



**FAIRA BOARD & EXECUTIVE BOARD MEETING
December 9, 2024**



FAIRA Key Contacts

<u>Contact Name</u>	<u>Office #</u>	<u>Alternate / Cell #</u>	<u>E-Mail</u>
Susan Blankenburg (FAIRA)	415-536-4005	415-517-8028	susan_blankenburg@ajg.com
Tay Gonzalez (FAIRA)	415-536-4004		tay_gonzalez@ajg.com
Zack Phillips (FAIRA)	415-536-8455	415-420-5131	zack_phillips@ajg.com
Mike Sims (Bonita Sunnyside FPD)	619-479-2346	619-540-8303	msims@bonitafd.org
Ken Musso (South Placer FPD)		916-990-6259	kmusso@comcast.net
George Nunez (Aromas FPD)	831-333-4600	831-601-2502	george.nunez@fire.ca.gov
Andy Lawler (San Miguel FPD)	619-670-0500	619-507-0595	alawler@sanmiguelfire.org
Ryan McIntosh (Central Lyon County FPD)	775-526-9240		rmcintosh@centralfirenv.org
Dustin Hail (Fresno County FPD)		559-281-4300	dustin.hail@fire.ca.gov
Don Butz (Lakeside FPD)	619-390-2350	619-402-0846	dbutz@lakesidefire.com
Brian Boggeln (Alpine FPD)	619-445-2635	619-203-0050	bboggeln@alpinefire.org
Jason Gibeaut (Northstar CSD)	530-562-1212	530-414-8857	jgibeaut@northstarcsd.org
Rhonda Haynes (Orange County FA)	714-573-6833		rhondahaynes@ocfa.org
Michael Golden (North Central FPD)	559-570-1460	559-779-8519	michael.golden@northcentralfire.org
Ty Bailey (Sacramento Metro FPD)	916-859-4530	916-616-2404	bailey.ty@metrofire.ca.gov
Eric Walder (Waterloo Morada FPD)	209-931-3107	209-253-9455	ewalder@wmfire.org
John Chaquica (George Hills)	916-859-4824	916-995-9451	john.chaquica@georgehills.com
Joe Mastro (Mastro & Associates)	559-261-4300	559-917-5632	joemcpa@sbcglobal.net
Jack Joyce (Bay Actuarial Consultants)	925-377-5269	902-286-0685	jjoyce@bayactuarial.com
Sam Black (Charles Schwab & Co)	415-945-6464	415-994-7941	sam.black@schwab.com
Don Jesberg (KCM Investments)	415-461-7788		djesberg@kcmadvisors.com
Dale Bacigalupi (FAIRA Counsel)	559-431-5600	559-246-8639	dbacigalupi@lozanosmith.com

FAIRA MEETING CALENDAR 2024

MEETING DATES	TIME	MEETING	LOCATION
December 9, 2024 AS CALLED BY THE BOARD PRESIDENT	9:00am	Board and Executive Meeting	Fully Virtual via Microsoft Teams
March 24, 2025 AS CALLED BY THE BOARD PRESIDENT	10:30am	Board and Executive Meeting	Sacramento Metropolitan Fire Headquarters 10545 Armstrong Ave, Suite 200 Mather, CA 95655
May 27, 2025	9:00am	Annual Premium and Budget Adoption Meeting	Fully Virtual via Microsoft Teams
June 9, 2025	TBD	Annual Board Meeting	TBD
September 2025	TBD	Board and Executive Meeting	Sacramento Metropolitan Fire Headquarters 10545 Armstrong Ave, Suite 200 Mather, CA 95655

*All dates and meeting venues are subject to change as directed by the President of the Board

President

Chief Don Butz

Lakeside FPD
Lakeside, CA

Director

**Assistant Chief
Ryan McIntosh**

Central Lyon County FPD
Dayton, NV

Director

Ken Musso

South Placer FPD
Granite Bay, CA

Vice President

Chief Eric Walder

Waterloo- Morada FPD
Stockton, CA

Director

Chief Mike Sims

Bonita-Sunnyside FPD
San Diego, CA

Director

Deputy Chief Ty Bailey

Sacramento Metropolitan Fire
Mather, CA

Director

Michael Golden

North Central FPD
Kerman, CA

Director

Chief Jason Gibeaut

Northstar CSD
Truckee, CA

Director

Chief George Nunez

Aromas Tri-County FPD
Monterey, CA

Director

Chief Dustin Hail

Fresno FPD
Sanger, CA

Treasurer

Chief Brian Boggeln

Alpine FPD
Alpine, CA

Elected Executive Board Member

Rhonda Haynes

Orange County Fire Authority
Irvine, CA

Secretary

Chief Andy Lawler

San Miguel Consolidated FPD
Spring Valley, CA



1 Call to Order and Determination of a Quorum

Call to Order and Determination of a Quorum

2 Confirmation of Agenda

NOTICE AGENDA OF THE FIRE AGENCIES MEETING OF THE BOARD

December 9, 2024, at 9:00 a.m.

To be posted by all Districts in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.

This meeting will be conducted in a manner that protects the statutory and constitutional rights of the parties or public appearing before the FAIRA Board of Directors. The Fire Agencies Insurance Risk Authority (FAIRA) will hold the Board Meeting on Monday December 9, 2024, at the following locations:

910 Northstar Dr, Truckee, CA 96161

1364 Tavern Rd, Alpine, CA 91901

210 S Academy Ave, Sanger, CA 93657

3849 Oak Tree Ln, Loomis, CA 95650

6925 E Foppiano Ln, Stockton, CA 95212

5070 N Sixth St. Ste #152, Fresno, CA 93710

246 Dayton Valley Rd. #106, Dayton, NV 89403

2221 Garden Rd, Monterey, CA 93940

1 Fire Authority Rd. Irvine, CA 92602

12216 Lakeside Avenue, Lakeside, CA 92040

4900 Bonita Rd, Bonita, CA 91902

2850 via Orange Way, Spring Valley, CA 91977

AGENDA

1	<i>Call to Order and Determination of a Quorum</i> -----	5
2	<i>Confirmation of Agenda</i> -----	6
3	<i>Public Comment</i> -----	8
	Oral Communications to the Board, opportunity for public comment with respect to matters not on the agenda. --	8
	This portion of the agenda may be utilized by any person to address the Board of Directors on any matter within the jurisdiction of FAIRA not listed on the agenda. Depending on the subject matter, per the Ralph M. Brown Act, the Board may not be able to respond at this time or until the specific item is placed on the agenda for a future meeting. Speakers are limited to three (3) minutes. -----	8
4	<i>Approval of the Minutes of the September 16, 2024, Board and Executive Board Meeting</i> -----	9
	Consideration and Possible Action -----	13
5	<i>General Manager's Report – Susan Blankenburg</i> -----	14
5.1	<i>Website Streamline</i> -----	14
	Consideration and Possible Action -----	14
5.2	<i>Online Application Programming Update</i> -----	17

Consideration and Possible Action -----	17
5.3 Vendor Contracts -----	21
Consideration and Possible Action -----	21
5.4 Change of Financial Auditor -----	22
Receive and File -----	22
5.5 Claims Report-----	27
Receive and File -----	27
5.6 Update of Staff Interaction with TPA -----	28
Receive and File -----	28
5.7 Fuel Management Survey-----	29
Receive and File -----	29
5.8 Discretionary Authority- Resolution 2024-2-----	30
Consideration and Possible Action -----	30
6 Broker Report – Natalie Bates -----	32
6.1 Prospecting Effort -----	32
Receive and File -----	32
7 Financial Report – Zack Phillips -----	36
7.1 Claims Payments Summary -----	36
Receive and File -----	36
7.2 Confirmation of Premium Payments -----	37
Receive and File -----	37
8 Correspondence -----	40
8.1 Notice of General Counsel’s Retirement -----	40
Receive and File -----	40
9 Adjournment -----	42
I certify that this Authority Agenda was posted and sent by email to all Members of the Authority 72 hours before the noted meeting. -----	42



Susan Blankenburg
General Manager

Date: December 9, 2024

FAIRA, in complying with the Americans with Disabilities Act (ADA), requests individuals who require specific accommodations to access, attend or participate in the Board Meeting, due to disability, to please contact the General Manager at 415-536-4005 at least two (2) business days prior to the scheduled meeting to ensure that the Authority may assist you. Others with questions concerning this Agenda please contact the General Manager at 415-536-4005.

3 Public Comment

Oral Communications to the Board, opportunity for public comment with respect to matters not on the agenda.

This portion of the agenda may be utilized by any person to address the Board of Directors on any matter within the jurisdiction of FAIRA not listed on the agenda. Depending on the subject matter, per the Ralph M. Brown Act, the Board may not be able to respond at this time or until the specific item is placed on the agenda for a future meeting. Speakers are limited to three (3) minutes.

4 Approval of the Minutes of the September 16, 2024, Board and Executive Board Meeting



FIRE AGENCIES INSURANCE RISK AUTHORITY MINUTES OF THE BOARD AND EXECUTIVE BOARD MEETING

September 16, 2024 at 11 A.M.

To be posted by all Districts in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.

The meeting was held at:

Sacramento Metropolitan Fire District Headquarters

10545 Armstrong Ave

Mather, CA 95655

Present: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Ken Musso (South Placer FPD); Michael Golden (North Central FPD); George Nunez (Aromas Tri-County FPD)

Absent: Dustin Hail (Fresno FPD); Andy Lawler (San Miguel Consolidated FPD); Rhonda Haynes (Orange County FA).

Staff: Susan Blankenburg (FAIRA); Tay Gonzalez (FAIRA); Natalie Bates (Gallagher)

Staff Attending Remotely: Zack Phillips (FAIRA); Anthony Carlton (Gallagher)

Item 1 - CALL TO ORDER AND DETERMINATION OF A QUORUM

President Don Butz called the meeting to order at 11:00 a.m. Quorum was confirmed via roll call.

Item 2 – Confirmation of Agenda

A **motion** was made by **Mike Sims** to approve the agenda as presented in the Board packet. A second on the motion was provided by **Eric Walder**.

Motion passed with all Directors in attendance voting in the affirmative. Approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD);

Ryan McIntosh (Central Lyon County FPD); Ken Musso (South Placer FPD); Michael Golden (North Central FPD); George Nunez (Aromas Tri-County FPD)

Item 3 - ORAL COMMUNICATIONS TO THE BOARD, OPPORTUNITY FOR PUBLIC COMMENT WITH RESPECT TO MATTERS NOT ON THE AGENDA

There were no public comments, and no written requests or statements were received.

Item 4- Approval of the June 24, 2024 Minutes

The minutes of the June 24, 2024, Board and Executive Board meeting were presented for approval.

A motion was made by **Michael Golden** to approve the agenda as presented in the Board packet. A second on the motion was provided by **Jason Gibeaut**.

Motion passed with all Directors in attendance voting in the affirmative. Approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Ken Musso (South Placer FPD); Michael Golden (North Central FPD); George Nunez (Aromas Tri-County FPD)

Item 5.1- George Hills TPA Agreement Update

General Manager Susan Blankenburg reviewed two proposed options for FAIRA's agreement with George Hills to act as the pool's Third-Party Administrator (TPA).

Option one is based on the time and expense that would be incurred from handling claims on FAIRA's behalf. Option two features a flat annual rate of \$135,500. Susan explained to the Board that the second option offers a simpler process for George Hills and saves FAIRA on the annual rate. Both options include an administrative fee of \$15,000.

The board approved Option 2 with the notable change of reinstating a passage in the indemnification section, as requested by General Manager Susan Blankenburg. The agreement was reviewed and approved by FAIRA General Counsel prior to being presented to the Board.

The motion to adopt Option 2 for FAIRA's agreement with George Hills for TPA services was made by **Eric Walder** and seconded by **Mike Sims**, passing unanimously.

Motion passed with all Directors in attendance voting in the affirmative. Approvals by: Eric Walder (Waterloo-Morada FPD); Brian Boggeln (Alpine FPD); Mike Sims (Bonita-Sunnyside FPD); Don Butz (Lakeside FPD); Ty Bailey (Sac Metro FPD); Jason Gibeaut (Northstar CSD); Ryan McIntosh (Central Lyon County FPD); Ken Musso (South Placer FPD); Michael Golden (North Central FPD); George Nunez (Aromas Tri-County FPD)

Item 5.2- George Hills Claims Portal

The webinar presenting the George Hills' claims portal was attended by over thirty (30) participants. The portal simplifies claims management by focusing on essential functions to enhance usability. Through the portal, District representatives with access can view their claim files, see reserves and paid amounts, as well as view the adjuster's notes. Susan noted that she had heard feedback from a few individuals who attended the webinar that they appreciated how easy it was to follow along.

A recording of the webinar will be made available to the Membership.

No Action Needed

Item 5.3- Claims Update

Zack Phillips provided an update on claims activities: eleven claims were reported, with six open claims at the time of the meeting. Four claims were referred to Allied Public Risk, the previous TPA, as they related to prior policy periods.

No Action Needed

Item 5.4- Discussions with Claims Auditors

Staff is in the process of contacting qualified claims auditors to conduct an independent review of claims management. A soft RFP will be issued, and depending on claims volume, the audit may occur in the next fiscal year.

No Action Needed

Item 5.5- Litigation Management Manual

FAIRA Staff has developed the Litigation Management Manual (LMM), incorporating best practices successfully utilized by other pools. The document has been finalized and was shared at a previous meeting of the Board.

The next step in the process is to engage with prequalified firms. We will assess their interest in representing our members on litigated claims and confirm their ability to align with our terms, including agreed-upon hourly rate.

No Action Needed

Item 5.6- Employment Practice Liability (EPL)

Susan explained the importance of controlling EPL losses. She will continue to work with associates from LCW to customize trainings for FAIRA Member Districts. Susan reiterated to the Board that LCW should be able to tailor trainings for fire agency-specific employment challenges.

Eric Walder commented that it should be emphasized to FAIRA's Membership that they need to consult legal counsel before initiating employment actions. Chief Walder suggested Ken Johnson as a possible training provider.

No Action Needed

Item 5.7- Districts Withdrawing (2025-2026)

Two districts, San Ramon Valley and Gold Ridge, have given notice of withdrawal.

During the discussion, General Manager Susan Blankenburg expressed to the Board that a previous FAIRA Member reached out to rejoin the pool after their insurance was cancelled because of significant losses. Although FAIRA could have saved them some money with a higher deductible, due to timing, they found alternative coverage in a city pool.

The Board asked Staff to provide a summary of the benefits of joining FAIRA. Don Butz expressed that it would be helpful for interested Districts to see a step-by-step guide on how to approach FAIRA about prospectively joining the pool.

No Action Needed

Item 6.1- Prospecting Effort

Broker Natalie Bates reported on outreach efforts to recruit new members. The FDAC provided a list of sixty districts, which is being reviewed to identify suitable candidates based on size and fit.

Michael Golden commented that in the prospecting effort, it would be beneficial to express to prospective Districts that we are willing to look at their risks and exposures. Natalie and Susan explained to the Board that Zack has built a rater to make it simpler to give a ballpark estimate of what a quote could look like for a prospective District.

No Action Needed

Item 6.2 – 2024-2025 Coverage Outline and Summary of Coverage

Natalie Bates explained to the Board that she had spent roughly 25 hours on the Coverage Outline. The updated Coverage Outline document was presented, highlighting key details:

- General Liability: Increased limits to \$1.5 million per occurrence. Named insureds include auxiliary and volunteer organizations, provided they are listed in the application.
- Auto Liability: Coverage extended to commandeered vehicles and employees using personal vehicles for District business.
- Excess Liability: Total limits increased to \$11.5 million per occurrence.
- Property Coverage: Includes \$750,000 for outdoor property and \$2.1 million for newly acquired or substitute vehicles.
- Cyber Liability: Improved terms with individual District limits and deductibles as low as \$1,000.

The finalized document will be distributed to all Districts along with their respective Summaries of Coverage.

No Action Needed

Item 7.1- Prior Year Claims Statistics

Zack Phillips reported that claims in 2023 are trending higher than in 2022, with a total of \$3.3 million in claims. Of this amount, \$1 million has been paid, and \$2 million is reserved. One prior-year claim settled below the reserved amount, reflecting positively on financial oversight.

No Action Needed

Item 7.2- Claims Payment Accounts

Zack Phillips noted that trust account balances are being managed efficiently, with only \$7,000 paid in claims for 2024 to date. Current claims volumes for 2024 are lower compared to prior years, reflecting positive trends.

No Action Needed

Item 7.3 – Premium and Member Deductibles

Twelve districts have outstanding balances totaling \$380,000. Notices will be issued with penalties for payments not received by month-end.

Zack explained that with our program changing and the change in TPA, we will also be changing the way we will handle deductibles. A Member District will now pay their deductible portion directly to vendors, streamlining claims processes and ensuring faster resolutions. Zack gave an example in which a District has \$10,000 in damage to a vehicle. In the new process, the District will pay their \$5,000 deductible directly to the vendor working on the vehicle, then George Hills will pay the remaining \$5,000.

No Action Needed.

Item 8 – Adjournment

Butz Motion to adjourn. **Sims** second. Meeting adjourned at 12:40 pm

Consideration and Possible Action

5 General Manager's Report – Susan Blankenburg

5.1 Website Streamline

Drew Woodruff, Streamline, will present on a potential new website for FAIRA. Streamline offers website creation and maintenance services tailored specifically for special fire districts. The vendor has previously worked with Sacramento Metropolitan Fire and SDRMA, producing high-quality, user-friendly websites. FAIRA staff have explored various websites developed by this vendor and found the interaction to be smooth and user-friendly.

The proposal outlining their offerings is below.

FAIRA's Partnership Package
\$1,500 set-up

Full Migration & Remediation of Current Site
Dedicated Implementation Consultant
Complete, Unlimited Training

FAIRA's Partnership Package
\$300/month

- Website Hosting + Content Management
- Compliance + Posting Checklist
- ADA Accessibility Assistant
- Access to PDF Remediation
- \$25,000 Indemnification from ADA Issues
- Meetings Assistant
- One-Click Social Sharing
- One-Click Email Marketing & Subscriptions
- Payments / Commerce Tools
- E-Signature Forms
- Support with Integration of Embedded Tools
- Unlimited Training + Support + Data

Consideration and Possible Action



Streamline Platform - Subscription Agreement

CUSTOMER: **Fire Agencies Insurance Risk Authority**

ORDER DATE: **11 / 06 / 2024**

This Software as a Service Agreement (“Agreement”) is entered into on the start date listed below, between Streamline (DBA of Streamline Software, Inc.) with a place of business at 3301 C Street #1000, Sacramento, CA 95816 (“Company”), and the Customer listed above (“Customer”). This Agreement incorporates the [Streamline Terms of Service](#). W9 is available online. **Most customers prefer annual billing for convenience, but all subscriptions are cancellable anytime with a written 30-day notice.**

DESCRIPTION OF SERVICES: See Page 2 for an overview of what Streamline Web includes, and for more information please review our [subscription-based website toolkit for local government](#) .

SUBSCRIPTION ORDER:

Streamline Flex - Community Pro	\$300
--	--------------

One-Time Build Costs: **\$\$1,500**

Invoice Frequency: **Monthly**

Additional Billing Details:

Order #:

Original Order?

Billing Start Date:

Original

January 1, 2025

Paying with check?

Mail the check to: PO Box 207561, Dallas, TX 753207561

Billing Person:

Billing Address:

City, State, Zip:

Phone:

Email:

Streamline:

Name:

Title:

Date:

Signature:

Customer:

Name:

Title:

Date:

Signature:



What Your Subscription Includes



Technology

- **Easy-to-use website tool allows you to control your content** - no more waiting on a vendor or IT.
- **Built-in ADA compliance** (the platform is fully accessible out of the “box”).
- **State-specific transparency dashboard** with checkpoints for all posting requirements.
- **Meeting dashboard with agenda reminders**, one-click agenda and minute upload that takes seconds.
- **Ongoing improvements** to existing features included at no cost - your software will never be out of date.



Setup and Training

- **Multiple options** for initial site build and migrating existing content.
- **Introduction to your state requirements** so you know what needs to be posted.
- **Training** for anyone on your staff via remote meeting to help you learn the system.
- **Free domain** included (acmemud.specialdistrict.org) or connect your own custom domain / web address.
- **Free SSL security certificate** so that your site is served over https and visitors are protected.



Ongoing Support

- **Unlimited support** is included for anyone on your staff responsible for updating the website.
- **Support system is built into your website** - get help with the click of a button.
- **Unlimited hosting** of content and files so you never have to “upgrade” your account.
- **Extensive knowledge base** of how-to articles and getting started guides are available 24/7.
- **Can't figure out how to send your question? That's ok, you'll have our technical support number, too.**

And if (when) your state passes additional website mandates, Streamline Web will be updated to help you comply as effortlessly as possible.

5.2 Online Application Programming Update

Chris Rink has provided a quote and summary of work that he will perform to update FAIRA's annual renewal application. The primary components to be redeveloped include the renewal application, property schedule, vehicle schedule, and administrative functionality of the application website. The objective of this rewrite is to modernize and improve the system for enhanced functionality, efficiency, and user experience.

The project is proposed to begin on December 16, 2024, with a cost of \$10,000 for application development, including the first year of support. Starting January 1, 2026, annual support will be provided at a cost of \$2,500.

Consideration and Possible Action

Development Proposal for FAIRA Online Renewal Application Rewrite

Proposal Date: 11/17/2024

Presented By: Chris Rink dba MeadowShire Consulting

Summary

This proposal is for the development and delivery for the complete rewrite of the online renewal application for FAIRA. At a high level, components to be rewritten include the renewal application itself, property schedule, vehicle schedule and admin functionality.

Technology Improvements

The main goal/purpose of the application rewrite is to upgrade the underlying technology from Microsoft Classic ASP and Access database components to Microsoft ASP.Net C# and MS SQL Server. This should provide performance improvements and higher quality and current software code. Other improvements will include:

- Improved email handling;
- End-user access to application exports/downloads online;
- End-user self-managed password resets;
- End-user saving/submitted of individual pages;
- Admin managed renewal application field adds/updates.

Application Development Components

Application Security

Encrypted Site (TLS)

Userid/Password Access

Password Reset (New)

Entitlement User Framework

Admin

Member

Renewal Application Tabs

(Includes Required field check upon submission, Read-Only View after submission, Application Tab Status indicator, Tab Download/Export, Email Notification upon submission)

District Directory

Liability

Supplemental Liability

EPL

Cyber Risk

Crime

E&O

Property Schedule
Fleet Schedule
Associated Auxiliaries
Events
Contracts
Attachments

Admin Functions

Manage Active & Inactive Pool Members
Manage Renewal Application Tabs/Fields (New)
View Current Year Exposure Summary Data
View Current Year Premium Calculation Data
Other Admin Tab functionality to be upgraded (existing features):
 Member Premium Adjustments and Allocations
 Manage Pool Policy Dates and Access
 Property Inflation
 Other Tools

Development Technologies

Development Code: ASP.Net C# with Javascript and JQuery Client-Side processing
Database: Microsoft SQL Server with Stored Procedures for Data Access
Browser Compatibility: Edge, Chrome, Firefox, Safari

Estimated Timeline

<u><i>Project Item</i></u>	<u><i>Delivery Date</i></u>
Project Start	12/16
Database Development	12/30
Security Framework	1/15
Renewal Application Tabs	2/3
Includes Required Check upon Submission	
Application Review/Testing	begin 2/3
Admin Framework	3/3

Project Pricing

Application Development	\$10,000
Includes 1 st year of support	
Annual Support beginning 1/1/2026	\$2,500

Proposal Acceptance

FAIRA

Name (Printed) _____ **Title** _____

Signature _____ **Date** _____

5.3 Vendor Contracts

Susan conducted a thorough review of three vendor contracts to ensure they align with updated terms and conditions, incorporating best practices and addressing critical areas such as cyber liability coverage. This process included revising outdated language and initiating ongoing conversations with vendors to bring the agreements into a suitable state.

The review process began in November 2023 and has resulted in progress with several vendors. Notably, the agreement with Bay Actuarial has been updated and signed, with Jack at Bay Actuarial securing the necessary cyber liability coverage. Work with KCM is still underway, and follow-up is required to finalize the revisions. A detailed report on the review process and its outcomes was first included in the agenda packet on December 11, 2023. This effort highlights FAIRA's commitment to maintaining comprehensive and compliant vendor agreements.

Consideration and Possible Action

5.4 Change of Financial Auditor

Staff worked with Joe Mastro of Cuttone & Mastro CPAs to revise FAIRA's existing agreement with the firm to secure better insurance terms for transferring liability. During these discussions, the firm expressed reluctance to indemnify FAIRA for cyber liability or to meet the liability limits that other vendors were willing to accept. We connected him with the Gallagher system, providing access to obtain an online quote of \$382 for \$1 million in coverage. Despite this, the firm remained unsatisfied with the contract and requested a clause that would limit their liability to a total of \$500,000. Staff advised the firm that this amount was insufficient for FAIRA's needs.

On November 11, 2024, Joe Mastro sent a letter, included below, explaining that the firm would prefer to end its 23-year relationship with FAIRA. FAIRA's General Manager, Susan Blankenburg, immediately began efforts to identify a new CPA firm to perform FAIRA's financial audits. She reached out to three firms and is awaiting their responses regarding capacity. Staff will provide further updates as the process to secure a new CPA firm progresses.

Receive and File

From: [Joe Mastro](#)
To: [Tay Gonzalez](#); [Susan Blankenburg](#)
Cc: [Stephen Huerta](#)
Subject: RE: CLIENT SERVICE AGREEMENT
Date: Monday, November 11, 2024 9:53:59 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image007.png](#)

[EXTERNAL]

Hi,

After some additional thoughts and discussions with my partner regarding the contract, we have decided to withdraw the unsigned engagement letter we sent you. The requirements of the contract you asking us to sign are not something we are willing to perform. We don't want to burden ourselves with the extended insurance requirements after the expiration of the contract, the written confirmation of cancellation, and the verification requirements.

In the thousands of audits we have performed over the last 40 years I have never been required to provide the auditee with the insurance related requirements you are requesting.

We will of course provide your new auditors with the information needed in the transition.

Thanks for your understanding
Joe

Joseph P. Mastro
Cuttone & Mastro CPA's
7543 North Ingram, Suite 102
Fresno, CA 93711
Phone (559) 261-4300
Fax (559) 261-4301
Email: jmastro@cuttonemastrocpa.com
Web: www.cuttonemastrocpa.com



CUTTONE & MASTRO
CERTIFIED PUBLIC ACCOUNTANTS

In accordance with IRS Circular 230, the information in this document is not intended or written to be used, and cannot be used as or considered a "covered opinion" or other written tax advice and should not be relied upon for the purpose of avoiding tax-related penalties under the Internal Revenue Code; promoting, marketing, or recommending to another party any transaction or tax-related matter(s) addressed herein; for IRS audit, tax dispute or other purposes.

CONFIDENTIALITY NOTICE: : The information in this transmission is intended only for the individual or entity named above. It may be privileged and confidential. If you are not the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, or copying of this communication or its contents is strictly prohibited. If you have received this information in error, you are requested to immediately notify Cuttone & Mastro, CPA's by replying to this message and by telephone at (559)261-4300 for further instructions. Thank you for your cooperation.

BACKGROUND

Fire Agencies Insurance Risk Authority (FAIRA) is a Public Agency that was created and managed by Fire District Chiefs and Fire District Directors. FAIRA is a Joint Powers Authority created under by the State of California and Nevada applicable Government Codes, that permit local public agencies to insure itself for against Liability and other losses. FAIRA currently insures nearly 90 members that includes several Fire JPAs.

Formed in 1988, FAIRA addressed the Insurance and Risk Management needs of fire agencies that were abandoned by traditional insurance companies in the hard market of the 1980s and is managed by Fire District Chief's and Fire District Directors. The Joint Powers Authority is owned entirely by participating Fire Protection Districts and Agencies, and functions solely for their benefit.

FAIRA provides comprehensive Property, Automobile Physical Damage, General Liability, Automobile Liability, Directors & Officers', Paramedic's Malpractice, Employment Practice Liability, Cyber, Drone Liability and Crime.

FAIRA took advantage of buying Commercial Insurance for a number of years, with varying deductibles and Aggregate Stop protection until 24/25. FAIRA covered to an Alternative Risk Funding Transfer for Liability with London for the first \$1,500,000, then \$10M in commercial Excess following form Liability. The Property Program has a \$500,000 Deductible, Automobile Physical Damage has a \$100,000 Deductible, Crime and Cyber are commercially insured and members are subject the policy Deductible.

FAIRA's Partners include:

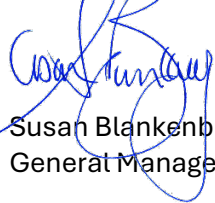
- Gallagher for Program Administration, Brokerage and Risk Management Services
- George Hills for Claims Administration and Accounting Services
- Bay Actuarial for Actuarial services
- Lorenzo Smith for General Counsel
- Alliston Law Office for Coverage Counsel
- Cuttone & Mastro CPA services 2012 to present

REQUEST FOR QUALIFICATIONS

On the following page we have several questions that you request that you complete and return with in the next 10 days. We have provided a copy of our last audited financial statement and supporting documentation for your review.

If you have any questions, please feel free to contact us.

Best Regards,



Susan Blankenburg
General Manager

REQUEST FOR QUALIFICATIONS

A. License to Practice in California

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in California.

B. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, and the number and nature of the staff to be so employed on a part-time basis.

The firm is required to submit a copy of the report on its most recent external quality-control review, with a statement whether that quality-control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years and report the status of any disciplinary actions.

C. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office; however, FAIRA retains the right to approve or reject replacements.

D. Similar Engagements with Other Government Entities/Joint Powers Authority

List the most significant engagements performed that are similar to the engagement described in this request for proposal. Indicate the scope of work, date, name, and telephone number of the principal client contact.

E. Total All-Inclusive Maximum Price

The bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. It should be noted that the information found on pages 17, Note 3 and pages 22-24 are assembled by FAIRA's Financial Consultant.

F. Insurance will need to be evidenced by the firm selected confirming General Liability, Professional Errors & Omissions and Cyber Risk and a sample agreement will be provided.

United States

Gallagher

[About](#) [Products](#) [Expertise Center](#) [Gallagher Perks](#) [Contact Us](#) [Let's Partner](#)

Cyber Liability Insurance

Protect your data, your clients and your business

CYBER SECURITY

5.5 Claims Report

At the time of publication, there are eighteen (18) claims open under our current term policies. Since July 1, 2024, a total of twenty-five (25) claims have been reported to George Hills.

- Liability Claims
 - 8 Open
 - 5 Member Districts
 - Total Incurred \$14,951
- Auto Physical Damage Claims
 - 9 Open
 - 10 Member Districts
 - Total Incurred \$417,235
- Property Claims
 - 1 Open
 - 1 Member Districts
 - Total Incurred \$18,000

Receive and File

5.6 Update of Staff Interaction with TPA

FAIRA staff recently engaged with George Hills (GH) Claims Handling staff to align their understanding of FAIRA's updated coverage structures for the current term. General Manager Susan Blankenburg reviewed all coverage areas, comparing the previous term's coverage to the new program effective July 1, 2024. Previously, George Hills managed only FAIRA's high-level Excess Liability claims. Under the new program, Liability, Property, and Auto Physical Damage coverage transitioned from a commercial carrier to a new structure, necessitating updated procedures.

On October 21, 2024, Susan conducted a follow-up call with George Hills to elaborate further on the new program. She outlined the changes in detail and provided all necessary documentation to support their understanding of FAIRA's policies. This proactive communication ensures George Hills is equipped to manage claims effectively under the revised coverage framework.

Receive and File

5.7 Fuel Management Survey

In 2021, FAIRA initiated a survey to understand the Fuels Management activities performed by Member Districts, receiving thirty-two responses from the 95 Member Districts at the time. Based on the responses, this topic warrants further exploration.

Staff has since updated and automated the survey to prioritize activities based on risk levels. The revised survey, reviewed by President Don Butz and Vice President Eric Walder, will be distributed to all Member Districts via Google Forms by January 1st.

Receive and File

5.8 Discretionary Authority- Resolution 2024-2

Occasionally, situations may arise that necessitate timely decisions or expenditures between Board of Directors meetings. To ensure that these matters are addressed promptly, it may be beneficial to grant the General Manager discretionary authority to approve expenditures of importance up to a specified dollar amount.

It is common practice for public pools to provide administrators with modest discretionary authority to address time-sensitive matters. In the attached draft resolution, \$10,000 has been proposed as the discretionary limit, as this is a standard authority level among public pool administrators.

Consideration and Possible Action

FIRE AGENCIES INSURANCE RISK AUTHORITY

RESOLUTION NO. 2024-2

**A RESOLUTION OF THE FAIRA BOARD OF DIRECTORS
ESTABLISHING A POLICY TO DELEGATE DISCRETIONARY AUTHORITY TO
THE GENERAL MANAGER, FOR OPERATIONAL FLEXIBILITY**

WHEREAS, the FAIRA Board of Directors will delegate the authority to establish a policy for operational flexibility authority to the General Manager to approve business expenditures related to existing programs and operations.

Under this resolution, the General Manager may exercise discretionary spending authority up to a limit of \$10,000 per expenditure, provided that such expenses align with the Pool's ongoing activities, and are time-sensitive in nature, arising outside of the timeline of regularly scheduled board meetings.

The General Manager shall ensure that expenditures under this delegated authority adhere to organizational policies, maintain operational integrity, and support the objectives of the Pool. Furthermore, any discretionary funds spent by the General Manager must be reported at the following regularly scheduled board meeting.

This delegation is intended to streamline decision making for routine and incidental costs and shall remain in effect unless otherwise amended or revoked by the Board.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Fire Agencies Insurance Risk Authority held this 9th day of December, 2024.

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

President

ATTEST:

Secretary

6 Broker Report – Natalie Bates

6.1 Prospecting Effort

Per the agreement with FAIRA's Broker, Natalie Bates has begun the prospecting effort as discussed in our previous meeting. Ms. Bates has collaborated with Staff to craft a postcard mailing which was sent to several special fire districts on November 8th.

She plans to continue the effort by calling prospective Districts during the first week of December and sending additional mailings in January.

Receive and File



Insurance | Risk Management | Consulting

*From the Desk of
Natalie Bates*

Important Information for your Fire District!

Getting a quote is free of charge and doesn't have to be complicated!

I'll be calling soon to discuss what FAIRA can do for you. I only need about 10 minutes of your time to go over our offerings.

Looking forward to speaking with you!

Natalie Bates



Join FAIRA Today –
Protect your team and community with the most reliable risk management and insurance solutions tailored for fire protection agencies.

Member Testimonials

Hats off to the team for their tireless efforts in serving our district's insurance needs. Over the past 15 years, what has been most important is your team's willingness to go out of their way to service our account. Whether it be assisting us with changes in coverage or filing a claim, you have delivered quick, friendly, professional service. I highly recommend your team to anyone looking for the best of both worlds.

- Alpine Fire Protection District

I just wanted to take a moment to tell you how happy we are with the level of service received from the team. They are very professional, kind, and courteous. I have been most impressed with the time that the team has taken to learn about the OCFA to better serve our needs.

- Orange County Fire Authority

Thanks again for your help with our insurance document needs with the city. It was a pleasure to deal with someone who is good at their job, cheerful, efficient and excellent at providing customer service. I spoke with my assistant today who concurs with my sentiments. You are a breath of fresh air in an increasingly impersonal world.

- Smith Valley

Board of Directors

Lakeside Fire FPD	Sacramento Metro FD
Waterloo Morada FPD	Northstar Comm. SD
Aromas Tri-County FPD	South Placer FPD
Fresno County FPD	Alpine FPD
Orange County FA	North Central FPD
Bonita-Sunnyside FPD	
Central Lyon FPD	



Trusted Protection for Those Who Protect Us!

Your community's safety is your top priority. Our mission is to safeguard you. At FAIRA, we specialize in providing comprehensive insurance solutions and risk management services exclusively for fire protection agencies in California and Nevada. From coverage to claims, we're here to help you focus on what matters most — **saving lives.**



FAIRA

595 Market Street, Suite 2100
San Francisco, CA 94105

natalie_bates@ajg.com
www.faira.org

Fire Agencies Insurance Risk Authority (FAIRA)

949.349.9856 / natalie_bates@ajg.com



About Us

In response to fire agencies being left without coverage during the hard insurance market of the 1980s, FAIRA was established to bridge the gap. Now, with over 35 years of dedicated service, we have grown into a mature, experienced, and financially secure insurance pool. Our sole purpose is to provide comprehensive insurance coverage and risk management solutions for fire protection agencies.

Why Choose FAIRA?

Reliable, Long-Term Protection: FAIRA provides a long-term solution that traditional carriers can't. We don't cancel coverage after a catastrophic loss or deny members based on high wildfire scores.

Comprehensive Coverage: Unlike many insurers, FAIRA provides all-inclusive coverage, including wildfire coverage, and coverage for sensitive issues like sexual abuse. Our coverage even extends to your auxiliaries, outside directorships, good Samaritan acts, and much more!

Industry-Specific Expertise: We exclusively serve fire protection agencies, giving us a deep understanding of the unique challenges you face. Our products and services are tailored to meet the specific needs of fire service organizations, ensuring you have the right support when it matters most.

Affordable Premiums and Transparent Coverage: As a risk pool, our mission is not profits, it's service. We offer affordable premiums and clear, easy-to-understand policies that allow you to make the most of your budget without compromising on essential coverage.

Trustworthy Support, Whenever You Need It: Our dedicated team is here to assist you. Whether you're filing a claim, reviewing coverage options, or seeking guidance on loss control strategies, we're always just a call away, ready to support you when you need it most.

Your Next Steps:

- Connect with us
- Share your details
- Tailor your coverage
- Enjoy continuous support and services!

FAIRA:

Empowering Fire Agencies with 35+ Years of Expertise

Our Products

- Property
- General Liability
- Paramedic Medical Malpractice
- Employment Practices Liability
- Auto Liability
- Auto Physical Damage
- Drones
- Cyber (including Ransomware)
- Crime

What We Offer:

1. **Comprehensive Insurance Protection:** Our coverage is designed to safeguard fire agencies from a range of risks.
2. **Risk Management Manual:** Guidelines that help agencies establish policies reducing the likelihood of incidents and related costs.
3. **Training and Education:** Equip your team with the knowledge and skills to handle risks.



**Strength in Protection, Expertise in Risk -
Safeguarding Your Fire Agency's Future!**

7 Financial Report – Zack Phillips

7.1 Claims Payments Summary

Zack Phillips will present a consolidated summary of claims payments.

Claims Activity – Total Incurred for Deductible Years			
	12/31/23	10/31/24	Variance
<u>7/1/18-6/30/24</u>			
Liability	\$10,988,119	\$14,656,673	\$3,668,554
APD	\$ 3,291,338	\$ 5,721,342	\$2,430,005
Property	\$ 1,011,136	\$ 1,104,975	\$ 93,839
Total Incurred	\$15,290,593	\$21,482,990	\$6,192,398
<u>7/1/24-6/30/25</u>			
Liability	n/a	\$ 14,951	\$ 14,951
APD	n/a	\$ 417,235	\$ 417,235
Property	n/a	\$ 18,000	\$ 18,000
Total Incurred	\$ -	\$ 450,186	\$ 450,186
Combined Total	\$15,290,593	\$21,933,176	\$6,642,583

Significant Development – Total Incurred for Deductible Years					
Coverage	Date of Loss	Closed Date	12/31/23	10/31/24	Variance
Liability	01/16/21	08/29/24	191,223	1,343,624	1,152,401
Liability	06/16/21		20,000	404,000	384,000
Liability	10/16/21		118,000	558,000	440,000
Liability	09/15/22		46	250,046	250,000
Liability	04/14/23		-	491,625	491,625
Liability	09/14/23		-	210,000	210,000
APD	11/05/23	08/20/24	-	682,409	682,409
APD	02/05/24		-	804,631	804,631
APD	05/04/24		-	201,045	201,045
APD	09/19/24		-	328,000	328,000
Total Incurred	10 Claims	1 Open	329,269	5,273,379	4,944,111

Estimates of Funding Remaining		
Policy Inception	Total Incurred @ 10/31/24	Estimated Final Development
07/01/18	-72,465	-72,465
07/01/19	-93,403	-93,403
07/01/20	-4,798	-4,798
07/01/21	65,848	60,848
07/01/22	0	-10,000
07/01/23	-213,123	-1,398,655
Subtotal	-317,941	-1,518,473
07/01/24	5,861,262	1,553,580
Grand Total	5,543,321	35,107

Receive and File

7.2 Confirmation of Premium Payments

General Manager Susan Blankenburg sent an email to the final two Districts with unpaid premiums, Five Cities and Gonzales Rural, regarding their outstanding payments. The emails included both the original and follow-up invoices. Additionally, printed copies of the letters were sent overnight to the Chiefs at both Districts.

We are pleased to confirm that all outstanding premium payments have now been successfully collected.

Receive and File

From: [Susan Blankenburg](#)
To: Lanini@GonzalesRFPD.org
Cc: [Tay Gonzalez](#)
Subject: FW: Reminder payments due FAIRA 2024-2025 FPD Premium Invoice
Date: Thursday, October 24, 2024 10:06:37 AM
Attachments: [Statement OTHER GONZ 8 23 2024 12 15 51 PM.PDF](#)
[Gonzales Rural FPD.pdf](#)
[image003.png](#)
Importance: High

Chief Lanini,

It has come to my attention that your premium for your July 1, 2024-25 Insurance premium is past due. We give a grace period of 30 days that has passed. Then a second invoice and reminder was sent, and still no payment was received.

If you can get this paid before November 1, 2024 we will not impose the 10% late fee. If it is not paid by then a revised invoice will be sent and the full amount will be due, or your coverage will be canceled.

If you have any questions, please let us know.

Susan Blankenburg
General Manager
FAIRA
595 Market Street, Suite 2100
San Francisco, CA 94105
(415) 536-8417 Telephone
(415) 517-8028 Cell
415-536-5703 Fax
Susan_Blankenburg@ajg.com



Fire Agencies Insurance Risk Authority

TO:
Gonzales Rural Fire Protection District
Victor Lanini
31950 Gloria Road
Gonzales, CA 93926

Invoice No.: PREM 2025-32

Invoice Date: 6/30/2024

DUE BY: 7/31/2024

DESCRIPTION	AMOUNT
Property and Liability Insurance Package Policy Coverage Effective Date: July 1 st , 2024 – June 30 th , 2025	\$2,458
TOTAL DUE:	\$2,458

Experience Modification Factor:	0.90
---------------------------------	------

*****REMITTANCE INSTRUCTIONS*****

ACH/Wire Instructions:

FAIRA
California Bank & Trust
ABA/Routing #: 121002042
Account #: 5799891493

Remit-To:

FAIRA
California Bank & Trust
Fiscal Services
520 Capital Mall, Ste. 750
Sacramento, CA 95814-4714

Make checks payable to: FAIRA

For questions, please call Natalie Bates at (949) 349-9856 or Tay Gonzalez at (415) 536-4004

8 Correspondence

8.1 Notice of General Counsel's Retirement

On October 23, 2024, staff received a letter from FAIRA's General Counsel, Dale Bacigalupi, informing us that he will be retiring at the end of the year. Nick Clair will take over as General Counsel in January 2025.

Receive and File



Dale E. Bacigalupi
Attorney at Law

E-mail: dbacigalupi@lozanosmith.com

October 23, 2024

By Email: Susan.Blankenbourg@AJG.com

Susan Blankenburg, General Manager
Fire Agencies Insurance Risk Authority
595 Market Street, Suite 2100
San Francisco, CA 94105

Re: My Retirement

Dear Susan:

After 42 years of practicing law, I have made a decision to retire at the end of 2024. It has been my pleasure to serve as legal counsel for the Fire Agencies Insurance Risk Authority for many years and I have appreciated the opportunity and the professional and personal relationships that have been developed.

Nicholas J. Clair (Nick), one of the partners in the Lozano Smith Sacramento office, will take my place and will handle your legal work beginning in January 2025. He is an experienced lawyer, and I am confident the transition from me to Nick will be seamless. Nick serves as general counsel for a number of fire districts, such as the Burney Fire Protection District and the Humboldt Fire Protection District, and joint powers authorities including the California Tahoe Emergency Services Operations Authority, School Project for Utility Rate Reduction, and the Tri-County Schools Insurance Group. Nick has a wide range of experience related to all of these agencies, including issues particular to fire protection districts and insurance joint powers authorities.

If you have any questions about this transition, please give me a call.

Sincerely,

LOZANO SMITH

A handwritten signature in blue ink that reads "Dale E. Bacigalupi". The signature is fluid and cursive, with a large initial "D" and "B".

Dale E. Bacigalupi

DEB/dsi

cc: Nicholas J. Clair

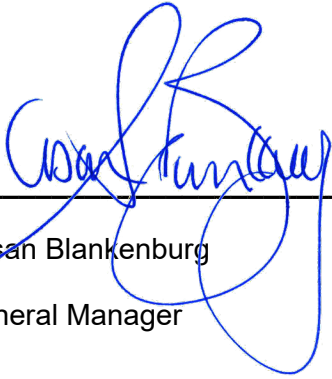
ND-1913-01-COR-4884-7587-0194.DOC

Limited Liability Partnership

7404 N. Spalding Avenue Fresno, California 93720-3370 Tel 559-431-5600 Fax 559-261-9366

9 Adjournment

I certify that this Authority Agenda was posted and sent by email to all Members of the Authority 72 hours before the noted meeting.



Susan Blankenburg
General Manager

Date: December 9, 2024

