



**SCOTIA COMMUNITY SERVICES DISTRICT
NOTICE IS HEREBY GIVEN THAT A
REGULAR MEETING
OF THE BOARD OF DIRECTORS**

**WILL BE HELD AT: 122 MAIN
STREET SCOTIA, CALIFORNIA**

**Thursday, April 20, 2017 Regular
Meeting at 5:30 P.M.**

AGENDA

- A. CALL TO ORDER/ ROLL CALL** The Presiding officer will call the meeting to order and call the roll of members to determine the presence of a quorum.

PLEDGE OF ALLEGIANCE

- B. SETTING OF AGENDA**
The Board may adopt/ revise the order of the agenda as presented.

- C. CONSENT CALENDAR**

C1. Approval of Minutes from Previous Meetings

p. 3

March 16, 2017

March 30, 2017

- D. PUBLIC COMMENT & WRITTEN COMMUNICATION**

Regularly scheduled meetings provide an opportunity for members of the public to directly address the SCSD Board Members on any action item that has been described in the agenda for the meeting, before or during consideration of that item, or on matters not identified on the agenda within the Board jurisdiction. Comments are not generally taken on non-action items such as reports or information. Comments should be limited to three minutes.

- E. PUBLIC HEARING – NONE**

- F. ADJOURN TO CLOSED SESSION**

- 1. Call to Order**
- 2. Roll Call**
- 3. Government Code §54956.8 Real Property Negotiations.** Agency Negotiators: Stephen C Tyler, Tracy M Boobar, & President Rick Walsh. Negotiating Parties: Scotia Community Services District & Town of Scotia Company LLC.
- 4. Closed Session Discussion**

- G. ADJOURN TO OPEN SESSION**

- 1. Report out of Closed Session**

- H. BUSINESS**

H1. New Business –

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- a. Town of Scotia Community Services District Asset Transfer and Transition Agreement, with Exhibits.**

*AGENDA FOR MEETING OF THE SCSD BOARD OF DIRECTORS
April 20, 2017
POSTED at 5:00 PM April 13, 2017*

b. DRAFT FY 2017-2018 Budget

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H2. Old Business –

a. ACWA Insurance Quote/ JPIA Agreement

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I. REPORTS

No specific action is required on these items, but the Board may briefly discuss any particular item raised.

1. President's Report:

2. Board Director Reports:

3. Interim Manager's Report:

4. Special Counsel's Report:

5. Engineer's Report:

6. Fire Chief's Status Report: Q1 Report

7. Board Clerk Report: Board Elections Reminder

J. ADJOURNMENT

Next Regular Meeting of the SCSD will be May 18, 2017 at 5:30 PM. A Special meeting may be held prior to that.

Notice regarding the Americans with Disabilities Act: The District adheres to the [Americans with Disabilities Act](#). Persons requiring special accommodations or more information about accessibility should contact the District Office. Notice regarding Rights of Appeal: Persons who are dissatisfied with the decisions of the SCSD Board of Directors have the right to have the decision reviewed by a State Court. The District has adopted [Section 1094.6](#) of the [Code of Civil Procedure](#) which generally limits the time within which the decision may be judicially challenged to 90 days.

Minutes of the Regular Board Meeting for the
Scotia Community Services District
Thursday, March 16, 2017 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The regular meeting of the Board of Directors of the Scotia Community Services District convened at 5:30 pm with the following directors in attendance:

Diane Bristol	Director - present
Gayle McKnight	Director – present
Paul Newmaker	Director – present
Susan Pryor	Director – present
Rick Walsh	President – present

Staff: T. Boobar, L. Marshall, S. Tyler

B. SETTING OF AGENDA - No Changes

C. CONSENT CALENDAR

C1. Approval of Minutes from Previous Meetings

February 16, 2017

Motion: Motion to approve the Consent Calendar.

Motion: McKnight **Second:** Bristol

Motion Vote: **Ayes** -Bristol, McKnight, Newmaker, Pryor, Walsh **Opposed – 0**
Absent - 0 Abstain - 0

D. PUBLIC COMMENT & WRITTEN COMMUNICATION

Written communication from Elections. No other Public Comment.

E. PUBLIC HEARING – NONE

F. BUSINESS

F1. New Business –

a. Utility Corridor Project presentation from Gregory Hufford with SHN

Gregory Hufford from SHN gave update on Utility Corridor. Project to begin after Phase 2. Construction includes new water, raw water and storm drain lines; replacing river pumps, etc.

New backwash system is being installed, as well as a new auto-dialer alarm system set to call multiple people. The New alarm system includes a level indicator for the 1 million gallon tank. SHN is getting quotes for additional monitoring points.

No action was taken.

b. Planwest Staffing Contract

S. Tyler introduced. New staffing contract includes 2 new positions for Bruce Gehrke as Operations Superintendent, and Steve Davidson as District Engineer. L. Marshall and S. Tyler will begin staffing in Scotia on Tuesdays and Thursdays. Planwest's costs are the SCSD's responsibility after the transfer of assets. No public comment was received.

Motion: Motion to authorize the Board President to sign Planwest Staffing Agreement

Motion: McKnight **Second:** Bristol

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh
Absent - 0 Abstain - 0

Opposed – 0

c. TOS/SCSD Staffing Agreement

Staff introduced concept of TOS/SCSD Staffing Agreement for water and wastewater operations, including trades-people for general maintenance. A draft is projected for next Wednesday from TOS. This staffing agreement would allow enough time for the District to build reserves for full-time, benefitted staff. No Action was taken.

d. Lease Agreement with TOS for SCSD Parks and Theater Facilities

Introduced by S. Tyler. Parks and Theater Facilities would be leased-back to (and insured by) TOS, which would allow facilities to be open to the public until SCSD can perform ADA upgrades. Frank Bacik also spoke on the agreement.

No action was taken.

e. ACWA Insurance Quote

L. Marshall introduced staff report and explained insurance and membership quotes for ACWA. There is a potential for a gap time between when assets are transferred and when SCSD will acquire ACWA insurance, so TOS is considering insuring all assets for the limited time, until the CSD acquires insurance. Board directed staff to move forward with acquiring insurance.

f. Elections Legislation

Covered in Written Communication.

g. Water Ordinance 2015-2 Amendment for Cross Connection Control Plan

T. Boobar introduced the need for a Water Ordinance 2015-2 Amendment to include a Cross Connection Control Plan. This amendment will come to the Board in April or May.

F2. Old Business – NONE

G. REPORTS

No specific action is required on these items, but the Board may briefly discuss any particular item raised.

1. President's Report: None.

2. Board Director Reports: Board had questions regarding the Scotia Inn. Frank Bacik addressed. Gallagher's left the Scotia Inn, and as a result the Inn itself is closed. Miguel's is operating independently out of the Inn. The Inn is on the market to be sold, as are all of the commercial and industrial properties. Hoby's is in escrow.

3. Interim Manager's Report: Special Meeting March 30, 2017 was set/confirmed. Meeting will cover agreements with TOS and insurance.

4. Special Counsel's Report: Board will consider for approval a Nancy Diamond Agreement with SCSD directly (after transition). Counsel said to expect a stricter budget, consistent with the adopted budgeted line-item for Legal Counsel.

5. Engineer's Report: None.

6. Fire Chief's Status Report: None, (April for 1st Quarter)

7. Board Clerk Report: SDRMA Insurance Quote -No. Pursue ACWA insurance, and keep CSDA membership – confirm previous costs with TOS.

H. ADJOURN TO CLOSED SESSION – 7:05pm

1. Call to Order – 7:18pm
 2. Roll Call: Diane Bristol Director - present
 Gayle McKnight Director – present
 Paul Newmaker Director – present
 Susan Pryor Director – present
 Rick Walsh President – present
 3. Government Code §54956.8 Real Property Negotiations. Agency Negotiators: Stephen C Tyler, Tracy M Boobar, & President Rick Walsh. Negotiating Parties: Scotia Community Services District & Town of Scotia Company LLC.
 4. Closed Session Discussion
 - I. **ADJOURN TO OPEN SESSION – 7:58pm**
 1. Report out of Closed Session – No Report
 - J. **ADJOURNMENT**
- Meeting adjourned at 7:59 pm by Board President Rick Walsh.

These minutes were approved by the Board of Directors of the Scotia Community Services District on April 20, 2017 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Rick Walsh, President
Board of Directors
Scotia Community Services District

Date

ATTEST:

Leslie Marshall, Board Clerk
Scotia Community Services District

Date

Minutes of the Special Board Meeting for the
Scotia Community Services District
Thursday, March 30, 2017 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The regular meeting of the Board of Directors of the Scotia Community Services District convened at 5:43 pm with the following directors in attendance:

Diane Bristol	Director - present
Gayle McKnight	Director – present
Paul Newmaker	Director – absent
Susan Pryor	Director – present
Rick Walsh	President – present

Staff: T. Boobar, L. Marshall, S. Tyler

B. SETTING OF AGENDA – No Changes.

C. PUBLIC COMMENT & WRITTEN COMMUNICATION - None.

D. ADJOURN TO CLOSED SESSION – 5:45pm

1. Call to Order – 5:45pm

2. Roll Call

Diane Bristol	Director - present
Gayle McKnight	Director – present
Paul Newmaker	Director – absent
Susan Pryor	Director – present
Rick Walsh	President – present

3. Government Code §54956.8 Real Property Negotiations. Agency Negotiators: Stephen C Tyler, Tracy M Boobar, & President Rick Walsh. Negotiating Parties: Scotia Community Services District & Town of Scotia Company LLC.

4. Closed Session Discussion

E. ADJOURN TO OPEN SESSION – 7:32pm

Recess 7:32pm-7:38pm

1. Report out of Closed Session

Board directed staff to finalize document with the Town of Scotia LLC.

Special Meeting reserved for April 13, 2017.

F. PUBLIC HEARING – NONE

G. BUSINESS

E1. New Business –

a. Town of Scotia Community Services District Asset Transfer Agreement (“Asset Transfer Agreement”)

No Comments, No Action was taken.

b. Draft TOS/SCSD Staffing Agreement and Lease Agreement with TOS for All Facilities

Staff will continue to work on this item with Town of Scotia LLC. At meeting tomorrow 10am. No Action was taken.

c. ACWA Insurance Quote

Risk Assessment scheduled for 10am Tuesday April 4, 2017. No Action was taken.

E2. Old Business – NONE

H. ADJOURNMENT

Meeting adjourned at 7:53 pm by Board President Rick Walsh.

These minutes were approved by the Board of Directors of the Scotia Community Services District on April 20, 2017 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Rick Walsh, President
Board of Directors
Scotia Community Services District

Date

ATTEST:

Leslie Marshall, Board Clerk
Scotia Community Services District

Date

Scotia Community Services District

Staff Report

DATE: April 20, 2017
TO: Scotia Community Services District Board of Directors
FROM: Steve Tyler, General Manager and Tracy Boobar, Legal Counsel
SUBJECT: Town of Scotia, Scotia CSD Asset Transfer and Transition Agreement, with Exhibits

RECOMMENDATION:

The Administrative staff recommends that the Board consider approving the Town of Scotia Community Services District Asset Transfer and Transition Agreement, with Exhibits (Agreement).

ACTION:

Approve the attached Agreement and authorize Rick Walsh, President of the Board to sign the Agreement.

DISCUSSION:

The Agreement transfers the following assets from TOS to SCSD:

- Water Treatment Facilities and River Intake and Distribution System Infrastructure,
- Wastewater Treatment Facilities and Collection System and Discharge Infrastructure,
- Parks and Recreation Facilities (Museum, Winema Theatre, Fireman's Park, Carpenter Field and Scotia Soccer Field),
- Streets and Street Lighting,
- Storm Drainage Infrastructure.

The Agreement includes several exhibits which include Exhibit I, Transition Services Agreement (TSA) The TSA will have an initial term of six (6) months, with consideration for additional six (6) month extensions. Any extensions will need to be approved by both TOS and SCSD.

Operation and maintenance services for the water, wastewater, and storm drainage facilities will be provided by TOS contract staff (two part-time state licensed water/wastewater operators) and TOS permanent staff (one full-time state licensed water operator/maintenance worker), with oversight and direction by SCSD staff (Planwest Professional Services Contract approved

3/16/17). TOS will be reimbursed for services provided monthly, by either credits to the TOS monthly utility bills or by SCSD monthly payments for services rendered and invoiced.

Operation and maintenance services for the recreational facilities (Winema Theatre, Fireman's Park, Carpenter Field and/or Scotia Soccer Field) will be provided by TOS staff. SCSD will lease the recreational facilities back to TOS and TOS will operate, maintain and insure the recreational facilities with *no cost* to the SCSD.

SCSD staff will present to the Board, for review and approval, a TOS Staffing Agreement with associated costs. The Staffing Agreement is required for the SCSD to provide essential services and recreational facilities to the Scotia community.

FISCAL IMPACT:

TOS shall pay SCSD, at the Close of Escrow an amount equal to twelve (12) months of estimated TOS share of adopted District Parks and Recreation, Streets and Street Lighting and four (4) months of Storm Drainage benefit assessments for the fiscal year 2016-2017 *and* an amount equal to three (3) months of the estimated TOS share of adopted District water and wastewater fees.

The total amount will be approximately \$325,450.

Additionally, upon Close of Escrow TOS shall transfer to the District \$135,00 as contingency funds and \$20,000 for the purchase of office equipment.

The total amount to be paid by TOS to SCSD at the Close of Escrow is approximately ***\$480,450***.

Scotia Community Services District

Staff Report

DATE: April 20, 2017
TO: Scotia Community Services District Board of Directors
FROM: Steve Tyler, General Manager
SUBJECT: SCSD Draft FY 2017/18 Budget

RECOMMENDATION:

The Administrative staff recommends that the Board receive a staff report on the Draft FY 2017/18 Budget, provide staff with comments, and direct staff to develop a Final FY 2017/18 Budget for Board approval in June.

ACTION:

No action required

DISCUSSION:

The Draft FY 2017/18 Budget (budget) was developed, by staff, utilizing information contained in the December 2016 SHN Engineers & Geologists (SHN) User Rate and Benefit Assessment Reports. The budget includes personnel services costs for contracted services *only* for FY 2017/18. The contracted personnel services costs are listed in Expenditures as Admin/Operations/ Maintenance Staff, Account # 350 of the budget.

The Town of Scotia (TOS) will be providing contract services (six to twelve months) for Water/Wastewater Treatment Plant Operations/Maintenance, and construction, plus electrical and general maintenance as needed. Additionally, staff will be developing full and part-time job descriptions and a wage and benefit package in preparation for recruiting and hiring permanent SCSD staff.

The budget also includes 2016/17 Benefit Assessment Fees listed in Revenues, Account # 200 of the budget. These fees will be billed, by SCSD staff, as soon as the assets are transferred from TOS to SCSD. The budget and account numbers are similar to the Final FY 2016/17 Budget that the Board approved on June 16, 2016. Staff will develop a 2017/18 Draft *Final* Budget for Board review and approval.

The FY 2017/18 Final Budget is required, by law, to be approved and adopted, by Resolution, prior to June 30, 2017.

FISCAL IMPACT:

Attached 2017/18 Draft Budget

Scotia Community Services District Fiscal Year 2017-2018 Operating Budget									
Revenues									
	Fund Type	Account #	Treated Water	Raw Water	Wastewater	Streets & Street Lighting	Storm Drainage	Parks & Recreation	Total All Services
2016-2017 Benefit Assessment Fees		200	\$ -	\$ -	\$ -	\$ 72,359	\$ 25,347	\$ 144,713	\$ 242,419
Interest Earnings		210	\$ 600	\$ -	\$ 600	\$ 100	\$ -	\$ 100	\$ 1,400
Property Tax ¹		220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Fund Contribution		230	\$ 56,700	\$ 2,700	\$ 59,400	\$ 6,750	\$ 2,700	\$ 6,750	\$ 135,000
Office Equipment/Furniture Capital Contribution		240	\$ 6,500	\$ 500	\$ 6,000	\$ 3,000	\$ 3,000	\$ 1,000	\$ 20,000
SCSD Facilities Purchase/Loan		250	\$ 113,400	\$ 5,400	\$ 118,800	\$ 13,500	\$ 5,400	\$ 13,500	\$ 270,000
Special Use Income		260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 500
2017/2018 User Fee Revenues		270	\$ 444,768	\$ 35,130	\$ 614,961	\$ -	\$ -	\$ -	\$ 1,094,859
2017/2018 SCSD User Fee Revenues		271	\$ 8,682	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 13,251
2017/2018 Benefit Assessment Revenues		280	\$ -	\$ -	\$ -	\$ 62,725	\$ 26,190	\$ 143,025	\$ 231,940
2017/2018 SCSD Benefit Assessment Revenues		281	\$ -	\$ -	\$ -	\$ 5,778	\$ 424	\$ 7,196	\$ 13,398
Miscellaneous		290	\$ 100	\$ -	\$ 100	\$ 100	\$ 100	\$ -	\$ 400
TOTAL REVENUES			\$ 630,750	\$ 43,730	\$ 804,430	\$ 164,312	\$ 63,161	\$ 316,784	\$ 2,023,167
Expenditures									
			Treated Water	Raw Water	Wastewater	Streets & Street Lighting	Storm	Parks & Recreation	Total All Services
Personnel Services									
Attorney		300	\$ 16,800	\$ 800	\$ 17,600	\$ 2,000	\$ 800	\$ 2,000	\$ 40,000
Auditor (Annual Audit)		310	\$ 5,040	\$ 240	\$ 5,280	\$ 600	\$ 240	\$ 600	\$ 12,000
Board Stipend		320	\$ 2,520	\$ 120	\$ 2,640	\$ 300	\$ 120	\$ 300	\$ 6,000
Bookkeeping/CPA Consultant		330	\$ 2,100	\$ 100	\$ 2,200	\$ 50	\$ 50	\$ 500	\$ 5,000
IT Services		335	\$ 6,300	\$ 300	\$ 6,600	\$ 750	\$ 300	\$ 750	\$ 15,000
Engineering		340	\$ 5,400	\$ 1,200	\$ 5,400	\$ -	\$ -	\$ -	\$ 12,000
Admin/Operations/Maintenance Staff		350	\$ 164,000	\$ 7,480	\$ 168,900	\$ 19,100	\$ 5,400	\$ 57,400	\$ 422,280
TOTAL PERSONNEL SERVICES			\$ 202,160	\$ 10,240	\$ 208,620	\$ 22,800	\$ 6,910	\$ 61,550	\$ 512,280
Materials and Services									
Bond, Dues, Publications		400	\$ 2,000	\$ 500	\$ 2,500	\$ 200	\$ 200	\$ 100	\$ 5,500
General Supplies, Lab, Permitting & Monitoring		410	\$ 14,000	\$ 500	\$ 55,000	\$ 500	\$ 2,000	\$ 4,500	\$ 76,500
Utilities- water, sewer, Assess., communications		420	\$ 2,200	\$ 500	\$ 4,800	\$ 4,000	\$ 2,500	\$ 4,800	\$ 18,800
General Maintenance & Repair		430	\$ 14,000	\$ 1,000	\$ 10,000	\$ 6,000	\$ 1,000	\$ 5,000	\$ 37,000
Liability Insurance		440	\$ 15,000	\$ 5,000	\$ 30,000	\$ 5,000	\$ 500	\$ 1,000	\$ 56,500
Electrical		450	\$ 19,000	\$ 14,000	\$ 25,000	\$ 4,500	\$ -	\$ 1,000	\$ 63,500
Contracted Maintenance Services		460	\$ 9,000	\$ 1,000	\$ 7,500	\$ 1,000	\$ -	\$ 1,000	\$ 19,500
TOTAL MATERIALS AND SERVICES			\$ 75,200	\$ 22,500	\$ 134,800	\$ 21,200	\$ 6,200	\$ 17,400	\$ 277,300
TOTAL O&M			\$ 277,360	\$ 32,740	\$ 343,420	\$ 44,000	\$ 13,110	\$ 78,950	\$ 789,580
Other Expenditures									
Annual Debt Service on Capital Improvement Loans		500	\$ 7,770	\$ 370	\$ 8,140	\$ 925	\$ 370	\$ 925	\$ 18,500
Transfer to Capital Reserve Fund		510	\$ 156,100	\$ -	\$ 233,550	\$ 15,000	\$ 12,060	\$ 60,000	\$ 476,710
Transfer to Equipment Replacement Reserve Fund		520	\$ 12,920	\$ 2,020	\$ 35,120	\$ 3,000	\$ 750	\$ 3,750	\$ 57,560
2017/2018 SCSD User Fee Expenditures		530	\$ 8,682	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 13,251
2017/2018 SCSD Benefit Assessment Expenditures		540	\$ -	\$ -	\$ -	\$ 5,778	\$ 424	\$ 7,196	\$ 13,398
TOTAL OTHER EXPENDITURES			\$ 185,472	\$ 2,390	\$ 281,379	\$ 24,703	\$ 13,604	\$ 71,871	\$ 579,419
Capital Outlay									
Office Equipment/furnishings Start-up		600	\$ 6,500	\$ 500	\$ 6,000	\$ 3,000	\$ 3,000	\$ 1,000	\$ 20,000
SCSD Office Building		610	\$ 113,400	\$ 5,400	\$ 118,800	\$ 13,500	\$ 5,400	\$ 13,500	\$ 270,000
TOTAL CAPITAL EXPENDITURES			\$ 119,900	\$ 5,900	\$ 124,800	\$ 16,500	\$ 8,400	\$ 14,500	\$ 290,000
TOTAL EXPENDITURES			\$ 582,732	\$ 41,030	\$ 749,599	\$ 85,203	\$ 35,114	\$ 165,321	\$ 1,658,999
Unexpended Fund Balance			\$ 48,018	\$ 2,700	\$ 54,831	\$ 79,109	\$ 28,047	\$ 151,463	\$ 364,168
EXPENDITURES + UFB			\$ 630,750	\$ 43,730	\$ 804,430	\$ 164,312	\$ 63,161	\$ 316,784	\$ 2,023,167
(Recommended Operating Contingency)			(operating contingency is recommended to be set at 2-months operating costs, or approx. 16% of O&M Costs)						

v. 4/12/2017

Scotia Community Services District Staff Report

DATE: April 20, 2017
TO: Scotia CSD Board of Directors
FROM: Steve Tyler, General Manager
SUBJECT: ACWA Membership and Insurance

RECOMMENDATION:

The Administrative staff recommends the Board sign the ACWA JPIA Agreement and direct staff to complete acquisition of ACWA insurance.

ACTION:

Sign JPIA Agreement and direct staff to complete acquisition of ACWA insurance.

DISCUSSION:

Acquiring ACWA Insurance is a two-phase process. Scotia CSD completed the first step and was approved for ACWA Membership by the Membership Board on March 30, 2017. Planwest Partners will pay the membership dues, to be reimbursed by the District when funds are acquired. The second step is signing up for the insurance itself, including going through a risk assessment, which was conducted April 4, 2017; signing JPIA agreement (this evening); and being approved by the ACWA Insurance JPIA Board, whose meeting is scheduled for May 8, 2017.

Membership Quote: **\$281.25** = (\$750 -50% = \$375 - Jan-Mar (375/12 x 9))

Membership Dues are tiered and based off expenses from prior 2 years. Because the District has no previous expenses, the SCSD is in the first “tier” for the first two years of membership. Membership is also on an “introductory discount system”: 50% off the first year, 25% off the second year, then full dues for the 3rd year on. Additionally, dues are pro-rated on a calendar year, so will only be charged for April-December 2017, for the first year.

Membership Dues going forward:

Calendar Year	Projected Membership Dues
2017	\$281.25
2018	\$562.50
2019*	\$4,585.00
2020*	\$4,585.00

*Based off est. \$650,000 expenses for raw & treated water, wastewater, and storm drainage

*Insurance Quote: **\$20,961.00***

Same as last insurance coverage proposal; there was no change in premiums.

New applicants are subject to a risk assessment (completed). Those findings are presented to the ACWA Executive Committee along with the application for membership approval. The application process can take up to 4 months.

Also attached are Bylaws for review and JPIA Agreement for review and signature.

FISCAL IMPACT:

*Membership Quote: **\$281.25**. Insurance Quote: **\$20,961.00**. Total of \$21,242.25 for 2017*

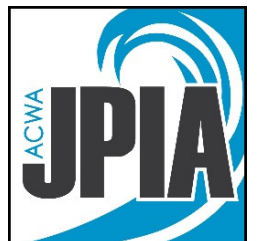
Attachment: Insurance Quote, JPIA Bylaws, and JPIA Agreement



Coverage Proposal

SCOTIA COMMUNITY SERVICES DISTRICT

MARCH 10, 2017





Liability Coverage Quotation

LIABILITY PROGRAM

Limit of Coverage.....\$60,000,000

SUB-LIMIT:

Subsidence - \$20,000,000

INCLUDES

Errors & Omissions
Employment Practices Liability
Public Officials Liability
Automobile Liability

10/1/16 TO 10/1/17 ESTIMATED DEPOSIT PREMIUM:

Retrospective Allocation Point (RAP) \$5,000

Participation in 2 JPIA Programs \$2,528

Deposit premium based on estimated annual payroll. For purposes of the retrospective premium calculation, each member may select its own retrospective allocation point (RAP).

Excess Coverage Providers	AM Best Rating
Allied Public Risk/Allied World Assurance Co.	A: XV
Great American Insurance/ Evanston Insurance Co.	A+: XIV A: XV
Great American Insurance Company of NY	A+: XIV
Great American Insurance Company of NY/ Endurance Risk Solutions Assurance	A+: XIV A: XV
General Security Indemnity Co of AZ	A: XV

CYBER AND TECHNOLOGY LIABILITY COVERAGE

Included with Liability Program

Limit of Coverage.....\$2,000,000 *

INCLUDES

Third Party Liability Coverage
First Party Coverage

RETENTION SCHEDULE

Revenue:
<\$5,000,000..... \$10,000
\$5,000,000 to \$25,000,000 \$25,000
>\$25,000,000..... \$50,000

*Policy Aggregate Limit



Property Coverage Quotation

PROPERTY PROGRAM

Limit of Coverage..... \$150,000,000*

*subject to schedule of values provided by Agency

SUB-LIMITS:

- Accidental Mechanical Breakdown - \$150,000,000
- Employee Dishonesty - \$100,000
- Business Income - \$10,000,000
- Extra Expense - \$10,000,000
- Money & Securities - \$1,000,000
- Earthquake - \$2,500,000 program aggregate
- Flood – Zones A or V, \$5,000,000
- Zones B, C or X, \$10,000,000

DEDUCTIBLES:

- Property \$1,000
- Accidental Mechanical Breakdown..... varies depending upon type of equipment
- Earthquake 5%, subject to minimum \$75,000
- Flood Zones A or V \$75,000
- Flood Zones B, C, or X..... \$250,000

4/1/17 TO 4/1/18 ESTIMATED DEPOSIT PREMIUM:

Participation in 2 JPIA Programs..... \$18,433

Excess Coverage Providers	AM Best Rating
XL Catlin	A: XV

Premium Summary

Programs	Estimated Annual Premium
Liability	\$ 2,528
Property Coverage	\$ 18,433
TOTAL ESTIMATED ANNUAL PREMIUM	\$ 20,961

Estimated annual premium includes Multi-Program Discount – assumes participation in 2 programs

CONDITIONS:

1. Participation requires an initial three-year commitment;
2. Favorable Risk Assessment;
3. New applications require ACWA JPIA Executive Committee approval;
4. Membership in ACWA.

Joint Powers Agreement

Creating The

Association of California Water Agencies Joint Powers Insurance Authority

Adopted May 9, 1979
Revised on May 7, 2012

Joint Powers Agreement — Table of Contents

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Joint Powers Agreement

Creating The

Association Of California Water Agencies Joint Powers Insurance Authority

THIS AGREEMENT is made and entered into in the County of Placer, State of California, by and among the water districts and agencies (hereinafter "Districts") and other public entities (hereinafter "Friends of ACWA") organized and existing under the laws of the State of California, which are parties signatory to this Agreement and listed in Appendix "A", which is attached hereto and made a part hereof. Said Districts and Friends of ACWA are sometimes referred to herein as "parties" or "Members".

Recitals

WHEREAS, California Government Code Section 6500 *et seq.* provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance or reinsurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties to this Agreement desire to join together for the purpose of establishing pools for self-insured losses and purchasing excess insurance or reinsurance and administrative services in connection with joint protection programs for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1 — Definitions

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

- (a) **"Auditor/Controller"** shall mean that person, designated by the Executive Committee who is required to draw, or cause to be drawn, checks, warrants, and electronic payments on behalf of the Authority, and to provide for an annual audit.
- (b) **"Authority"** shall mean the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) created by this Agreement.
- (c) **"Board of Directors" or "Board"** shall mean the governing body of the Authority.
- (d) **"Chief Executive Officer"** shall mean that employee of the Authority who is so appointed by the Executive Committee and ratified by the Board of Directors at the next meeting, unless approved unanimously by the Executive Committee.
- (e) **"Claims"** shall mean demands made against Members which are within the Authority's joint protection programs as developed by the Board of Directors.
- (f) **"Deposit Premium"** shall mean the amount determined by the Executive Committee annually, as necessary to fund each joint protection program of the Authority.
- (g) **"Director"** shall mean that individual selected by the Member, from its governing body, to represent the Member on the ACWA/JPIA Board of Directors.
- (h) **"District"** shall mean those entities of local government empowered by law to replenish ground waters, distribute, control, treat, develop, acquire, use, store or supply water, or empowered by laws to protect, drain or reclaim lands within the State of California, including but not limited to irrigation districts, California water districts, municipal water districts, county water districts, municipal utility districts, and drainage, water replenishment, reclamation districts, flood control districts, conservation districts, sanitation districts, sanitary districts, special act districts, cities, and joint powers authorities which are signatories to this Agreement and are members of the Association of California Water Agencies (ACWA), or are affiliated with ACWA based on their meeting the criteria currently specified by ACWA for ACWA Affiliates – "Friends of ACWA".
- (i) **"Duly Constituted Board Meeting"** shall mean any Board of Directors meeting noticed and held in the required manner and at which a Quorum was determined to be present at the beginning of the meeting.

- (j) **"Excess Insurance"** shall mean that insurance or reinsurance which may be purchased on behalf of the Authority to protect the funds of the Members.
- (k) **"Executive Committee"** shall mean the Executive Committee of the Board of Directors of the Authority.
- (l) **"Finance and Audit Committee"** shall mean the committee of the Authority composed of financial staff of districts appointed by the Board President and ratified by their Districts.
- (m) **"Fiscal Year"** shall mean that period of twelve (12) months which is established as the fiscal year of the Authority.
- (n) **"Friends of ACWA"** shall mean those public agencies that do not meet the definition of **"District"** who are members of the ACWA or are affiliated with ACWA based on their meeting the criteria currently specified by ACWA for ACWA Affiliates – **"Friends of ACWA,"** and which are also signatories to this Agreement.
- (o) **"Insurance"** shall mean and include a joint protection program, self-insurance through a funded program, and/or any commercial insurance or reinsurance contract.
- (p) **"Member"** shall mean either a **"Friend of ACWA"** or a **"District"** which is a signatory to this Agreement.
- (q) **"Policy Year"** shall mean a period of time, usually twelve (12) months, determined by the Executive Committee into which each joint protection program is segregated for ease in determining deposit premiums, incurred losses, and retrospective premium calculations.
- (r) **"Retrospective Premium Adjustment"** shall include the terms **"Retrospective Premium"** and **"Retrospective Adjustment"** and shall mean the amount determined by the cost allocation plans and formulas adopted from time to time by the Board as a Member's share of losses, expenses, and contribution to the catastrophe fund or other reserve.
- (s) **"Secretary"** shall mean the person appointed by the Executive Committee to record or cause to be recorded, and keep or cause to be kept, at the principal executive office or such other place as the Executive Committee may order, a book of minutes of actions taken at all meetings of the Board of Directors and Executive Committee.
- (t) **"Treasurer"** shall mean the person appointed by the Executive Committee to keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority.

Article 2 — Purposes

This Agreement is entered into by Members pursuant to the provisions of California Government Code sections 990, 990.4, 990.8 and 6500 *et seq.*, in order to provide comprehensive and economical public liability, workers' compensation, unemployment, health, accident and/or dental, and property coverage, or coverage for other risks to which the Board of Directors may agree.

Additional purposes are to reduce the amount and frequency of losses, and to decrease the cost incurred by Members in the handling and litigation of claims. These purposes shall be accomplished through the exercise of the powers of such Members jointly in the creation of a separate entity, the Association of California Water Agencies Joint Powers Insurance Authority (the Authority), to administer joint protection programs wherein Districts and Friends of ACWA will separately pool their losses and claims, and jointly purchase excess insurance and/or reinsurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal, and other related services.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and members of the Authority, subject to approval by the Board of Directors.

Article 3 — Parties To Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories to this Agreement pursuant to Article 21. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Article 22 or Article 23, shall not affect this Agreement or such party's intent to contract as described above with the other parties to the Agreement then remaining.

Article 4 — Term Of Agreement

This Agreement became effective on the date of execution hereof by the last of sixty (60) Districts with a combined 1978/79 liability policy premium of \$2 million, and it shall continue until and unless terminated as hereinafter provided.

Article 5 — Creation Of Authority

Pursuant to Section 6500 *et seq.* of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Association of California Water Agencies Joint Powers Insurance Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and

obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement or of any District or Friend of ACWA.

Article 6 — Powers Of Authority

- (a) The Authority shall have the powers common to Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:
 - (1) To make and enter into contracts;
 - (2) To incur debts, liabilities or obligations;
 - (3) To acquire, hold or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
 - (4) To sue and be sued in its own name; and
 - (5) To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.
- (b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law, and in accordance with Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Walnut Valley Water District as specified in The California Water District Law (California Water Code Sections 34000 *et seq.*).

Article 7 — Board Of Directors

- (a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one representative from each Member, who shall be a Member director selected by the governing board of that Member. Each Member, in addition to appointing its member of the Board, shall appoint at least one alternate who shall be an officer, member of the governing board, or employee of that Member. The alternate appointed by a Member shall have the authority to attend and participate in any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.
- (b) Each Director or alternate of the Board shall serve until a successor is appointed. Each Director or alternate shall serve at the pleasure of the Member by which he or she has been appointed.
- (c) Each Director representing a Member, or his or her alternate, shall have one vote.

Article 8 — Powers Of The Board Of Directors

The Board of Directors of the Authority shall have the following powers and functions:

- (a) The Board shall elect from its voting members pursuant to Article 10 of this Agreement an Executive Committee.
- (b) The Board may review all acts of the Executive Committee, and shall have the power to modify and/or reverse any decision or action of the Executive Committee upon a majority vote of the voting Directors present at any Duly Constituted Board Meeting.
- (c) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority, prepared by the Executive Committee pursuant to Article 11 (d).
- (d) The Board shall receive and review periodic accountings of all funds under Articles 17 and 18 of this Agreement.
- (e) The Board shall have the power to conduct on behalf of the Authority all business of the Authority, including that assigned to the Executive Committee, which the Authority may conduct under the provisions hereof and pursuant to law.
- (f) The Board shall have such other powers and functions as are provided for in this Agreement or in the Bylaws.

Article 9 — Meetings Of The Board Of Directors

- (a) **Meetings.** The Board shall provide for at least one annual regular meeting. It may also provide for adjourned regular meetings, special meetings, or meetings upon call of the President of the Board.
- (b) **Minutes.** The Secretary of the Authority shall cause minutes of regular, adjourned regular, and special meetings (but not of any closed-session portion of any such meeting) to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to each Member.
- (c) **Quorum.** Any fifty (50) voting members of the Board present when the meeting is called to order shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. A vote of the majority of those voting members present and voting in the prescribed manner at any Duly Constituted Board Meeting shall be sufficient to constitute action by the Board except as otherwise specifically set forth in this Agreement or in the Bylaws.

- (d) **Compliance with the Brown Act.** All meetings of the Board, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Article 10 — Executive Committee

- (a) There shall be an Executive Committee of the Board of Directors which shall consist of nine (9) members, as provided in the Bylaws. Eight (8) members of the Executive Committee shall be elected by the Board of Directors from its voting members as provided in the Bylaws. The ninth member of the Executive Committee shall be the Vice President of the Association of California Water Agencies, who shall be an *ex officio* member of the Executive Committee.
- (b) The Executive Committee shall appoint a President and a Vice President of the Board of Directors from among the eight (8) Executive Committee members elected by the Board of Directors, as provided in the Bylaws. The President of the Board, or the Vice President in his or her absence, shall serve as the Chair of the Executive Committee.
- (c) The unexcused absence of a member of the Executive Committee, other than the Vice President of the Association of California Water Agencies, from two consecutive meetings may be cause for the removal of said member by the Executive Committee.
- (d) Vacancies on the Executive Committee shall be filled as provided in the Bylaws.

Article 11 — Powers Of The Executive Committee

The Executive Committee shall have the following powers:

- (a) The Executive Committee shall determine details of and select the joint protection program or programs of the Authority.
- (b) The Executive Committee shall determine and select all insurance, including excess insurance and reinsurance, necessary to carry out the joint protection program or programs of the Authority.
- (c) The Executive Committee shall have authority to contract for or develop various services for the Authority, including, but not limited to, claims adjusting, loss control and risk management consulting.
- (d) The Executive Committee shall cause to be prepared the operating budget of the Authority for each fiscal year, subject to review, modification and approval by the Board, as provided for in Article 8 (c).

- (e) The Executive Committee shall receive and act upon reports of all other committees and from the Chief Executive Officer.
- (f) The Executive Committee shall appoint the President, Vice President, Chief Executive Officer, Secretary, Treasurer, and Auditor/Controller of the Authority.
- (g) The Executive Committee shall have the authority to engage, retain, and discharge persons, firms, or other organizations as the Executive Committee deems necessary for the administration of the Authority. The Executive Committee may delegate this authority to the Chief Executive Officer of the Authority.
- (h) The Executive Committee shall exercise general supervisory control of and provide policy to the Chief Executive Officer.
- (i) Additional committees and sub-committees shall be established by the Executive Committee as it deems necessary to best serve the interests of the Authority.
- (j) The Executive Committee shall have such other powers and functions as are provided for pursuant to this Agreement.

Article 12 — Meetings Of The Executive Committee

The meetings of the Executive Committee shall be held and conducted as provided in the Bylaws. The Committee shall make periodic reports to the Board of Directors, advising the Board of its decisions and activities.

Article 13 — Officers Of The Authority

- (a) **President and Vice President.** The President and Vice President of the Board shall be appointed by the Executive Committee from among the Executive Committee's eight (8) elected members. In the event the President or Vice President so appointed ceases to be a member of the Board, the resulting vacancy in the office of President or Vice President may be filled on either an interim or a permanent basis at the next regular meeting of the Executive Committee held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board, and shall chair the Executive Committee.
- (b) **Chief Executive Officer.** The Chief Executive Officer shall have the general administrative responsibility for the activities of the Authority and shall appoint all necessary employees thereof, subject to prior authorization of

each position by the Executive Committee and shall perform such other duties as may be assigned by the Executive Committee.

- (c) **Auditor/Controller.** The Auditor/Controller shall be appointed by the Executive Committee. The duties of the Auditor/Controller shall be as set forth in Articles 17 and 18 of this Agreement.
- (d) **Secretary.** The Secretary shall be appointed by the Executive Committee and shall be responsible for all minutes, notices, and records of the Authority.
- (e) **Treasurer.** The Treasurer shall be appointed by the Executive Committee. The duties of the Treasurer shall be as set forth in Articles 17 and 18 of this Agreement.
- (f) The Executive Committee shall have the power to appoint such other officers as may be necessary to carry out the purposes of this Agreement.

Article 14 — Standing Committees

The Board or the Executive Committee may establish standing committees from time to time, as provided in the Bylaws.

Article 15 — Insurance Coverage

- (a) The Authority shall maintain such levels of insurance coverage for Members as may be determined by the Executive Committee. Such coverage may provide for binding arbitration before an independent arbitration panel of any disputes concerning coverage between the Authority and a Member.
- (b) The Insurance coverages provided for Members by the Authority may include protection for comprehensive and economical public liability, property, workers' compensation, employee benefits, or coverage for other risks which the Executive Committee may determine to be advisable.
- (c) The Executive Committee may arrange for group policies to be issued for Members interested in obtaining additional coverage, at an additional cost to those participating Members.
- (d) The Executive Committee may arrange for the purchase of Excess Insurance. The Executive Committee may discontinue purchase of this Excess Insurance, if at a future time it is no longer needed to protect the Authority's funds.

Article 16 —Implementation Of The Joint Protection Program

- (a) The Board of Directors shall establish the insurance coverages provided for in Article 15, the amount of deposit premiums, and the precise cost

allocation plans and formulas, and shall provide for the handling of claims, and the pro forma financial statements of each joint protection program, and shall specify the amounts and types of Excess Insurance or reinsurance to be procured.

- (b) The Deposit Premium for each Member for each joint protection program shall be determined by the Executive Committee.
 - (1) Deposit Premiums shall be based on estimated costs for a given program year. Costs shall include estimates for claims, excess insurance/reinsurance, general & administrative expenses, program reserves and include an estimate for interest earnings.
 - (2) Each Member's share of the Deposit Premium for the given program year shall generally be based on its payroll and past loss history for the Liability, Workers' Compensation, and Employee Benefits Programs and scheduled values for the Property Program.

The Executive Committee may make retrospective premium adjustments to prior program years.

- (c) The Retrospective Premium Adjustment, and all other adjustments to the Authority's financial records respecting each Member, shall be made annually. All premiums shall be due and payable within thirty (30) days after the invoice date.
- (d) Inasmuch as some Members may experience an unusually high dollar value of losses during a single Policy Year, which would increase their Retrospective Premium substantially above the Deposit Premium for that joint protection program for that Policy Year and cause budgetary problems, the Executive Committee may allow for payment of a portion of such additional Retrospective Premium to be made over a period of time, not to exceed five years, with reasonable interest.
- (e) The Executive Committee shall have the power to disburse or distribute reserve funds for their intended purposes.

Article 17 — Accounts And Records

- (a) **Annual Budget.** The Authority shall annually adopt an operating budget, pursuant to Article 8 (c) of this Agreement.
- (b) **Funds and Accounts.** The Treasurer of the Authority shall establish and maintain such funds and accounts as required by the Executive Committee and as required by generally accepted accounting principles. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members as otherwise required by law.

- (c) **Treasurer's Report.** The Treasurer shall present a complete written report of all investment activities for the most recently completed fiscal year to the Board at its regularly scheduled meeting.
- (d) **Annual Audit.** The Auditor/Controller shall provide for a certified, annual audit of the accounts and records of the authority, which audit shall be made by a certified public accountant and shall conform to generally accepted auditing standards. Such report shall be presented to the Executive Committee and, following its approval by the Executive Committee, shall be presented to the Board of Directors for concurrence.

Article 18 — Responsibility For Monies

- (a) The Treasurer of the Authority shall have the authority to delegate the signatory function of Treasurer to such persons as are authorized by resolution of the Executive Committee.
- (b) A bond in the amount determined adequate by the Executive Committee shall be required of all officers and personnel authorized to disburse funds of the Authority, such bond to be paid for by the Authority.
- (c) The Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5, including:
 - (1) Receive and acknowledge receipt for all money of the Authority and place it in the treasury of the Authority;
 - (2) Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;
 - (3) Pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority;
 - (4) Pay any other sums due from Authority money only upon checks, warrants, or electronic payments approved by the Chief Executive Officer or his or her designee. The checks, warrants, or electronic payments shall be reviewed by the President of the Board and the Chair of the Finance & Audit Committee.

Article 19 — Responsibilities Of The Authority

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

- (a) Provide insurance coverage as necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage, reinsurance, and umbrella insurance, by negotiation or bid, and purchase, as necessary.

- (b) Assist Members in obtaining insurance coverage for risks not included within the coverage of the Authority.
- (c) Assist each Member's designated risk manager with the implementation of that risk management function as it relates to risks covered by the joint protection programs within the Member.
- (d) Provide loss prevention and safety consulting services to Members as required.
- (e) Provide claims adjusting and subrogation services for Claims covered by the Authority's joint protection programs.
- (f) Provide loss analysis and control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.
- (g) Review Member contracts to determine sufficiency of indemnity and insurance provisions when requested.
- (h) Conduct risk assessments for each Member.
- (i) The Authority shall have such other responsibilities as deemed necessary by the Board of Directors or Executive Committee.

Article 20 — Responsibilities Of Members

Members shall have the following responsibilities:

- (a) The governing board of each Member shall appoint a representative and at least one alternate representative to the Board of Directors, pursuant to Article 7 of this Agreement.
- (b) Each Member shall appoint an employee of the Member to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.
- (c) It is recommended that each Member maintain an active safety officer and/or committee. Each Member shall consider all recommendations of the Authority concerning unsafe practices.
- (d) Each Member shall pay its deposit premium and premium adjustments, including any Retrospective Adjustment, within thirty (30) days after the invoice date. After withdrawal or termination, each Member or former Member or its successor shall pay within 45 days to the Authority its share of any additional premium, when and if required of it by the Executive Committee under Article 24 or Article 25 of this Agreement.

- (e) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint protection programs under this Agreement.
- (f) Each Member shall in any and all ways cooperate with and assist the Authority, and any insurer or reinsurer of the Authority, in all matters relating to this Agreement and covered claims, and shall also comply with all Bylaws, rules and regulations adopted by the Board of Directors and Executive Committee.

Article 21 — New Members

The Authority shall allow new Members entry into its joint protection programs only upon approval by the Board, or by the Executive Committee if specifically delegated such authority by resolution of the Board, which resolution may impose such conditions or limitations upon such authority of the Executive Committee as the Board deems appropriate. Members entering under this Article may be required to pay their share of the organizational expenses as determined by the Executive Committee, including expenses necessary to analyze their loss data and determine their Deposit Premiums.

Article 22 — Withdrawal

- (a) A Member may withdraw as a party to this Agreement any time prior to its consenting in writing to enter the joint protection program.
- (b) A Member that does not consent in writing to enter the joint protection program must withdraw as a party to this Agreement prior to the effective date of the program, or it will be considered to have voluntarily withdrawn upon such effective date.
- (c) As respects to coverage Programs of the Authority, other than the Employee Benefits Program:
 - (1) A Member that enters or has entered any pooled joint protection program may not withdraw as a participant of that program, as a party to this Agreement, or as a Member of the Authority, for a three-year period commencing on the Member's date of entry into said pooled joint protection program.
 - (2) After the initial three-year non-cancellable commitment to each pooled joint protection program, a Member may withdraw only at the end of said program's Policy Year, provided it has given the Authority a twelve-month written notice of its intent to withdraw from said pooled joint protection program.

- (i) No later than ninety (90) days prior to the end of said pooled joint protection program's Policy Year, any Member having given an Article 22 (d) conditional notice shall make clear to the Authority its final decision on withdrawal. Final notice of actual withdrawal must be given and received by that date in clear, unambiguous form. The staff is instructed to rely on such final notice received on or before ninety (90) days prior to the end of the program's Policy Year, and no rescission of such final notice can be made after close of business ninety (90) days prior to the end of the program's Policy Year. If no such final notice is received by close of business on the required date, staff shall treat the original notice with all its conditions and ambiguities as final notice of withdrawal.
 - (ii) Any participation by a former Member must be effected as a new Member. No benefits will be held over from the withdrawing Member's former status as a previous program participant.
- (3) Members may withdraw from any group purchase program at the conclusion of its Policy Year, without being required to give the twelve-month written notice required for withdrawal from pooled joint protection programs.
- (d) Members may withdraw as a party of the Employee Benefits Program to be effective on the first day of any month by providing written intention of withdrawing to the Authority at least 60 days prior to the proposed effective date of the withdrawal. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Authority which shall acknowledge receipt of such notice of the withdrawal in writing effective upon the proposed filing date, or such other date as the Executive Committee may designate which is not more than 90 nor less than 60 days from the notice in order to bring such notice of withdrawal in compliance with the terms hereof.
- (e) A Member may not withdraw as a party to this Agreement nor as a member of the Authority until it has withdrawn from all of the programs of the Authority.

Article 23 — Cancellation Of Membership Or Participation

- (a) Notwithstanding the provisions of Article 22, the Authority shall have the right to cancel any Member's participation in any joint protection program upon a two-thirds vote of the voting Directors present at any Duly Constituted Board Meeting, provided that a reasonable time shall be afforded, at the discretion of the Board of Directors, to place coverage elsewhere.
- (b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's

programs, shall cease and be canceled automatically at the end of the next complete Policy Year for each program whenever such Member's membership in the Association of California Water Agencies, or its affiliation with said Association based on its meeting the criteria currently specified by ACWA for ACWA Affiliates – “Friends of ACWA,” ceases. Such automatic cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 24 (b).

- (c) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's programs, may be canceled at the discretion of the Executive Committee whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the discretion of the Executive Committee, to place coverage elsewhere. Any such cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 24 (b).

Article 24 — Effect Of Withdrawal Or Cancellation

- (a) The withdrawal or cancellation of any Member from this Agreement shall not terminate the same and a Member by withdrawing or being canceled shall not be entitled to payment or return of any premium, consideration or property paid, or donated by the Member to the Authority, or to any distribution of assets, except as provided in Article 25 (c).
- (b) The withdrawal or cancellation of any Member after the effective date of any joint protection program shall not terminate its responsibility to contribute its share of deposit premium, premium adjustments or funds to any funds or insurance program(s) created by the Authority until all claims, or other unpaid liabilities, covering the Program period any part of which the Member was signatory thereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its participation has been made by the Executive Committee. In connection with this determination, the Executive Committee may exercise similar powers to those provided for in Article 25 (b) of this Agreement.

Article 25 — Termination And Distribution

- (a) This Agreement may be terminated at any time by the written consent of three-fourths (3/4) of the voting Members, provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority.
- (b) The Executive Committee is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members and former

Members, including those which were signatory hereto at the time the Claim arose or was incurred, to pay their share of any additional amount of premium in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement. A Member's or former Member's share of such additional premium shall be determined on the same basis as that provided for Retrospective Premiums in Article 16 of this Agreement.

- (c) Upon termination of this Agreement all assets of the Authority shall be distributed only among the Members that have been signatories hereto, including any of those Members which previously withdrew pursuant to Article 22 (d) or were canceled pursuant to Article 23 of this Agreement, in accordance with and proportionate to their cash contributions (including premium payments and property at market value when received) made during the term of this Agreement. The Executive Committee shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by this Agreement.
- (d) In the absence of an Executive Committee, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Executive Committee or Chief Executive Officer under this Article shall be final.

Article 26 — Provision For Bylaws And Manuals

As soon as practicable after the first meeting of the Board of Directors, the Board shall cause to be developed Authority Bylaws and a Mission Statement.

Article 27 — Notices

Notices to Members hereunder shall be sufficient if delivered to the principal office of the respective Member.

Article 28 — Amendment

This Agreement may be amended at any time by a two-thirds (2/3) vote of the voting Directors present at any Duly Constituted Board Meeting.

Article 29 — Prohibition Against Assignment

No Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title or any part, share, interest, fund, premium or asset of the Authority.

Article 30 — Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below:

DATE: _____

Member

BY:

Signature of Authorized Representative

Bylaws

Association of California Water Agencies Joint Powers Insurance Authority

**June 15, 1979
Revised on December 1, 2014**

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Bylaws Of The

Association of California Water Agencies Joint Powers Insurance Authority

For the Regulation, Except as Otherwise Provided by Statute or the Agreement Creating the Association of California Water Agencies Joint Powers Insurance Authority.

Article I — Offices

Section 1. Principal Executive Office.

The principal executive office for the transaction of business of the Authority is hereby fixed and located at 2100 Professional Drive, Roseville, CA 95661-3700; mailing address P.O. Box 619082, Roseville, CA 95661-9082. The Executive Committee of the Authority shall have the authority to change the location of the principal executive office from time to time. Any such change shall be noted in the Bylaws by the Secretary, opposite this section, or this section may be amended to state the new location.

Section 2. Other Offices.

Other business offices may at any time be established by the Executive Committee at any place or places where the Authority is qualified to do business.

Article IA — Definitions

The definition of terms used in these Bylaws shall be those definitions contained in the Agreement creating the Authority unless the context requires otherwise.

Article II — Board Of Directors

Section 1. Composition and Selection.

The Board of Directors shall be composed of one representative from each Member of the Authority, who shall be a member of the governing board thereof selected by the governing board of that Member, as provided for in the Agreement creating the Authority. Each Member shall also appoint at least one alternate, who shall be an officer, member of the governing board or employee of that Member. The alternate may vote, but only in the absence of the regular representative. "Absence", as the term is used in this section, includes "vacancy" as defined in Section 2 of this Article II.

If a Member's membership in the Authority is terminated for whatever reason and by whatever method, that Member shall no longer have a representative on the Board of Directors, Executive Committee, or any other Committee of the Authority, except that the Vice President of the Association of California Water Agencies may serve *ex officio* as a member of the Executive Committee even though he or she does not represent a Member.

Section 2. Vacancies.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of death, resignation, expiration of term, removal by the Member that made the appointment, or when the Director ceases to be a member of the governing board of the appointing Member. Vacancies in the positions of Director or alternate shall be filled in the manner provided for regular appointment of such persons in the Agreement creating the Authority and these Bylaws.

Section 3. Annual Meeting.

(a) Time and Place Held. The annual meeting of the Board of Directors shall be held each year on a date, place, and time designated by the Executive Committee. Written notice of each annual meeting shall be given to each Member and its Director electronically or by mail or other means of written communication, in the manner provided by the Ralph M. Brown Act, California Government Code Section 54950, *et seq.*, not later than forty-five (45) days preceding the meeting. Such notice shall specify the place, the date, and the hour of such meeting. Notice shall be given by first-class mail when it cannot be given by electronic mail.

(b) Business to be Transacted.

- (1) Election of Executive Committee members shall take place as required under the Agreement creating this Authority and by these Bylaws.
- (2) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority.
- (3) The Board shall receive reports of the operations and affairs of the Authority.
- (4) Any other business may be transacted which is within the powers of the Board of Directors.

(c) Additional Notice. An additional written notice shall be given to each Member and its Director in the same manner as set forth above in Section 3. (a), but not later than fourteen (14) days before the meeting. This additional notice shall list:

- (1) Those matters which are intended to be presented for action by the Board of Directors;
- (2) If members of the Executive Committee are to be elected, the names of nominees intended at the time of the notice to be presented for election;
- (3) The general nature of any proposal to be presented for action with respect to approval of (i) a new Member, (ii) a contract or other transaction of the Authority with an interested Member, (iii) amendment of the Agreement creating the Authority, (iv) the cancellation of a Member's participation in the joint program, (v) voluntary termination of the Agreement creating the Authority, or (vi) a distribution in termination; and
- (4) Such other matters, if any, as may be expressly required by statute or by the Agreement creating the Authority.

Section 4. Special Meetings.

Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement creating the Authority, may be called at any time by the President, or by the Vice President in the absence or disability of the President, or by three (3) members of the Executive Committee of the Authority or by not less than one-third (1/3) of the voting Directors. Upon request in writing that a special meeting of the Board of Directors be called for any proper purpose, directed to the President, Vice President, or Secretary of the Authority, by any person or persons entitled to call a special meeting of the Board of Directors, the officer receiving such request forthwith shall cause notice to be given to the Members that a meeting will be held at a time requested by the person or persons calling the meeting, not less than thirty-five (35) or more than sixty (60) days after receipt of the request. Notice of any special meeting shall be given in compliance with the Ralph M. Brown Act, California Government Code Section 54950, *et seq.* Such notice shall specify the place, date and hour of such meeting, the nature of the business to be transacted, and if applicable, the names of nominees for members of the Executive Committee intended at the time of the notice to be presented for election. No business other than that specified in the notice of a special meeting may be transacted at that meeting.

Section 5. Place of Meetings.

All annual or other meetings of the Board of Directors shall normally be held at the location of the Association of California Water Agencies' Spring or Fall Conference and at a time immediately before or after such conference. Special meetings at other times shall be held at locations designated by the President or the Executive Committee or approved by the consent of the voting Directors given either before or after the meeting and filed with the Secretary of the Authority.

Section 6. Quorum.

At any meeting, the presence in person by the Director or alternate of at least fifty (50) Members shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than a quorum. If any action taken (other than adjournment) is approved by a number of Members at least equal to a majority of the Members required to constitute a quorum, except for actions specifically requiring more than a majority, the validity of such action shall not be subject to question on the basis that a quorum was not present at the time such action was taken.

Section 7. Adjourned Meetings.

- (a) Adjournment.** Any Board of Directors' meeting, annual or special, whether or not a quorum is present may be adjourned from time to time by the vote of a majority of the Directors of Members present, but in the absence of a quorum, except as provided in Section 6 of this Article II, no other business may be transacted at such a meeting.
- (b) Notice.** When any Board of Directors' meeting, either annual or special, is adjourned for forty-five (45) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as specifically provided herein, or by the Ralph M. Brown Act, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken and posting such notice as required by Section 54955 of the Government Code.

Section 8. Nominations for Executive Committee Members.

Members may nominate members from the Board of Directors to the Executive Committee in the following manner:

- (a)** On forms provided by the Authority, a Member may place into nomination its member of the Board of Directors for any open position with the concurrence of three (3) Members in addition to the nominating Member.
- (b)** Nominating forms must be completed and received by the Authority at least forty-five (45) days before the Board of Directors' meeting, at which the election will occur.
- (c)** This Member nomination process shall be the sole method for placing candidates into nomination for Executive Committee positions.

Section 9. Voting.

Unless a record date for voting purposes is set by the Executive Committee, Districts and Friends of ACWA which are Members on the day of the meeting of the Board of Directors shall be entitled to vote at such meeting. Such vote may be by any acceptable means, provided, however, that all elections for members of the Executive Committee must be by ballot upon demand made by a Member at any election and before the voting begins, and no action may be taken by secret ballot. If a quorum is present, the affirmative vote of the majority of the Members voting in the prescribed manner shall be the act of the Board, unless the vote of a greater number is required by the Agreement creating the Authority or other sections of these Bylaws. Every Member shall have only one vote.

Section 10. Inspectors of Election.

- (a) Appointment.** In advance of any meeting of the Board of Directors, the Executive Committee may appoint any persons, other than nominees for office, as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election be not so appointed, the President or Vice President in his or her absence, may, and on the request of any Member's representative or alternate, shall make such appointment at the meeting. The number of inspectors shall be three (3), at least one of whom shall be a voting member of the Board of Directors. In case any person appointed as inspector fails to appear or fails or refuses to act, a vacancy shall be deemed to exist, and on the request of any Member, shall be filled by appointment by the Executive Committee in advance of the meeting, or at the meeting by the President, or the Vice President in his or her absence.
- (b) Duties.** The duties of such inspectors shall include: Determining the current number of Members, the Members represented at the meeting, and the existence of a quorum; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the results; and all such other acts as may be proper to conduct the election or vote with fairness to all Members.
- (c) Procedure.** The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. The decision, act or certificate of a majority of the inspectors shall be effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

Article III — Executive Committee

Section 1. Composition, Selection and Term of Office.

The Executive Committee shall consist of nine (9) members, including eight (8) members elected by the Board of Directors from its voting Members and the Vice President of the Association of California Water Agencies, who shall be an *ex officio* member of the Executive Committee. Commencing with the first Board of Directors' meeting held in 2013 four (4) members shall be elected in every odd-numbered year and shall serve four-year terms until their respective successors are elected. Commencing with the first Executive Committee meeting held after the 2013 Board of Directors' election, the Executive Committee shall appoint two of its members to serve two-year terms as President and Vice President of the Board of Directors. There shall be no limit to the number of two-year terms a person may serve as the President or the Vice President of the Board of Directors. All members of the Executive Committee, except the Vice President of the Association of California Water Agencies, shall be Directors of Members which participate in the ACWA/JPIA's Liability, Property, Workers' Compensation, and at least one of the Employee Benefits Programs.

Upon their adoption by the Members, these four-year terms shall be implemented as agreed upon by the Executive Committee.

The President, or in his or her absence, the Vice President shall serve as Chair of the Executive Committee.

Section 2. Vacancies.

- (a) **Existence of Vacancies.** A vacancy or vacancies in the Executive Committee shall be deemed to exist in case of the death, resignation, expiration of term, termination of membership on the Board of Directors, removal of any member by the Board of Directors, declaration of unsound mind by order of court, conviction of a felony, increase in the authorized number of members, or if the Board of Directors fail, at any annual or special meeting of the Board at which any members of the Executive Committee are elected, to elect the full authorized number of members to be voted for at that meeting. A vacancy may also be deemed to exist because of the unexcused absence of a member of the Executive Committee, other than the Vice President of the Association of California Water Agencies, from two (2) consecutive meetings thereof, and may be cause for removal of said member by the Executive Committee.
- (b) **Vacancies Filled by Executive Committee.** Vacancies in the Executive Committee, except for a vacancy created by the removal of any member by the Board of Directors and a vacancy in the office of Vice President of the Association of California Water Agencies, may be filled on an interim basis by a vote of the majority of the remaining voting members, though less than

a quorum, or by a sole remaining voting member of the Executive Committee, and each member so appointed shall hold office until his or her successor is elected at the next election meeting of the Board of Directors.

- (c) **Vacancies Filled by Board of Directors.** The voting members of the Board of Directors may elect a member of the Executive Committee at any time to fill any vacancy or vacancies or seat filled on an interim basis by the Executive Committee. A vacancy on the Executive Committee created by the Board of Directors removing a member may be filled only by the vote of a majority of the representatives of Members at a Duly Constituted Board Meeting at which a quorum is present.

Section 3. Meetings.

- (a) **Call.** Meetings of the Executive Committee for any purpose or purposes may be called at such times and places as designated by the President, or in his or her absence, by the Vice President or by three (3) members of the Executive Committee.
- (b) **Notice.** Notice of the time and place of special meetings shall be given in writing to the members of the Executive Committee, and it shall be delivered personally, electronically, or by mail to each member at least twenty-four (24) hours before the time of such meeting. Such notice shall specify the business to be transacted at the meeting.

Section 4. Action at Meetings: Quorum and Required Vote.

The presence of any five (5) of the nine (9) voting members of the Executive Committee at a meeting shall constitute a quorum for the transaction of business. Every act by a majority of the voting members of the Executive Committee present at a meeting duly held at which a quorum was present shall be regarded as an act of the Executive Committee, unless a greater number is required by law, by the agreement creating the Authority, or by these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, provided that any action taken is approved by at least five (5) members.

Section 5. Adjourned Meetings.

- (a) **Adjournment.** A quorum of the members may adjourn any Executive Committee meeting to a stated day, hour and place; provided, however, that in the absence of a quorum, a majority of the voting Committee members present at any meeting may adjourn from time to time.
- (b) **Notice of Adjournment.** If a meeting is adjourned for more than twenty-four (24) hours, at least twenty-four (24) hours written notice of such adjournment to another time or place shall be given prior to the time of the adjourned meeting to the members who were not present at the time of

adjournment. Otherwise, notice of the time and place of holding an adjourned meeting need not be given if the time and place are fixed at the time of adjournment.

Article IV — Standing Committees

Section 1. Finance and Audit Committee.

The Finance and Audit Committee shall be composed of seven (7) representatives chosen from Members, each of whom shall be a finance officer of the District from which said person is selected and have a financial background. The Board President shall appoint the members and designate the Chair and Vice Chair of the Committee. The Executive Committee shall specify the duties delegated to this committee.

The Chair of the Finance and Audit Committee, or in the event of the Chair's inability to attend, the Vice Chair, may attend meetings of the Executive Committee and participate in discussion, but shall not vote.

Section 2. Liability Program Committee.

The Liability Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Liability Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 3. Property Program Committee.

The Property Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Property Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 4. Workers' Compensation Program Committee.

The Workers' Compensation Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Workers' Compensation Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 5. Employee Benefits Program Committee.

The Employee Benefits Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Employee Benefits Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 6. Risk Management Committee.

The Risk Management Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in any of the Programs. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 7. Personnel Committee.

The Personnel Committee shall be composed of four (4) members. These Committee members will be a combination of the Board President, the Board Vice President, and two members of the Executive Committee appointed by the Board President.

Section 8. Meetings.

The Committees shall meet from time to time as directed by the Executive Committee or by the Committee Chair.

Article V — Officers And Employees

Section 1. Officers.

The officers of the Authority shall be a President, a Vice President, a Chief Executive Officer, a Secretary, an Auditor/Controller, and a Treasurer. The Executive Committee may, in addition, provide for such other officers as it deems necessary for the performance of the business of the Authority.

Section 2. Election and Term of Office.

The Executive Committee shall appoint a President and Vice President of the Authority from the Executive Committee's eight (8) elected members for two-year terms. The President and Vice President shall also serve as Chair and Vice Chair of the Executive Committee. In the event the President or Vice President so appointed ceases to be a member of the Board, the resulting vacancy in the office of President or Vice President may be filled, on either an interim or a permanent basis, at the next regular meeting of the Executive Committee held

after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

Section 3. Officers and Employees.

The Executive Committee shall appoint, or may empower the President to appoint, subject to ratification by the Executive Committee, all officers of the Authority. Except as may otherwise be provided in the agreement creating the Authority or the Bylaws, such officers shall hold office at the pleasure of the Executive Committee or for such term as the Executive Committee may provide by agreement. The Executive Committee shall also appoint such other officers as may be necessary to carry out the purposes of the Authority. All officers and employees shall have such authority and perform such duties as are provided in the Agreement creating the Authority, or as are provided in the Bylaws or as the Executive Committee may from time to time determine. The Executive Committee may provide for the payment of compensation to officers or employees for their services to the Authority.

Section 4. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, expiration of term, or any other cause shall be filled in the manner prescribed in the agreement creating the Authority and the Bylaws for regular appointments to such office.

Section 5. Removal and Resignation.

- (a) Removal.** The President, the Vice President or any other Executive Committee member other than the Vice President of the Association of California Water Agencies may be removed, without cause, by the Board of Directors, at any regular or special meeting thereof by a two-thirds (2/3) vote of the voting members of the Board at any Duly Constituted Board Meeting. An officer chosen by the Executive Committee may be removed without cause, by that Committee by a two-thirds (2/3) vote of all of the members of that Committee (subject to the rights, if any, of an officer or employee under any contract of employment).
- (b) Resignation.** Any officer or Executive Committee member may resign at any time by giving written notice to the Executive Committee or to the President, or to the Chief Executive Officer of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. President.

The President shall be one of the eight (8) elected members of the Executive Committee and shall be the chief elected official of the Authority. The President shall preside at all meetings of the Board of Directors and Executive Committee. The President shall be *ex officio* a member of all the standing committees and shall have such other powers and duties as may be prescribed by the Board of Directors, the Executive Committee, the Agreement creating the Authority or these Bylaws.

Section 7. Vice President.

In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall be a member of the Executive Committee and have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the Bylaws.

Section 8. Chief Executive Officer.

The Chief Executive Officer shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated representatives and alternates of each Member.

The Chief Executive Officer shall give, or cause to be given, notice of all the meetings of the Board of Directors and of the Executive Committee required by the Bylaws or by statute to be given, and shall have such other powers and perform such other duties as may be prescribed by the Executive Committee, the Agreement creating the Authority, or the Bylaws.

The Chief Executive Officer shall have the duty of administering the joint protection programs of the Authority, as provided for in the Agreement creating the Authority, shall have direct supervisory control of and responsibility for the operation of the Authority including appointment of necessary employees thereof, subject to prior authorization of each position by the Executive Committee, and shall have such other related duties as may be prescribed by the Executive Committee or elsewhere in the Bylaws.

Section 9. Treasurer.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority, including accounts of its assets, liabilities, receipts, and disbursements, and shall have such other duties as are provided for in the Agreement creating the Authority.

Section 10. Auditor/Controller.

The Auditor/Controller shall perform those duties required by California Government Code Sections 6505 and 6505.5, including the following:

- (a) Contract with a certified public accountant to make an annual audit of the accounts and records of the Authority as such audit is provided for in the agreement creating the Authority. The minimum requirements of the audit shall be prescribed by the State Controller, as provided in Section 26909 of the Government Code; and
- (b) Draw, or cause to be drawn, warrants, and electronic payments used to pay demands against the Authority when the demands have been approved by the Chief Executive Officer or his or her designee; and
- (c) Such other duties as may be provided by the Executive Committee, the Agreement creating the Authority, or the Bylaws.

Section 11. Secretary.

The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office of the Authority or such other place as the Executive Committee may order, a book of minutes of actions taken at all meetings of the Board of Directors and Executive Committee, whether regular or special (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof.

Article VI — Miscellaneous

Section 1. Annual Report.

The Board of Directors of the Authority shall cause an annual report to be made available to the Members not later than twelve (12) months after the close of each fiscal year. Such report shall contain the audited financial statements and such other information as may be required by law.

Section 2. Defense of Agents of the Authority.

- (a) For the purposes of this Article, "agent" means any person who is or was an officer, employee or other duly authorized agent of the Authority, while acting on behalf of the Authority.
- (b) The Authority shall provide for the defense of any civil action or proceeding brought against any such agent of the Authority in his or her official or individual capacity or both, on account of an act or omission within the scope of his or her employment as an agent of the Authority, and to the extent of such defense as is provided for in California Government Code Section 995 *et seq.*

Section 3. Contribution Among Members of the Authority.

Pursuant to the provisions of Government Code Section 895 *et seq.*, the Members of the Authority are jointly and severally liable for any liability which is otherwise imposed by law upon any one of the Members or upon the Authority for injury caused by a negligent or wrongful act or omission occurring in the performance of the ACWA JPIA's Joint Powers Agreement. However, as between the Authority's Members themselves, if a Member of the Authority is held liable for any such liability and pays in excess of its *pro rata* share in satisfaction of such liability, such Member is entitled to contribution from the other Members of the Authority. An ACWA JPIA Member's *pro rata* share will be based on that Member's premium contributions paid in the fiscal year in which the liability arose, compared with the premium contributions paid by all ACWA JPIA Members in such fiscal year. No Member may be compelled to make a contribution to the satisfaction of such a liability, beyond its own *pro rata* share of the entire liability.

Section 4. Inspection of Authority Records.

The accounting books and records, the list of Members' designated representatives, and minutes of proceedings of the Board of Directors and the Executive Committee and all other committees of the Authority shall be open to the inspection of any Member at any reasonable time. Members shall provide ten (10) days notice of intent to inspect records. Such inspection by a Member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

Section 5. Checks and Drafts.

All checks, drafts or other orders of payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Authority, shall be signed or endorsed by the President and Treasurer or by such person or persons and in such manner as, from time to time, shall be determined by the Executive Committee.

Section 6. Register of Checks.

A register of all checks, warrants, and electronic payments not previously reviewed and approved by the Executive Committee shall be made available to the Executive Committee at each of its meetings for the Committee's review and approval.

Section 7. Execution of Contracts.

The Executive Committee may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances except as otherwise provided by these Bylaws. Unless so

authorized by the Executive Committee, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 8. Rules of Procedure for Meetings.

All meetings of the Board of Directors and Executive Committee including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Sections 54950 *et seq.*

Article VII — Amendments

Section 1. Power of Board of Directors.

New bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of a majority of the voting members present at any Duly Constituted Board Meeting.

Section 2. Power of Executive Committee.

Subject to the provisions of Section 1 of this Article, amendments to these Bylaws, other than amendments changing the authorized number of members of the Executive Committee, may be adopted by the Executive Committee. Any amendment adopted by the Executive Committee shall be on the agenda of the next meeting of the Board of Directors for ratification.