CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

AMENDED AND RESTATED BYLAWS

July 1, 2026

CENTRAL SAN JOAQUIN VALLEY
RISK MANAGEMENT AUTHORITY
BYLAWS

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BYLAWS
of the
CENTRAL SAN JOAQUIN VALLEY RISK
MANAGEMENT AUTHORITY

PREAMBLE

The Central San Joaquin Valley Risk Management Authority (hereinafter "**Authority**") is established for the purpose of operating and maintaining a cooperative program of **self-insurance** and risk management and to provide a forum for the discussion, study, development, and implementation of procedures of mutual benefit in **Joint Protection Programs**.

These Bylaws are for the regulation of the **Authority**. Except as otherwise provided by statute or the **Agreement** creating the **Authority** as originally adopted or as amended from time to time, these Bylaws are intended to set forth the procedures for the operation of the **Authority** and its various programs as contained in the **Master Plan Documents**.

Pursuant to Government Code Section 6508, the **Authority** shall possess those powers common in the **Agreement** and may exercise these in the manner or according to the methods provided in the **Agreement** and these Bylaws.

To the extent that any of the provisions in these Bylaws are inconsistent with the provisions of any memorandum of coverage for a **Joint Protection Program** or to the extent that the provisions are inconsistent with the **Agreement,** those documents shall be controlling, and these Bylaws shall be ineffective.

As provided in Government Code Section 6509, the powers contained in the **Agreement** and these Bylaws are subject to the restrictions upon the manner of exercising such powers according to the methods provided in the **Agreement** and these Bylaws.

ARTICLE I
DEFINITIONS

The following words, when typed in bold print within the provisions of these Bylaws, shall have the following definitions:

> **"Administrator"** shall mean that person or group appointed by the **Executive Committee** and given responsibility for the management, administration, and operation of the **Authority.**
>
> **"Agreement"** shall mean the Joint Exercise of Powers Agreement creating the **Authority**.
>
> **"Authority"** shall mean the Central San Joaquin Valley Risk Management Authority, a.k.a. the CSJVRMA.

"Board of Directors" or **"Board"** shall mean the governing body of the **Authority.**

"Broker" shall mean the **insurance** broker hired by the **Executive Committee** to acquire **insurance** coverage.

"Claims" shall mean demands made against the **Authority** arising out of occurrences which are claimed to be within one of the **Authority's Joint Protection Programs** as developed by the **Board.**

"Deposit Premium" shall mean the annual dollar amount determined by the **Board of Directors** payable by each **Member City** for the purpose of **self-insurance** coverage, excess **insurance premiums**, and administrative costs for the purposes of carrying out the powers of authority.

"Executive Committee" shall mean the elected officers and the **Representatives** appointed by each region to represent that region.

"Fiscal Year" shall mean the period beginning on July 1 and ending on June 30.

"Insurance" shall mean any commercial **insurance** coverage.

"Insurance Premium" shall mean those funds charged for the payment of group purchased **insurance.**

"Joint Protection Programs" shall mean any program to provide **self-insurance** or **insurance** coverage and shall include a determination as to the amount of initial **insurance premiums** and/or **deposit premiums;** a precise allocation plan and formula; and a determination of the amount and type, if any, of excess **insurance** to be purchased. Included within the term **Joint Protection Program** is the identification of exposures to accidental **Loss**, the reduction or limitation of losses to **Member City** properties, and from injuries to persons or property caused by the operations of **Member Cities** and the funding of those risks, together with any other functions appropriate or necessary to the functioning of the **Joint Protection Program.**

"Master Plan Document" shall mean the document, formally adopted by the **Executive Committee** and ratified by the **Board of Directors**, setting forth the operations policies and provisions of a **Joint Protection Program** which shall include, but not be limited to, the following:

- The scope of the program;
- The procedures to be followed;
- Who may participate;
- Any limits or restrictions;
- How **deposit premiums** are determined;

- How refunds, if any, are determined;
- Commitments required by participants; and
- How the document may be amended.

"Member City" shall mean a city which is an incorporated municipality organized with a council, City Manager/Administrator form of government and which has been approved for participation in the **Authority** by the **Executive Committee** in accordance with applicable provisions of the Joint Exercise of Powers **Agreement** and the Bylaws and has signed the Joint Exercise of Powers **Agreement.**

"Operating Fund" shall mean the fund established by the **Authority** for the purpose of paying just demands submitted to the **Authority.**

"Representative" shall mean the person, normally the City Manager/Administrator of the **Member City**, who has been designated in writing by the **Member City** to represent and act for and on behalf of the **Member City** regarding any matter before the **Authority's Board** or **Executive Committee.**

"Self-insurance" shall mean the process whereby the **Authority** maintains sufficient reserves to pay all **claims** and associated expenses of a risk area without purchasing **insurance** to cover the risk or a portion of the risk.

ARTICLE II
PURPOSES

The purposes of the **Authority** are:

A. To provide a system which will achieve the following objectives for the benefit of the **Authority's Member Cities** in all risk areas handled by the **Authority:**

1. Reduced cost of commercial **insurance** coverage through effective loss control practices and combined purchasing power;

2. Reduced cost of **claims** administrative services through central management, volume, and combined purchasing power;

3. Greater stability of commercial **insurance** markets through size of combined membership, longer duration of commercial **insurance** agreements, and effective loss control practices;

4. Reduced severity and frequency of losses of **Member Cities;**

5. Improved control of sources of risk through the application of risk management and loss control techniques;

6. Improved recovery from responsible third party tortfeasors;

7. Establishment of one or more reserve funds for use by **Member Cities** in easing the impact of heavy losses; and

8. Coordination with **Member Cities'** legislators on needed **self-insurance** and risk management legislation.

B. To provide **Joint Protection Programs:**

1. For payment of **claims** and benefits as authorized by the **Authority's Member Cities;**

2. To administer a cooperative **self-insurance** program wherein **Member Cities** self-insure by pooling funds as reserves against losses;

3. To jointly purchase reinsurance or excess commercial **insurance;**

4. To jointly purchase administrative services and other services including risk management, consulting, brokerage, **claims** administration, **claims** adjusting, safety and loss prevention, data processing, legal, and related services;

5. To acquire, hold, and dispose of property, real and personal, necessary or desirable, for the purpose of providing the members of the **Authority** with a complete **self-insurance** and risk management program, including, but not limited to, the acquisition of necessary facilities and equipment, the employment of personnel, and the operation and maintenance of a system of risk management; and

6. To acquire, hold, and dispose of bonds or other financial instruments, necessary or desirable, for the purpose of providing funding for **Joint Protection Programs** of the **Authority.**

C. To steward and safeguard member funds held for the purposes of the payment of **claims** and other purposes.

ARTICLE III
MEMBERSHIP

A. ELIGIBILITY FOR NEW MEMBERS

Any incorporated municipality which meets the following criteria is eligible for membership in the **Authority,** upon approval by the **Authority's Executive Committee:**

1. A population of 100,000 or less upon joining the **Authority;**

2. Characterized by having professional management as typified by a bona fide council, City Manager/Administrator form of government; and

3. Located within the State of California.

The **Executive Committee**, when entertaining applications for admission, should consider, but not be limited to, the following criteria:

1. The average loss history of the applicant per $100 of payroll over the then immediate past five-year history as compared to the average loss history of the **Authority** per $100 of payroll over the same period of time;

2. The severity of **claims** during this same five-year history;

3. The frequency of **claims** during this same five-year history;

4. The types of **claims** and whether there have been new programs, policies, management, education, or elimination of exposures to ameliorate the continued exposures; and

5. All other criteria established in the Resolution of the **Authority** Establishing Underwriting Guidelines.

B. ADMISSION OF INCORPORATED MUNICIPALITIES

1. Any incorporated municipality desiring to become a party to the **Authority's** Joint Exercise of Powers **Agreement** must:

   a. Make application to the **Authority.** The **Administrator** will inspect each application and will schedule and coordinate a safety inspection of the applicant. A copy of the most recent audited financial statements, including management letters, will be reviewed. The results of this procedure will be reviewed by the **Executive Committee** with representatives of the applicant in attendance.

   b. Pay a one-time application fee based on population as per the most recent State of California, Department of Finance, Price and Population Data for Local Jurisdictions at a rate of 15 cents per capita, or a minimum of $1,500.

2. Any eligible incorporated municipality may become a party to the Joint Exercise of Powers **Agreement** upon approval by a majority vote of the **Executive Committee** and by complying with all of the following requirements:

   a. Agree to be bound by the Joint Exercise of Powers **Agreement** and the Bylaws;

   b. Execute the Joint Exercise of Powers **Agreement** as amended from time to time;

c. Participate in the Pooled Liability Program offered by the **Authority;**

d. Participate in the Employee Assistance Program offered by the **Authority,** unless exempted by the **Executive Committee;**

e. Appoint in writing a **representative** and alternate **representative** to the **Board;** and

f. Ensure that the **representative** and alternate **representative** file with the Fair Political Practices Commission the required FPPC forms upon assuming office, during office, and upon termination of office.

3. Membership shall become effective upon approval of that incorporated municipality's membership by the **Executive Committee**; the incorporated municipality's adoption by resolution and execution of the Joint Exercise of Powers **Agreement;** adoption by resolution of the **Master Plan Documents** for mandatory programs and any elective programs to which the incorporated municipality applies; and by the incorporated municipality's payment of the one-time initial contribution, and initial **insurance premium**, and **deposit premium.**

C. <u>MEMBERSHIP REGIONS</u>

The geographic territory of the **Authority** shall be divided into three regions as follows:

Northern Region – **Member Cities** within the boundaries of Amador, Calaveras, San Joaquin, Sacramento, Stanislaus, and Tuolumne counties, and the **Member Cities** of Atwater, Gustine, and Livingston.

Central Region – The **Member City** of Dinuba and **Member Cities** within the boundaries of Fresno, Madera, and Merced with the exception of the **Member Cities** of Atwater, Gustine, and Livingston.

Southern Region – **Member Cities** within the boundaries of Kern, Kings, and Tulare counties, with the exception of the **Member City** of Dinuba.

D. <u>REGIONAL MEETINGS</u>

An annual meeting of each region shall be held in conjunction with the **Authority's** June **Board** meeting. Notice of the time and place, including a brief general description of each item of business to be transacted or discussed at a region's meeting, shall be 1) posted to the **Authority's** website; 2) emailed to each **Member City** of that region at least seventy-two (72) hours prior to the meeting and will be made available to any member of the public who so requests.

ARTICLE IV
BOARD OF DIRECTORS

A. COMPOSITION AND POWERS

1. The governing body of the **Authority** shall be the **Board of Directors**. voting members of the **Board** shall be as designated in Article VIII of the Joint Exercise of Powers **Agreement.**

2. The **Board** shall provide policy direction for the **Executive Committee,** the officers, and the **Administrator.** The **Board** may delegate any and all of its **Authority** to the **Executive Committee** except the following:

   a. To change these Bylaws, which requires at least a two-thirds (2/3rds) vote of the **Board;**

   b. To create any new **Joint Protection Program;**

   c. To terminate any **Joint Protection Program;**

   d. To expel a **Member City;**

   e. To adopt an operating budget for the **Authority**;

   f. To change or revise the **Authority's** Conflict of Interest Code;

   g. To authorize the issuance, modification, or defeasance of bonds, which requires at least a two-thirds (2/3rds) vote of the **Board**; and

   h. To annually review and approve the Investment Policy.

B. **BOARD** MEETINGS

All meetings of the **Board** shall be called and conducted, and an agenda posted, in accordance with the Ralph M. Brown Act, Government Code Section 54950 et. seq. ("Brown Act") as it now exists or may hereinafter be amended. In addition, the following provisions will apply:

1. The business of the **Board** shall be conducted and exercised only at a meeting of the **Board** where a quorum is present as defined in number 6 of this Section.

2. Regular Meetings. Regular meetings of the **Board** shall be held at least three times per year to review all operations of the **Authority** conducted pursuant to the Joint Exercise of Powers **Agreement** and these Bylaws. An annual calendar of Regular Meetings for the following **fiscal year** shall be adopted by the **Executive Committee** in March of each year and shall include the time and date of each meeting.

3. A copy of the adopted meeting dates shall be 1) posted to the **Authority** website; 2) emailed to each **representative** and alternate **representative** of the **Board**, 3) mailed or emailed to each interested member of the public or representative of the media who has requested, in writing, written notice of **Authority** meetings, and 4) posted at the **Authority's** office and at each meeting location in a place that is freely accessible to members of the public.

4. At least seventy-two (72) hours before each meeting, the Board Secretary, or other designated officer, shall prepare a written agenda specifying the time and location of the regular meeting and containing a brief general description of each item of business to be transacted or discussed at the meeting. At least seventy-two (72) hours before the meeting, the agenda shall be 1) posted to the **Authority** website; 2) emailed to each **representative** and alternate **representative** of the **Board,** 3) mailed or emailed to each interested member of the public or representative of the media who has requested, in writing, written notice of **Authority** meetings.

5. Special Meetings. The President may call for a special meeting of the **Board,** in compliance with open meeting laws in the State of California, or a majority of the **representatives** may call for a special meeting by filing a written request with the Board Secretary. The President must then set a date, time, and place for the meeting to be held within thirty (30) days and must make a provision for notice of the special meeting being given.

6. A majority of the members of the **Board** is a quorum for the transaction of business. However, less than a quorum may adjourn from time to time. A vote of the majority of a quorum at a meeting is sufficient to take action, unless otherwise specified. The **Board** may conduct business if the meeting commences with a quorum, but a quorum is not present when the business is transacted; however, a vote of the majority of a quorum is required to take any action on any item posted on the agenda.

7. To ensure the unimpeded conduct of **Board** meetings, each **Member City** shall make a good faith effort to have either its **representative,** its alternate **representative,** or both in attendance at all meetings of the **Board.** Whenever a **Member City** cannot have either its **representative** or alternate **representative** attend a **Board** meeting, the **Member City** may still record its attendance at a **Board** meeting without the actual presence of either the **representative** or the alternate **representative.** This process shall be referred to as an "excused absence". "Excused absences" shall be automatically granted, provided:

a. One excused absence will be allowed per **fiscal year**. An excused absence would be accepted if the **Member City** has notified the Board Secretary at the **Authority's** office, that they will have a non-voting "delegate" in attendance and naming that delegate. A non-voting "delegate" is defined as any **Member City** personnel other than the appointed **Board** or alternate **Board Representative**. Notice must be received prior to the **Board** meeting time via written notice in the form of an email that can be verified, with the **Member City** naming the assigned delegate. Phone calls and/or voicemails will not be accepted. The **Member City** is responsible for ensuring that the communication is received by the **Authority's** office by the stated deadline. As the Board Secretary is attending the **Executive Committee** meeting the day prior to the **Board** meeting, confirmation of receipt may not be given until after the **Board** meeting.

b. The assigned "delegate" attends the **Board** meeting. Attendance shall be evidenced by signing the "sign-in sheet" at the beginning of the meeting, and the presence of the "delegate" throughout the meeting until the meeting is adjourned.

   The "delegate" may represent the **Member City** by participating in the discussion of any matter before the **Board**; however, the "delegate" shall not be permitted to vote on behalf of the **Member City.**

   Whenever a **Member City** does not have either a **representative** or alternate **representative** present at a meeting of the **Board** and fails to comply with the procedures for an "excused absence", the **Member City** shall be recorded as having incurred an "unexcused absence". Any "unexcused absence", or more than one "excused absence" at **Board** meetings during a program year, regardless of cause, shall result in a penalty assessment of $1,000 for each offense.

   Notification of penalty assessment will be sent to **Member Cities** by the Board Secretary within thirty (30) days of a 'non-excused' absence or the second 'excused' absence at a **Board** meeting. Penalty assessments are billed annually at the beginning of the **fiscal year**.

   All new **Board** and **Board Representatives** must attend Orientation Training prior to representing their **Member City** at **Board** meetings.

8. All meetings of the **Authority's Board** shall be conducted in accordance with the Ralph M. Brown Act (Section 54950, et seq.) of the Government Code.

9. Draft minutes of any and all meetings shall be prepared and emailed to each **Board** and alternate **representative** within thirty (30) days after the date of such meeting.

ARTICLE V
OFFICERS

A. ELECTED OFFICERS

The elected officers of the **Authority** shall consist of an elected President, First Vice President, Second Vice President, and the immediate Past President.

B. APPOINTED OFFICERS

The appointed officers of the **Authority** shall consist of a Secretary, Treasurer, and **Administrator.**

C. OTHER OFFICERS

An Assistant Administrator, Risk Manager, Assistant Treasurer, Litigation Manager, and Workers' Compensation Program Manager or any other official may be appointed by the **Administrator** subject to confirmation by the **Executive Committee.**

D. ELIGIBILITY FOR PRESIDENT AND VICE PRESIDENTS

Eligibility for nomination, election, and continuation in office as President, First Vice President, and Second Vice President shall be limited to **representatives** and alternate **representatives** of the **Board** who have served a minimum of two years on the **Executive Committee** and whose **Member City** participates in the Pooled Liability Program and at least one of the following programs: Workers' Compensation, Property, or Auto Physical Damage. The President, First Vice President, and Second Vice President shall at all times be from a different region.

E. TERMS OF OFFICE

The term of office for the President and Vice Presidents shall be for one year, with those officers assuming office at the first regular meeting of a **fiscal year**. The President or Vice Presidents may not serve for more than two consecutive terms in the office to which they are elected.

The Secretary, Treasurer, Assistant Treasurer, Litigation Manager, Risk Manager, **Administrator**, and Assistant Administrator shall serve in such offices at the pleasure of the **Executive Committee**.

F. ELECTION OF THE PRESIDENT AND VICE PRESIDENTS

1. At the last regular **Board** meeting of the **fiscal year**, elections for the President, First Vice President, and Second Vice President will be held.

2. At least sixty (60) days prior to the last regular **Board** meeting of the **fiscal year**, a nominating subcommittee shall be appointed by the President and shall consist of all past Presidents willing to so serve, plus such additional members as the President shall see fit to appoint.

   The Subcommittee's nomination of candidates for the offices of President, First Vice President, and Second Vice President shall be provided to each **Member City** at least ten (10) days before the last regular **Board** meeting of the **fiscal year.** Additional candidates for any of the three offices may be made by an open nomination and second from the floor at the time of the last regular **Board** meeting of the **fiscal year**, provided the candidate(s) meets the requirements set forth in Section D above.

3. The candidate receiving a plurality of votes for the particular office will be elected and will assume office on July 1 of that year. In the event there are more than two candidates for a particular office and a tie vote results between the two with the most votes, those receiving fewer votes will be eliminated and the remaining two will be subject to a new vote. In the event the two candidates receiving the most votes receive the same number of votes with no other candidates remaining, the voting will continue until the tie is broken.

4. The President, First Vice President, and Second Vice President will serve for their elected terms of office until termination of office or termination of employment with a **Member City,** or until removal from office by the affirmative vote of three-fourths (3/4ths) of the **representatives** of the entire **Board.**

5. Should a vacancy in the office of President, First Vice President, or Second Vice President occur, the Nominating Subcommittee will hold a meeting to make a recommendation as to how the vacancy should be filled.

   Elections will occur at the next regularly scheduled meeting of the **Board** held after the vacancy occurs. The candidate will assume office upon his/her election.

G. APPOINTMENT OF OTHER OFFICERS

1. The President shall appoint, subject to the approval of the **Executive Committee,** a Secretary, an **Administrator,** and a Treasurer. None of these appointed officers need be a member of the **Board.** The Treasurer, however, shall be the Treasurer, Finance Officer, or equivalent position of a **Member City.**

2. All other officers shall be appointed as described in the **Master Plan Document** establishing the position or, if not addressed in a **Master Plan Document,** by the **Administrator.** Any appointments made by the **Administrator** shall be confirmed by the **Executive Committee.**

H. DUTIES

1. President – the President will preside at all meetings of the **Authority**. The President shall appoint the members of subcommittees as necessary or appropriate for carrying on the activities of the **Authority**. Subcommittees appointed by the President may hold office beyond the President's term subject to the approval of the new President. The President shall execute documents on behalf of the **Authority** as authorized by the **Executive Committee.**

2. First Vice President – In the absence of or temporary incapacity of the President, the First Vice President shall exercise the functions covered in 1 above.

3. Second Vice President – In the absence or temporary incapacity of the President and First Vice President, the Second Vice President shall exercise the functions covered in 1 above.

4. Secretary – The Secretary will be responsible for preparing all notices, minutes, and agendas of **Board, Executive Committee**, and standing subcommittee meetings, preparing necessary correspondence, and maintaining files and records and performing such other duties as directed by the **Administrator, Executive Committee,** and/or **Board.**

5. Treasurer – The Treasurer shall have custody of and disburse **Authority** funds, accounts, and property. The Treasurer shall oversee the maintenance of books and records, as required by the **Authority**, and report the financial status of the **Authority** to the **Executive Committee** at least quarterly. After the close of the **fiscal year**, the Treasurer shall cause the financial records of the **Authority** to be audited by an independent auditing firm. Within six months after the close of the **fiscal year**, a report by the auditing firm will be made available for distribution to the **Member Cities** and other financial institutions as required. The Treasurer shall be the officer responsible for property, including cash, pursuant to Government Code sections 6500, et seq. and 53600, et seq.

6. Assistant Treasurer – The Assistant Treasurer shall maintain the books and records of the **Authority** and report the financial status of the **Authority** to the Treasurer. The Assistant Treasurer shall prepare, within ninety (90) days after each quarter, an internal financial report for the preceding quarter for distribution to the **Member Cities** and other financial institutions as required and perform such other duties as required by the **Authority.**

7. **Administrator** – The **Administrator's** duties and responsibilities shall be as set forth in Article IX, Section A of this document.

8. Litigation Manager – The Litigation Manager's duties and responsibilities shall be as set forth in the **Master Plan Document** of the Pooled Liability Program, and performance of any other duties as directed by the **Authority**.

9. Workers' Compensation Program Manager – the Workers' Compensation Program Manager's duties and responsibilities shall be as set forth in the **Master Plan Document** of the Pooled Workers' Compensation Program, and performance of any other duties as directed by the **Authority.**

10. Risk Manager – The Risk Manager's duties and responsibilities shall include contractual risk transfer assistance to Members, maintenance of the **Authority's** Risk Matrix and responsibilities, and performance of any other duties as directed by the **Authority**.

ARTICLE VI
COMMITTEES

A. STANDING AND OTHER

The President may appoint standing or special subcommittees as deemed necessary to carry on the work of the **Authority.** Any **Board Representative** or alternate **Board Representative** may serve on any subcommittee.

B. **EXECUTIVE COMMITTEE**

1. The membership of the **Executive Committee** shall consist of the below listed persons elected or appointed as specified in these Bylaws:

   a. The President;

   b. The First Vice President;

   c. The Second Vice President;

   d. The Immediate Past President; and

   e. Nine members and three alternate members from the three regions of the **Authority** selected as set forth below.

2. Eligibility to Serve on the **Executive Committee**

   For **Board** and/or alternate **Board Representatives** who have not previously served on the **Executive Committee**, the following criteria shall be met to be eligible to serve on the **Executive Committee**:

a. The **representative** must have represented their **Member City** as a **Board** or alternate **Board** member for a minimum of one year on the **Authority's Board of Directors**.

b. The **representative** must have attended at least two **Board of Directors** meetings in the past twelve months.

An **Executive Committee** position may be filled by an individual who does not meet the above requirements; however, a **representative** who meets most criteria will be given priority consideration.

Selection of Regional Members

At the Annual Regional meetings, each region shall elect its own **Executive Committee** members from among its participating **Member Cities** to represent the **Member Cities** of the region. Each region shall also designate one person from among its **Member Cities** as an alternate to the **Executive Committee.** Alternates may vote only in the absence of an **Executive Committee** member. Any **Board Representative** or alternate **Board Representative** may serve as a member or alternate member of the **Executive Committee.**

Any regional **representative** vacancy which occurs on the **Executive Committee** will be filled at the next regularly scheduled meeting of the **Board** and will be elected by the region in which the vacancy occurs. The elected **representative** will assume his/her position upon election.

3. Number of **Representatives**

Each region shall have three **representatives** plus one alternate.

4. Responsibilities of the **Executive Committee**

a. The **Executive Committee** shall be responsible for the administration and operation of the risk management programs of the **Authority** subject to the policy control and direction of the **Board.** It shall have all other powers and functions except those powers which are specifically reserved unto the **Board.** The President, or the First Vice President in the President's absence, shall serve as the Chairperson of the **Executive Committee.**

b. The **Executive Committee** shall:

1. Provide policy and supervisory control over the day-to-day decisions and administrative activities of the Treasurer and **Administrator**;

2. Revise, as needed, the Memorandums of Coverage, including the acceptance of any new risk as ratified by the **Board of Directors**;

3. Select or terminate an **Administrator**;

4. Review and accept or deny applications for membership;

5. Contract with any individual, private business, or the State of California or its political subdivisions for the purposes enumerated in Article II of the Bylaws which do not exceed the approved general operating budget;

6. Select **insurance brokers, insurance** companies, and other risk management services; and

7. Select companies or persons to provide **claims** administration and **claims** adjusting services. However, selected companies or persons shall have knowledge and understanding of the laws regarding **claims** against public entities.

c. The **Executive Committee** shall review and make recommendations to the **Board** regarding the items reserved to the **Board.**

5. **Executive Committee** Meetings

All meetings of the **Executive Committee** shall be noticed and held in compliance with the applicable state law. In addition, the following provisions will apply:

a. The business of the **Executive Committee** shall be conducted and exercised only at a meeting of the **Executive Committee** where a quorum is present as defined in paragraph c of this Section.

b. Regular Meetings - Regular meetings of the **Executive Committee** shall be held at least seven times per year, unless otherwise provided by the President. No more than one **Executive Committee** meeting per quarter or three per year may be omitted under the provisions of this Section. The meetings of the **Executive Committee** shall be held, noticed, and conducted in the same manner as the meetings of the **Board.**

c. At least seven members of the **Executive Committee** constitute a quorum and must be present at any meeting before the business of the **Executive Committee** can be transacted. The vote of a majority of the **Executive Committee** present and voting shall be required for any act or decision of the **Executive Committee** except as specified in the Joint Exercise of Powers **Agreement** or herein otherwise specifically provided.

d. The President and **Administrator,** acting together, may conduct minor necessary business whenever in the opinion of the President there is no reason to conduct such business at a regularly scheduled **Executive Committee** meeting.

6. Reporting to the **Board**

   The **Executive Committee** shall report to the **Board** at least three times per year in order to advise the **Board** of its decisions and activities concerning the implementation and operation of the **Authority's Joint Protection Programs**.

7. Appealing **Executive Committee** Decisions

   Any decision of the **Executive Committee** may be appealed to the **Board** by any **Member City**, subject to such restrictions as the **Board** may adopt.

ARTICLE VII
AUTHORITY JOINT PROTECTION PROGRAMS

A. PROGRAMS OFFERED

The **Authority** shall offer programs of **insurance, self-insurance,** and risk management as prescribed by the **Board** and/or **Executive Committee.**

B. MANDATORY **JOINT PROTECTION PROGRAMS**

The Liability Program shall require the participation of all **Member Cities.**

C. OPTIONAL PROGRAMS

The following **Joint Protection Programs** shall be optional:

1. Workers' Compensation;
2. Property;
3. Auto Physical Damage; and
4. Low Value Vehicle Coverage

Other optional programs may be offered to the **Member Cities** as determined by the **Board** and **Executive Committee.**

D. TYPES OF COVERAGE

Each of the **Joint Protection Programs** offered by the **Authority** may be either insured, partially self-insured, or self-insured as determined by the **Board of Directors.**

Each **Joint Protection Program** will be self-contained and individually evaluated for administrative and, as applicable, retrospective adjustment purposes. The program accounts shall be separately maintained. No program funds shall be mingled with the funds of any other program except for the purpose of banking and investment. No program account will be available for the payment of other programs, **claims**, and/or expenses.

E. OBLIGATION OF **MEMBER CITIES**

Where a **Joint Protection Program** offered by the **Authority** is self-insured or partially self-insured, each **Member City** which participates shall initially be required to obligate itself to participate in that **Joint Protection Program** for a minimum number of years in accordance with the provisions of the respective **Master Plan Document.**

F. GROUP PURCHASED **INSURANCE**

Where the **Board** prefers to group purchase **insurance** coverage rather than self-insure the risk, the **Authority** shall act as the purchasing agent and administrator for the coverage to be offered. The group policy may be purchased in the name of the **Authority** and shall include the participating **Member Cities** as "Insureds" on the policy. The **Authority** shall pay the **insurance premium** required by the **insurance** company, including fees, taxes, and **broker's** commissions. The **Authority** shall collect from the participating **Member Cities** the amount paid to the **insurance** company plus any costs which are incidental to the administration of the policy. The costs of the **insurance** and the administration fees allocated to each participating **Member City** shall be determined by the **Administrator** in a fair and equitable manner which is consistent with generally accepted accounting principles. Any liabilities created by a group **insurance** plan shall be the liability of only those **Member Cities** which participate in such group **insurance.**

G. **SELF-INSURED JOINT PROTECTION PROGRAMS**

Each **Joint Protection Program** of **self-insurance** which is offered by the **Authority** shall be organized and operated in accordance with a **Master Plan Document** which shall include all of the procedures, rules, and regulations which are applicable to that **Joint Protection Program**. The **Master Plan Document** shall be binding upon all participants. Amendments to the **Master Plan Document** shall be in accordance with the provisions of the **Master Plan Document** for each **Joint Protection Program.** For any self-insured **Joint Protection Program** operated under a **Master Plan Document,** the **Board** may also adopt a Memorandum of Coverage, with declarations setting forth the coverages, limits of coverage, conditions and exclusions of coverage, and **Authority** and **Member City** obligations.

H. **PROGRAM YEAR**

Each **Joint Protection Program** offered by the **Authority** may have a program year which may or may not coincide with the **fiscal year** of the **Authority.** The program year for each **Joint Protection Program** shall be as stated in the **Master Plan Document** for that **Joint Protection Program.**

ARTICLE VIII
AUTHORITY BENEFIT PROGRAMS

A. MANDATORY PROGRAMS

The Employee Assistance Program shall require the participation of all **Member Cities,** unless a **Member City's** participation has been exempted by the **Executive Committee.**

B. OPTIONAL PROGRAMS

The Business Travel Accident Program shall be optional. Other optional benefit programs may be offered to the **Member Cities** as determined by the **Board** or **Executive Committee.**

ARTICLE IX
CONTRACTED SERVICES

A. **ADMINISTRATOR**

There will be an **Authority Administrator** appointed by the **Executive Committee.** The **Administrator** shall be responsible for the day-to-day administration, management, and operation of **Authority's** programs of risk management and he/she shall be subject to the direction and control of the **Board** and **Executive Committee.** The **Administrator** shall at all times be separate and apart from the third party administrative (TPA) firm(s) which conduct liability and workers' compensation **claims** handling and adjusting services. The **Administrator** may, but need not be, a consultant or an employee of a corporation, the **Authority**, or a **Member City** of the **Authority.**

The **Administrator** either personally or through delegation, shall perform those duties and have those obligations as provided by separate contract between the **Administrator** and the **Authority**, or as otherwise provided by the **Executive Committee.**

The **Administrator's** responsibility to perform services with respect to any **Member City** is limited to those risk areas in which the **Member City** is a participating member.

The **Authority** shall compensate the **Administrator** or his/her employer for services to the **Authority** in such amount and manner as may be fixed from time to time by the **Executive**

Committee. Details respecting compensation, termination, and other employment related matters pertaining to the **Administrator** shall be governed by the Bylaws and such terms and conditions as the **Executive Committee** shall set forth in a contract or agreement.

B. **BROKER** OF RECORD

The **Executive Committee** may appoint a **Broker** of Record to serve as the exclusive agent of the **Authority** to acquire the **Authority's insurance** as determined by the **Executive Committee.**

C. **CLAIMS** ADMINISTRATOR

The **Executive Committee** may acquire the services of third party administrative (TPA) firms to conduct **claims** handling and adjusting services. The TPA acquired to conduct liability and workers' compensation **claims** handling and adjusting services shall at all times be separate and apart from the **Administrator** of the **Authority.**

D. **CLAIMS** AUDIT AND ACTUARIAL SERVICES

1. **Claims** Auditor: The **Executive Committee** may select an independent **claims** auditor to determine the adequacy of case reserves, the efficiency of **claims** handling procedures, the case load being handled by the **claims** adjustors, and the compliance with state laws which govern the handling of **claims.**

2. Actuarial Services: The **Executive Committee** shall select an actuary to determine the adequacy of **Joint Protection Program** reserves, assist in setting rates, and evaluating the **Joint Protection Programs** of **self-insurance.**

E. LEGAL COUNSEL

Legal Counsel, to advise on matters relating to the operation of the **Authority,** may be recommended by the **Administrator** and shall be approved by the **Executive Committee.** The **Authority** shall have the right to pay such Legal Counsel reasonable compensation for said services.

F. AUDITOR

The **Executive Committee** shall engage the services of an independent auditor each year to review the books and accounts of the **Authority** to ensure sound handling and accounting of the funds of the **Authority.**

G. OTHER CONTRACTORS

The **Executive Committee** may engage any other services of any other contractor to perform essential functions of the **Authority** as deemed necessary.

ARTICLE X
EXECUTION OF CONTRACTS

A. AUTHORIZATION BY **EXECUTIVE COMMITTEE**

Except where such authority is reserved to the **Board,** the **Executive Committee** may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the **Authority,** and such authorization may be general or confined to specific instances. 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 to pledge its credit or to render it liable for any purpose or to any amount.

ARTICLE XI
FINANCIAL AFFAIRS

A. ACCOUNTS AND RECORDS

The **Authority** shall establish and maintain such bank accounts and maintain such books and records as determined by the **Executive Committee** and as required by good accounting practice. Books and records of the **Authority** shall be open to inspection at all reasonable times by authorized **representatives** of **Member Cities.** quarterly financial reports shall be provided to all **Member Cities.**

B. DEPOSIT AND INVESTMENT OF **AUTHORITY** FUNDS

The Treasurer may deposit and invest **Authority** funds subject to the same requirements and restrictions that apply to deposit and investment of the general funds of a general law **Member City** but no greater than investments permitted by the investment policy adopted by the **Executive Committee.** Nothing herein shall prevent the **Board** from approving the creation of or participation in a captive agency for the purpose of investment of **Authority** funds consistent with California law, and/or the law of the State of domicile of any captive agency.

C. AUDIT

A financial audit shall be conducted each year by an independent Certified Public Accountant as required by Article XXIV of the Joint Exercise of Powers **Agreement**, and a copy of same shall be distributed to each **Member City** as required by law. The minimum requirements of the audit shall be those prescribed by State law.

In accordance with Government Code Section 6505 and within six months of the end of each **fiscal year,** a copy of the annual audit shall be filed with the State Controller and with the county where the **Authority** conducts its principal operations**.**

The **Authority** shall bear all costs of the audit. Such costs shall be charged against the **operating funds** of the **Authority.**

D. PURPOSE

Funds deposited in an **Authority Joint Protection Program** shall be used solely for proper expenditures and/or **claims** related to the operations covered by that **Joint Protection Program.**

E. **OPERATING FUND**

The **operating fund** is for the purpose of satisfying all administrative costs on a day-to-day basis. Payments from this account will be charged to the **Joint Protection Programs** on an annual basis.

F. QUARTERLY STATEMENTS

The **Administrator** shall provide a copy of the interim financial statements to each **Member City** each quarter.

G. ANNUAL BUDGET

Annually, the **Administrator** will prepare a proposed budget of the estimated costs for the next **fiscal year** which shall include the estimated amounts which will be required to be paid by each **Member City** for the next **fiscal year.** The **Administrator** shall present the proposed budget to the **Board** at the March **Board of Directors** meeting. The **Board** shall adopt an annual budget before the beginning of each **fiscal year**. Notice of the approved budget will be distributed to the **Member Cities.** The budget is separate and apart from any actual billing. The budget is only an estimate of expected costs and is not to be construed as a billing.

In accordance with Government Code Section 53901, within sixty (60) days after the beginning of its **fiscal year**, a copy of the annual budget shall be filed with the County Auditor in the county where the **Authority** conducts its principal operations.

H. BILLING PROCESS

1. The **Administrator** shall present a proposed budget to the **Board** for its adoption each year. The budget shall be an estimate of the costs for providing all **insurance** and **self-insurance** coverage required for the **fiscal year** which begins the next July 1. Each **Member City** shall consent to an audit of its records and shall supply all information necessary to establish the estimated costs and contribution rates.

2. Upon adoption of the budget, the **Administrator** shall distribute the annual billings at the beginning of the **fiscal year** for which the charges apply. The billings for program

contributions are due and payable upon receipt and delinquent if payment is not received by the **Authority** no later than forty-five (45) days following receipt of the annual billing. Quarterly billing may occur for certain **Joint Protection Programs** as specified in the **Master Plan Documents**.

3. Unless otherwise stipulated in a **Master Plan Document** for a **Joint Protection Program**, a one percent penalty shall be imposed on each billing which is delinquent. This penalty shall be charged only once for each delinquent billing.

4. In addition to the one percent penalty, interest of ten percent per annum shall be charged on all balances that are delinquent. Billings shall be considered delinquent based on the U.S. postal service postmark date. Interest shall accrue from the delinquent date of the billing, and any portion of a month shall be charged as a whole month.

5. Any **Member City** which fails to pay a delinquent billing, and/or fails to pay the penalty or the interest charges applied in accordance with the provisions above within six (6) months after the date first billed, may have (at the option of the **Executive Committee**) an equivalent amount withheld from interest earnings on deposits held in trust by the **Authority** for that **Member City**. Such withheld interest earnings shall be applied as payment of the delinquent billings, penalty, and/or interest charges, as applicable, which were added to the delinquent billing.

6. The provisions of paragraph 3 and 4 above do not preclude the **Authority** from taking any other action which is allowable and deemed appropriate by the **Executive Committee.** Serious offenses which must be referred to the **Board of Directors** to collect such delinquencies may result in actions up to and including the expulsion of the **Member City** from the **Authority.**

7. In the event that the approved budget amount for any coverage is insufficient to pay for that particular coverage, the **Board** hereby authorizes the **Administrator** to prepare and submit to each **Member City** a "supplemental billing" which will be sufficient to pay in full the final cost of the coverage. This "supplemental billing" shall be delinquent if not paid within 118 days from the billing date and is subject to the same penalties as in paragraph numbers 3 and 4 above.

8. Any action taken in accordance with the provisions of this Section may be appealed to the **Executive Committee.** Such appeal shall be filed in writing and received by the **Authority** at its office no later than thirty (30) days before the next regularly scheduled meeting. The decision of the **Executive Committee** will be final.

I. <u>REFUNDS UPON WITHDRAWAL OR INVOLUNTARY TERMINATION</u>

The following shall apply to refunding program and other funds to **Member Cities** which withdraw or are involuntarily terminated:

1. Liability Pool Funds – These funds shall be held in compliance with the provisions of the **Master Plan Document** for the Pooled Liability Program.

2. Workers' Compensation Pool Funds – These funds shall be held in compliance with the provisions of the **Master Plan Document** for the Pooled Workers' Compensation Program.

3. Auto Physical Damage Funds – This Program is a non-equity program and, therefore, no refunds shall be made.

4. Property Funds – This Program is a non-equity program and, therefore, no refunds shall be made.

J. SUBMISSION OF DATA

1. Quarterly **Payroll** Information

   Quarterly, each **Member City** shall submit its taxable **payroll** for all **Member City** employees for the quarter just ended to the **Authority's** office. The taxable **payroll** for the quarter shall be that which is required by the **Authority Administrator.** Quarterly reports are due in the **Authority's** office no later than, and are delinquent if not received by, the following dates:

   a. For the quarter ending September 30th, due on October 31st and delinquent if not received on or before November 10th;

   b. For the quarter ending December 31st, due on January 31st and delinquent if not received on or before February 10th;

   c. For the quarter ending March 31st, due on April 30th and delinquent if not received on or before May 10th; and

   d. For the quarter ending June 30th, due on July 31st and delinquent if not received on or before August 10th.

2. Employee Census

   Semiannually, on or before the 18th day of June and December, the **Authority** shall request an updated employee census from each **Member City.** Each **Member City** must update its employee census for the preceding six-month period and submit the data to the **Authority** no later than the dates specified below:

   a. For the period ending June 30th, due on July 10th and delinquent if not received on or before July 18th; and

b. For the period ending December 31st, due on January 10th and delinquent if not received on or before January 18th.

K. PENALTY FOR UNTIMELY SUBMISSION OF DATA

Failure to provide data required by the **Authority** by the due dates as outlined in Article XI (J) shall result in the following:

1. First Occurrence – a warning shall be sent to the **Member City.**

2. Second Occurrence – the **Member City's representative** shall be required to appear before the **Executive Committee** at the next scheduled meeting to explain why the **Member City** cannot comply with these requirements. Failure to appear shall automatically trigger the penalty for the fourth occurrence.

3. Third Occurrence – the **Member City** shall be charged a $5 per day fine from the original due date of the delinquent data, not to exceed $500, which is due and payable within thirty (30) days.

4. Fourth Occurrence – the **Member City** shall be charged a $10 per day fine from the original due date of the delinquent data, not to exceed $1,000, which is due and payable within thirty (30) days.

5. Fifth Occurrence – all **deposit premiums** and assessments for the next **fiscal year** shall be increased by five percent.

Non-compliance with the provisions of this section shall result in involuntary termination proceedings.

L. BONDING

Pursuant to the requirements of Government Code 6505.1, all persons who are authorized to sign warrants, receive or handle monies, or handle or have access to any property of the **Authority**, shall file an official Bond in an amount to be determined by the **Executive Committee**. The cost of such bonds shall be paid by the **Authority.**

M. WARRANTS

Just demands for payment shall be made by warrants in compliance with the adopted budget.

The warrants shall be paid as directed by the **Executive Committee** and signed by two authorized persons. The following officers shall have authority to sign warrants on behalf of the **Authority**: President, First Vice President, Second Vice President, and the Treasurer.

ARTICLE XII
COMPLIANCE WITH SAFETY AND LOSS CONTROL PROVISIONS

A. Each **Member City** agrees to cooperate fully with the **Administrator,** or his/her delegate, in the performance of safety and loss control services. Additionally, each **Member City** agrees to permit such parties or persons access to inspect working conditions and/or city property, to supply requested information relevant to safety and loss control practices, to comply with safety and loss control recommendations pertaining to programs in which they participate and will endeavor to prevent losses.

B. Each **Member City** agrees to jointly share the cost of safety and loss control services which shall be allocated based upon a percent of the deposit each **Member City** contributes to the **operating fund**.

C. Each **Member City** is encouraged to attend safety workshops, institute accident prevention measures, and perform accident evaluation and reporting.

ARTICLE XIII
INVOLUNTARY TERMINATION

A **Member City** may be involuntarily terminated for any of the following reasons:

A. Failure to observe and/or perform any covenant, condition, or agreement under the Joint Exercise of Powers **Agreement,** these Bylaws, and **Master Plan Document,** any Memorandum of Coverage, or any resolution of the **Board** or **Executive Committee,** including but not limited to risk management or loss reporting procedures.

B. Failure to pay any delinquent amounts due the **Authority**, including fines and penalties. Such amounts may be, but are not limited to, the **insurance premium, deposit premium,** surcharge, retrospective adjustment, or share of administrative costs.

C. Excessive losses as determined by the **Board of Directors.**

D. Expulsion or withdrawal of a **Member City** from the Pooled Liability Program.

E. The filing of a petition applicable to the **Member City** in any proceedings instituted under the provisions of the Federal Bankruptcy Code or under any similar act which may hereafter be enacted.

F. Any condition of, or action by, the **Member City** which the **Board of Directors** believes violates the goals and objectives of the **Authority** or jeopardizes the financial viability of the **Authority.**

Should a **Member City** be considered for involuntary termination, the **Member City** shall be notified in writing that their continuing membership will be considered by the **Board of Directors** at an upcoming meeting. This notice shall allow the **Member City** an opportunity to respond to its possible involuntary termination prior to the **Board** meeting.

Involuntary termination for the reasons stated in this section may be effected by the **Authority**, when ordered by a two-thirds (2/3rds) vote of the **Board of Directors** at a meeting of the **Board**, by giving written notice to the **Member City** of the **Authority's** intention to terminate its membership in the **Authority** upon a date not less than thirty (30) days thereafter for the reasons set forth in the notice. The termination of membership shall be effective upon the date set forth in the notice unless prior to that effective date the **Member City** being terminated requests in writing a hearing by the **Board**. At the hearing, evidence shall be received as to the reasons why the termination should not be completed. After such hearing, a two-thirds (2/3rds) vote of the **Board** shall be required to terminate the **Member City.** If, following the hearing, the **Authority** involuntarily terminates the **Member City**, then the **Authority** shall give such **Member City** thirty (30) days' notice in writing of its decision to involuntarily terminate the **Member City** and the effective date of the termination.

ARTICLE XIV
DISPUTES OR **CLAIMS** BETWEEN **MEMBER CITIES**

After being notified in writing that one **Member City** has filed a formal **claim** against another **Member City** in accordance with provisions of the California Government Code, the **Authority** can no longer act on behalf of either **Member City**, without written consent of all involved **Member Cities**, insofar as the particular case giving rise to the **claim** is concerned, and if the **claim** involves a risk area or areas in which each of the involved **Member Cities** is a participating **Member City** of the **Authority.**

ARTICLE XV
TORT LIABILITY

Section 895.2 of the California Government Code imposes certain tort liability jointly upon entities solely by reason of such entities being parties to an agreement as defined in Section 895 of said code. Therefore, the **Member Cities** hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of the California Government Code, each assumes the full liability imposed upon it for any of its officers, agents, or employees by law for injuries caused by a negligent or wrongful act or omission occurring in the performance of these Bylaws to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve this purpose, each **Member City** indemnifies and holds harmless all other **Member Cities** for any loss, cost, or expense that may be imposed upon such other **Member City** solely by virtue of Section 895.2 of the California Code.

ARTICLE XVI
AMENDMENTS

These Bylaws may be amended at any time by a two-thirds (2/3rds) vote of the **Board of Directors** at a regular or special meeting following written notice to each member of the **Board of Directors** as to the amendment proposed to be adopted, except that these Bylaws cannot be amended in any way that would conflict with the terms and provisions of the Joint Exercise of Powers **Agreement** or state law. Any amendment shall become effective immediately upon the date of approval, unless otherwise stated in the amendment.

ARTICLE XVII
NOTICES

A. NOTICES TO THE **AUTHORITY**

Notices to the **Authority** shall be in writing and shall be deemed given upon delivery to the **Authority** at its designated mailing address or emailed to the Board Secretary at the email address posted at csjvrma.org.

B. NOTICES TO **MEMBER CITIES**

Notices to **Member Cities** shall be in writing and shall be deemed given upon delivery to the duly appointed **Representative** of each **Member City,** or upon mailing to the **Member City's** address of record or emailing to the appointed **representative**.

C. **CLAIMS** AGAINST THE **AUTHORITY**

All **claims** against the **Authority** shall be submitted in writing and delivered to the **Authority** at its designated mailing address.

ARTICLE XVIII
ARTICLES, SECTIONS, AND PARAGRAPHS

A. ARTICLES

The principal divisions of these Bylaws are "ARTICLES" followed by Roman numerals.

B. SECTIONS

The principal divisions of articles are "SECTIONS" identified by upper case letters.

C. PARAGRAPHS

The principal divisions of sections are "PARAGRAPHS" identified by Arabic numbers.

ARTICLE XVIX
EFFECTIVE DATE

A. EFFECTIVE DATE AND SUPERSESSION

These Bylaws shall be effective immediately upon the date of approval, unless otherwise stated in the amendment.

The adoption of the Bylaws shall supersede any prior amendments, by resolution or otherwise and to the extent that prior amendments are not included or are contradictory to any provisions contained herein, they are hereby specifically revoked.