFORMATION is and remains the absolute and exclusive property of the DISCLOSING PARTY and/or its affiliates, and is its unique and variable asset. Unless otherwise authorized by this AGREEMENT, no copies of CONFIDENTIAL INFORMATION shall be made without the written permission of the DISCLOSING PARTY. The PARTIES agree that, except as otherwise provided herein, they will not directly or indirectly communicate, divulge, or otherwise disclose any of the other's CONFIDENTIAL INFORMATION to any unauthorized person, firm, or corporation, and shall prevent, to the best of their ability, the unauthorized disclosure of such CONFIDENTIAL INFORMATION to others.

2. **Exclusions.** The following types of information shall not be considered confidential:

- a) Information in the public domain or that becomes a part of the public domain, other than as a result of a breach of the confidentiality provisions of this AGREEMENT;
- b) Information that is independently developed by either PARTY as demonstrated by the PARTY's records;
- c) Information that is disclosed by a third party whom the RECIPIENT PARTY has no reason to believe has any confidentiality or fiduciary obligation to the owner of such information;
- d) Information that is required to be disclosed by law or judicial process, provided the disclosing party gives the non-disclosing party prior notice of subpoena or request for information so that the non-disclosing party can seek a protective order, or other appropriate injunctive relief;
- e) Services in connection with loss portfolio transfers and alternative risk financing;
- f) Establishment and administration of captive insurers; or,
- g) Non-recurring insurance placements involving significant quantitative or actuarial analysis or modeling, placements of risks with financial institutions other than insurance carriers, and placements of risks not customarily accepted by insurers.

C. **Reasonable Efforts.** The PARTIES agree to employ reasonable and customary business practices to protect and secure both CLIENT INFORMATION and CONFIDENTIAL INFORMATION from unauthorized release or distribution and to limit access and usage of such information to those employees, officers, agents, and representatives who

“need to know” in order to provide the products and SERVICES under this AGREEMENT. The PARTIES further agree that those employees, officers, agents, and representatives who are privy to CLIENT INFORMATION and/or CONFIDENTIAL INFORMATION shall be informed about the confidential nature of the information and required to maintain its confidentiality as provided under this AGREEMENT.

- D. **Survival.** The PARTIES agree that the obligations contained herein shall survive the termination of this AGREEMENT, for a period of two (2) years, or longer if required by applicable law. Nothing in this section limits or otherwise diminishes the protections afforded by applicable law to trade secrets or other proprietary information.

XXV. ETHICS AND CONFLICT OF INTEREST STATEMENT

The BROKER/CONSULTANT understands and agrees that CLIENT desires to compare the cost of obtaining services or insurance products from BROKER/CONSULTANT against other viable and competitive options and expects that the BROKER/CONSULTANT will make its compensation agreements and revenue streams known to CLIENT, so as to provide CLIENT with a clear accounting of the costs of the placement of insurance services and products. The BROKER/CONSULTANT shall conduct its business so as to fulfill all legal and ethical requirements and standards of the industry and the State of California, and shall place the best interests of CLIENT ahead of any other concerns in the placement of insurance services and products. To this end, BROKER/CONSULTANT:

1. Warrants that it will adhere to its ethical obligations to CLIENT to deliver honest, competitive, and meaningful service and advice on the placement of any insurance products, services, or coverages, and to provide access to an open, fair, and competitive insurance market place;
2. Will exercise due diligence in making a full and complete disclosure of all quotes and declinations from all markets contacted for each specific line of coverage, including the date and time of contact, and the name, address, phone number and email address of the individual contact for each market;
3. Will make every good faith attempt to avoid even the appearance of a conflict of interest between the BROKER/CONSULTANT, CLIENT, and any provider of any insurance product or service, and will promptly notify CLIENT of any real or potential conflict of interest;
4. Agrees to provide to CLIENT a copy of BROKER/CONSULTANT’s own Ethics Statement or Code, or BROKER/CONSULTANT Compliance Statement, or to make such statements available on the BROKER/CONSULTANT’s website;

5. Will require that all insurance carriers show any commission rates on their insurance policies and ensure those rates are known to CLIENT;
6. Acknowledges the mutual trust and confidence by both parties, and that all actions of the BROKER/CONSULTANT shall be for the specific benefit of the CLIENT and their programs as a whole.

XXVI. NOTICE

All notices, requests, and other communications given under this AGREEMENT, shall be in writing and deemed duly given: (a) when delivered personally to the recipient; (b) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid); (c) five (5) business days after being sent by U.S. certified mail (charges prepaid); or (d) one (1) business day after being sent to the recipient by email transmission. Except as otherwise provided herein, all notices, requests or communications under this AGREEMENT shall be addressed to the intended recipient as set forth below:

To CLIENT: SPA C/O SIA JPA
P.O. Box 276710
Sacramento, CA 95827
Attn.: Martin Brady

To BROKER/CONSULTANT: Alliant Insurance Services, Inc.
100 Pine Street 11th Floor
San Francisco, CA 94111
Attn: Daniel Howell

With a copy to: Alliant Insurance Services, Inc.
701 B Street, 6th Floor
San Diego, CA 92101
Attn: General Counsel

XXVII. HEADINGS AND CONSTRUCTION.

The PARTIES agree that the headings and sections of this AGREEMENT are used for convenience only and shall not be used to interpret the provisions herein. The PARTIES also agree that the terms of this AGREEMENT were jointly negotiated and each has had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting party shall not be employed in the interpretation of this AGREEMENT.

IN WITNESS WHEREOF, CLIENT and BROKER/CONSULTANT have hereby executed this AGREEMENT on this _____ day of _____, 20__.

SCHOOLS PROGRAM ALLIANCE

By: _____
Martin Brady, SPA Managing Member, SIA

ALLIANT INSURANCE SERVICES, INC.

By: _____
Daniel Howell, Sr. Executive Vice President

ADDENDUM A
To Service Agreement
Programs Serviced

BROKER/CONSULTANT agrees to provide SERVICES to the following PROGRAMS of CLIENT:

1. "All Risk" Property,
2. Boiler and Machinery,
3. Terrorism,
4. Automobile Physical Damage.

As COMPENSATION for providing SERVICES to the above PROGRAMS of CLIENT, BROKER/CONSULTANT shall be paid commissions not to exceed 5% of excess premiums for above PROGRAMS.

It is understood and agreed that CLIENT may obtain additional services from BROKER/CONSULTANT for additional PROGRAMS. CLIENT and BROKER/CONSULTANT shall agree in writing with the MANAGING MEMBER the SCOPE OF SERVICE and compensation in advance of BROKER/CONSULTANT's performance of additional services.

It is understood and agreed that MEMBERS of CLIENT may obtain additional services from BROKER/CONSULTANT for additional SERVICES. Such MEMBERS and BROKER/CONSULTANT shall agree in writing with the MEMBER the SCOPE OF SERVICE and compensation in advance of BROKER/CONSULTANT's performance of additional services.

ADDENDUM B
To Service Agreement
Account Service Team

For the purposes of this Agreement, the following individuals shall be designated by BROKER/CONSULTANT as members of the Account Service Team and shall be responsible for all matters relating to CLIENT's account (changes to the Account Team may be made upon mutual written agreement between the PARTIES and will not be unreasonably withheld). BROKER/CONSULTANT will notify CLIENT, in advance, of any change within the Account Team assigned.

BROKER/CONSULTANT agrees to provide an Account Team to SERVICE the following PROGRAMS of CLIENT that includes:

1. Daniel Howell, Senior Account Manager
2. Daniel Madej, Senior Account Manager



Item No: E.5.

APPROVAL OF PROPERTY PROGRAM COST ALLOCATION AND DELEGATION OF AUTHORITY TO BIND EXCESS COVERAGE FOR PY 20/21

ISSUE: The Founding members of SPA engaged Alliant Insurance services to conduct a feasibility study for the development of a group property insurance program that could offer a long term solution. The SPA Feasibility Study including actuarial analysis of loss history, catastrophic modeling of earthquake, wildfire and flood, as well as exposure analysis. In January, 2020, the Founding Members directed Alliant to market their respective property insurance programs to develop a program with broad coverage at efficient pricing. Alliant has taken the reinsurance marketing results combined with the prior actuarial and modeling studies to create a rating methodology that includes:

- Allocation of administrative, appraisal, loss control and retained fund costs based on insured value exposure;
- Allocation of reinsurance/excess insurance costs based on exposure, modeling and market response; and,
- Application of collars to smooth allocations, balancing cost stability with loss accountability.

The table below recaps the cost allocation.

**TABLE 1
SPA Property Coverage Program Costs For PY 20/21**

	A	B	C	D
JPA Member	Final SPA Program Deposit	SPA Retained Layer Deposit Allocation	SPA Admin Cost Allocation	SPA Reinsurance Cost Allocation
	(B + C + D)			
Butte Schools Self-Funded Programs	\$ 1,350,000	\$ 91,222	\$ 12,923	\$ 1,245,855
North Bay Schools Insurance Group	\$ 1,950,000	\$ 318,670	\$ 45,144	\$ 1,586,186
Schools Insurance Authority	\$ 4,645,000	\$ 1,669,029	\$ 236,446	\$ 2,739,525
Schools Insurance Group	\$ 3,400,000	\$ 493,861	\$ 69,964	\$ 2,836,175
Redwood Empire Schools Insurance Group	\$ 3,330,000	\$ 427,218	\$ 60,523	\$ 2,842,259
Total	\$ 14,675,000	\$ 3,000,000	\$ 425,000	\$ 11,250,000

Initial discussion contemplated each member funding up to 1.5 times their initial retained layer allocation based on a retrospective review of losses through 36 months from inception. Due to the aggregate increasing from \$2.5 to \$3 million due to market pressures and with the withdrawal of one prospective member, SIA is exposed to approximately 50% of the retained layer. It is recommended that each member be retrospectively allocated up to 1.5 times their initial retained layer allocation, except SIA be capped at 1 times their initial retained layer allocation. SIA's



Schools Program Alliance

c/o Alliant Insurance Services

Corporation Insurance License No. 0C36861

2180 Harvard Street, Suite 460, Sacramento, CA 95815

Meeting Date: June 22, 2020

capped allocation would be evaluated annually based on updated information and likely increased over time to 1.5 times as the program attracts new members and reduces SIA's share of the exposure.

RECOMMENDATION: It is recommended that the Board of Directors evaluate the proposed SPA Property Program Allocation and retrospective adjustment and take action to adopt the allocation for PY 20/21. It is further recommended that the Managing Member be delegated authority to bind the excess coverage, as well as any optional ancillary coverages per each Member's preference to participate (terrorism, pollution and deadly weapons).

FISCAL IMPACT: The proposed allocation has been shared with the Founding members and refined through the marketing process. Members would be allowed to defer funding of the retained layer during PY 1 until such time as claims may become payable.

BACKGROUND: The SPA program has been developed in a detailed feasibility study and marketing reports provided to the Founding Members

ATTACHMENTS: None.



Item No: E.6.

ADOPTION OF DATE, TIME AND LOCATION FOR SPA ANNUAL MEETING

ISSUE: 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 time frame before the annual program renewals. Due to the formation timeline, it is necessary to schedule an Annual Meeting in the near future.

RECOMMENDATION: It is recommended that the Board agree on a date and location in July or August, 2020.

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

BACKGROUND: None.

ATTACHMENTS: None.