



AGENDA

REGULAR MEETING OF THE LAKEPORT CITY COUNCIL

(ALSO MEETS AS THE CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT, THE LAKEPORT INDUSTRIAL DEVELOPMENT AUTHORITY, THE MUNICIPAL FINANCING AGENCY OF LAKEPORT and THE SUCCESSOR AGENCY TO THE FORMER LAKEPORT REDEVELOPMENT AGENCY)

Tuesday, December 1, 2020 6:00 p.m.

Location: See Teleconferencing Instructions Below

PUBLIC ADVISORY: THE CITY COUNCIL CHAMBERS WILL NOT BE OPEN TO THE PUBLIC

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the regular meeting of the City Council for **December 1, 2020** will be conducted telephonically through Zoom. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Council Chambers will not be open for the meeting. Council Members will be participating telephonically and will not be physically present in the Council Chambers.

If you would like to speak on an agenda item, you can access the **Zoom** meeting remotely:

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://zoom.us/j/97368201787?pwd=a2NvVnN6MEFjQ2Exc2pTZkpldU1sQT09>

Passcode: 477973

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799

Webinar ID: 973 6820 1787

Passcode: 477973

International numbers available: <https://zoom.us/u/abNyiaqY1I>

The City wants you to know that you can also submit your comments by email to virtualhost@cityoflakeport.com. To give the City Clerk adequate time to print out your comments for consideration at the meeting, please submit your written comments prior to **3:30 p.m. on Tuesday, December 1, 2020.**

Please indicate in the email Subject Line "FOR PUBLIC COMMENT" and list the item number you wish to comment on. Comments that you want read to the Council will be subject to the three minute time limitation (approximately 350 words). Written comments that are only to be provided to Council and not read at the meeting will be distributed to the Council prior to the meeting.

The City of Lakeport thanks you in advance for taking all precautions to prevent spreading the COVID-19 virus.



AGENDA

REGULAR MEETING OF THE LAKEPORT CITY COUNCIL (ALSO MEETS AS THE CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT, THE LAKEPORT INDUSTRIAL DEVELOPMENT AUTHORITY, THE MUNICIPAL FINANCING AGENCY OF LAKEPORT and THE SUCCESSOR AGENCY TO THE FORMER LAKEPORT REDEVELOPMENT AGENCY)

Tuesday, December 1, 2020

6:00 p.m.

I. CALL TO ORDER & ROLL CALL:

II. PLEDGE OF ALLEGIANCE:

III. ACCEPTANCE OF AGENDA/ URGENCY ITEMS:

Move to accept agenda as posted, or move to add or delete items.

To add item, Council is required to make a majority decision that an urgency exists (as defined in the Brown Act) and a 2/3rds determination that the need to take action arose subsequent to the Agenda being posted.

IV. CONSENT AGENDA:

The following Consent Agenda items are expected to be routine and noncontroversial. They will be acted upon by the Council at one time without any discussion. Any Council Member may request that any item be removed from the Consent Agenda for discussion under the regular Agenda. Removed items will be considered following the Consent Calendar portion of this agenda.

A. Ordinances:

Waive reading except by title, of any ordinances under consideration at this meeting for either introduction or passage per *Government Code* Section 36934.

B. Minutes:

Approve minutes of the City Council regular meeting of November 17, 2020.

C. Terminate Emergency Declaration:

Adopt a resolution proclaiming the termination of the local emergency due to the Mendocino Complex Fire.

D. Terminate Emergency Declaration:

Adopt a resolution proclaiming the termination of the local emergency due to the February 2019 Atmospheric River Storm System.

E. Terminate Emergency Declaration:

Adopt a resolution proclaiming the termination of the local emergency due to the October 2019 Public Safety Power Shutoff (PSPS)

F. California Intergovernmental Risk Authority (CIRA):

Adopt the resolution of the City Council of the City of Lakeport approving the CIRA Joint Powers Agreement and Bylaws and Approving the REMIF Fourth Amended and Restated Joint Powers Agreement and Bylaws.

G. Language Assistance Plan:

Approve the Language Assistance Plan for the City of Lakeport and adopt the proposed resolution.

V. PUBLIC PRESENTATIONS/REQUESTS:

A. Public Input:

Any person may speak for 3 minutes about any subject within the authority of the City Council, provided that the subject is not already on tonight's agenda. Per Government Code §54954.3(a), the City Council cannot take action or express a consensus of approval or disapproval on any public comments regarding matters which do not appear on the printed agenda

VI. COUNCIL BUSINESS:

A. City Manager:

1. Covid-19 Support Letter:

Consider co-signing or authoring a letter to Governor Newsom regarding the most recent changes to the COVID-19 shelter in place structure.

VII. CITY COUNCIL COMMUNICATIONS:

A. Miscellaneous Reports, if any:

VIII. ADJOURNMENT:

Materials related to an item on this Agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 225 Park Street, Lakeport, California, during normal business hours. Such documents are also available on the City of Lakeport's website, www.cityoflakeport.com, subject to staff's ability to post the documents before the meeting.

The City of Lakeport, in complying with the *Americans with Disabilities Act (ADA)*, requests individuals who require special accommodations to access, attend and/or participate in the City meeting due to disability, to please contact the City Clerk's Office, (707) 263-5615, 72 hours prior to the scheduled meeting to ensure reasonable accommodations are provided.

Hilary Britton, Deputy City Clerk



MINUTES

REGULAR MEETING OF THE LAKEPORT CITY COUNCIL (ALSO MEETS AS THE CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT, THE LAKEPORT INDUSTRIAL DEVELOPMENT AUTHORITY, THE MUNICIPAL FINANCING AGENCY OF LAKEPORT and THE SUCCESSOR AGENCY TO THE FORMER LAKEPORT REDEVELOPMENT AGENCY)

Tuesday, November 17, 2020

CALL TO ORDER & ROLL CALL:

Mayor Spurr called the meeting to order at 6:00 p.m., with Council Members Barnes, Mattina, Parlet, Turner, and Mayor Spurr present, followed by observance of the pledge of allegiance.

II. ACCEPTANCE OF AGENDA/ URGENCY ITEMS:

A motion was made by Council Member Parlet, seconded by Council Member Barnes, and passed 5-0-0-0 by the following roll call vote: Barnes – aye; Mattina – aye; Parlet – aye; Turner – aye; Spurr – aye, to accept agenda.

III. CONSENT AGENDA:

The following Consent Agenda items are expected to be routine and noncontroversial. They will be acted upon by the Council at one time without any discussion. Any Council Member may request that any item be removed from the Consent Agenda for discussion under the regular Agenda. Removed items will be considered following the Consent Calendar portion of this agenda.

A. Ordinances:

Waive reading except by title, of any ordinances under consideration at this meeting for either introduction or passage per *Government Code* Section 36934.

B. Minutes:

Approve minutes of the City Council regular meeting of November 3, 2020.

C. Warrants:

Approve the warrant register of October 29, 2020.

Vote on the Consent Agenda:

A motion was made by Council Member Mattina, seconded by Council Member Parlet, and passed 5-0-0-0 by the following roll call vote: Barnes – aye; Mattina – aye; Parlet – aye; Turner – aye; Spurr – aye, to approve the Consent Agenda, items A-C.

IV. PUBLIC PRESENTATIONS/REQUESTS:

A. Public Input:

There was no input offered by the public.

V. COUNCIL BUSINESS:

A. Administrative Services Director

1. California Intergovernmental Risk Authority (CIRA):

Administrative Services Director Buendia presented the staff report, and REMIF General Manager Amy Northam gave a presentation on the Redwood Empire Municipal Insurance Fund (REMIF) and the merger with Public Agency Risk Sharing Authority of California (PARSAC) to create the California Intergovernmental Risk Authority (CIRA).

A motion was made by Council Member Parlet, seconded by Council Member Turner, and passed 5-0-0-0 by the following roll call vote: Barnes – aye; Mattina – aye; Parlet – aye; Turner – aye; Spurr – aye, to direct staff to work with CIRA on steps necessary to complete the merger and place Joint Powers Agreements and Bylaws as a consent item on a future agenda.

B. Public Hearing:

The staff report was presented by Community Development Director Byers.

Mayor Spurr opened the public hearing at 6:25 p.m. With no comment from the public, Mayor Spurr closed the hearing at 6:25 p.m.

A motion was made by Council Member Barnes, seconded by Council Member Mattina, and passed 5-0-0-0 by the following roll call vote: Barnes – aye; Mattina – aye; Parlet – aye; Turner – aye; Spurr – aye, to adopt the draft Resolution to approve the street name change from Westside Park Road to Charlie Jolin Way.

C. Covid-19 Update:

Dr. Gary Pace. MD, MPH, of the Lake County Health Department presented an update on Covid-19 in Lake County. There has been a rise in cases around the country and around the state.

City Manager Ingram further provided an update on restaurant outdoor dining under the shelter in place orders. There have been a number of locations attempting to winterize the outdoor dining areas and staff is working closely with the business owner, Public Health and the Fire Department. Additionally, LEDAC has been working with focus groups, including restaurants.

VI. **CITY COUNCIL COMMUNICATIONS:**

A. Miscellaneous Reports, if any:

Council Member Barnes gave no report.

Council Member Mattina will be continuing on the Housing Committee with the League. She wished everyone a Happy Thanksgiving and expressed that she is grateful to live in Lakeport.

Council Member Parlet stated that Second Street looks really nice. He thanked Council Member Barnes for good information on the schools. He wanted to express good news that his infant grandson has had a successful open heart surgery.

Council Member Turner announced that tomorrow is the first day of the National League of Cities Conference.

Mayor Spurr wished everyone a safe Thanksgiving.

Administrative Services Director Buendia gave no report.

City Attorney Ruderman reported that he has been appointed to the Community Services Policy Committee of the League of California Cities.

City Manager Ingram reported on efforts with the Clearlake Marina Mobile Home Park to mediate discussions with the new park owners. The ownership is offering a program where a demonstrated hardship would result in a rent reduction, using HUD tables as a guide. To date, none of the residents have taken advantage of the offer. There are also fees associated with utilities that are concerning to residents and Ingram will continue to assist in education of state law.

Community Development Director Byers gave no report.

Finance Director Walker gave no report.

Police Chief Rasmussen reported that he attended a legislative update and that 50 statutes were amended to be effective in January. The Racial and Identity Profiling Act will mean a number of changes in reporting for police officers and supervisors.

Public Works Director Grider gave no report.

VII. **ADJOURNMENT:**

Mayor Spurr adjourned the meeting at 7:12 p.m

George Spurr, Mayor

Attest:

Kelly Buendia, City Clerk

RESOLUTION NO. ____ (2020)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEPORT,
CALIFORNIA, PROCLAIMING THE TERMINATION OF THE LOCAL
EMERGENCY DUE TO THE MENDOCINO COMPLEX FIRE**

WHEREAS, the River Fire and the Ranch Fire, later renamed the Mendocino Complex Fire, began on July 27, 2018, and has burned over 459,123 acres in Mendocino, Lake, Colusa, and Glenn Counties;

WHEREAS, on July 28, 2018, the Director of Emergency Services proclaimed a local emergency due to the outbreak of the Mendocino Complex, which was ratified by the City Council via Resolution No. 2679 (2018) shortly thereafter;

WHEREAS, in the opinion of the Director of Emergency Services, the Mendocino Complex no longer poses a threat to the City of Lakeport or its residents;

WHEREAS, Government Code section 8630, subdivision (d), states, "The governing body shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant."

**THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEPORT, CALIFORNIA, DOES RESOLVE,
DECLARE, AND ORDER AS FOLLOWS:**

SECTION 1. Recitals. The City Council finds that all of the preceding recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

SECTION 2. Termination. Pursuant to Government Code section 8630, subdivision (d), the City Council proclaims the termination of the local emergency due to the Mendocino Complex Fire.

SECTION 3. Certification. The City Clerk will certify to the passage and adoption of this Resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

The foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Lakeport on the 1st day of December, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

George Spurr, Mayor

ATTEST:

Kelly Buendia, City Clerk

RESOLUTION NO. ____ (2020)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEPORT,
CALIFORNIA, PROCLAIMING THE TERMINATION OF THE LOCAL
EMERGENCY DUE TO THE FEBRUARY 2019 ATMOSPHERIC RIVER
STORM SYSTEM**

WHEREAS, conditions of extreme peril to the safety of persons and property occurred within the City as a result of rain storms, wind, and flooding commencing on or about February 26, 2019;

WHEREAS, on February 28, 2019, the Director of Emergency Services proclaimed a local emergency due to the atmospheric river storm system, which was ratified by the City Council via Resolution No. 2704 (2019) shortly thereafter;

WHEREAS, in the opinion of the Director of Emergency Services, the flooding due to the atmospheric river storm no longer poses a threat to the City of Lakeport or its residents;

WHEREAS, Government Code section 8630, subdivision (d), states, "The governing body shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant."

**THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEPORT, CALIFORNIA, DOES RESOLVE,
DECLARE, AND ORDER AS FOLLOWS:**

SECTION 1. Recitals. The City Council finds that all of the preceding recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

SECTION 2. Termination. Pursuant to Government Code section 8630, subdivision (d), the City Council proclaims the termination of the local emergency due to the February 2019 atmospheric river storm.

SECTION 3. Certification. The City Clerk will certify to the passage and adoption of this Resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

The foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Lakeport on the 1st day of December, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

George Spurr, Mayor

ATTEST:

Kelly Buendia, City Clerk

RESOLUTION NO. ____ (2020)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEPORT,
CALIFORNIA, PROCLAIMING THE TERMINATION OF THE LOCAL
EMERGENCY DUE TO THE OCTOBER 2019 PUBLIC SAFETY POWER SHUTOFF
(PSPS)**

WHEREAS, conditions of extreme peril to the safety of persons and property occurred within the City as caused by electrical outages as a result of extreme fire weather conditions commencing on or about 6:00 p.m. on the 26th day of October 2019, called the Public Safety Power Shutoff (PSPS) of October 2019; and

WHEREAS, on October 26, 2019, the Director of Emergency Services proclaimed a local emergency due to the PSPS, which was ratified by the City Council via Resolution No. 2734 (2019) shortly thereafter; and

WHEREAS, in the opinion of the Director of Emergency Services, the electrical outages due to the PSPS no longer pose a threat to the City of Lakeport or its residents; and

WHEREAS, Government Code section 8630, subdivision (d), states, "The governing body shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant."

THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEPORT, CALIFORNIA, DOES RESOLVE, DECLARE, AND ORDER AS FOLLOWS:

SECTION 1. Recitals. The City Council finds that all of the preceding recitals are true and correct and are hereby incorporated and adopted as findings and determinations by the City Council as if fully set forth herein.

SECTION 2. Termination. Pursuant to Government Code section 8630, subdivision (d), the City Council proclaims the termination of the local emergency due to the October 2019 PSPS.

SECTION 3. Certification. The City Clerk will certify to the passage and adoption of this Resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

The foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Lakeport on the 1st day of December, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

George Spurr, Mayor

ATTEST:

Kelly Buendia, City Clerk



CITY OF LAKEPORT

- City Council
- City of Lakeport Municipal Sewer District
- Lakeport Redevelopment Successor Agency
- Lakeport Industrial Development Agency
- Municipal Financing Agency of Lakeport

STAFF REPORT	
RE: Revisions to Redwood Empire Municipal Insurance Fund (REMIF) Joint Powers Agreement and Proposed Merger	MEETING DATE: 12/01/2020
SUBMITTED BY: Kelly Buendia, Administrative Services Director	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

It is recommended that the City Council adopt a resolution approving the amended REMIF joint powers agreement and approve the merger with the Public Agency Risk Sharing Authority of California (PARSAC) to create the California Intergovernmental Risk Authority (CIRA), including the associated joint powers agreement.

BACKGROUND:

Rather than purchase commercial insurance through a commercial insurance carrier, the City of Lakeport participates in an intergovernmental arrangement through which a group of cities and towns (referred to as the members) contribute to a shared fund that pays for liability and workers' compensation claims and provides risk management services. That fund is often commonly referred to as a pool. Pools are empowered to exist through the sections of the California Government Code known as joint powers authority (JPA), which allow two or more like entities to pool funds to pay for claims.

Lakeport is currently a member of the pool named the Redwood Empire Municipal Insurance Fund (REMIF). Our pool functions as an extension of the City of Lakeport and is governed by a board of directors comprised of members in the pool. The City's primary designated board member is Administrative Services Director, Kelly Buendia, with City Manager Kevin Ingram the designated alternate.

Public entity pools are fundamentally different from conventional insurance. The primary purpose of any public entity pool is to manage and reduce underlying risks to the benefit of public entity members and the public at large. Conventional insurers exist primarily to finance losses, while public pools are collaborating partners that help public entities create, foster, and manage safe environments in order to minimize personal, physical, and property damages and losses.

The City Council previously discussed this item at the November 17, 2020 City Council meeting as an informational item.

DISCUSSION:

REMIF is a public entity pool representing 15 small to medium sized cities/towns. It was formed in 1976 with a mission to provide workers' compensation coverage in response to increasing and unaffordable commercial rates. Coverage was expanded in the mid-1980s to include liability coverage and other services. Other lines of coverage have been added since that time, which are outlined further below.

PARSAC is a public entity pool representing 34 small to medium sized cities/towns and one fire district. It was formed in 1986 with a mission to provide liability coverage in response to the insurance crisis that eliminated commercial coverage for cities. Coverage was expanded in 1990 to include workers' compensation coverage and other services. Other lines of coverage have been added since that time, which are outlined further below.

PARSAC and REMIF provide a pooled liability program, pooled workers' compensation program, and coverage for group purchased property, Board of Directors public officials' errors and omissions, auto physical damage, special events, fidelity bonds, cyber liability, and other ancillary benefits. REMIF has a pooled medical/health program.

Both pools focus on managing and maintaining a financially stable risk sharing pool for members, and the board of directors have a conservative funding and investment philosophy. They share a similar philosophy to embrace diverse opinions, have discussions that are constructive and collaborative, encourage participation from the members, balance member interests with those of the pool and work together towards a greater good.

Both pools also share a similar culture in that the pool is member owned, member governed, member driven and exists to serve its members. The organizations are also similar in that they serve small to medium sized cities/towns, and share a similar footprint in Northern California, while PARSAC has presence throughout the State.

Given the similarities between the two agencies, REMIF and PARSAC explored a strategic partnership, which ultimately led to a proposed merger between the two organizations. Rather than one pool merging into the other, the Board of Directors for the pools directed the creation of a new pool (called the California Intergovernmental Risk Sharing Authority or CIRA. There will be great benefits in sharing resources, sharing expenses and drawing on strengths. Benefits also include succession planning, more robust, stable programs, shared training resources, long term program sustainability, and eliminating redundancies.

While a merger could have realized savings to the members of both pools, the intent of a merger between PARSAC and REMIF is to have long term stability, sustainability and adding depth and breadth to the agencies, with the singular goal of better serving our members.

After over a year of in-depth analysis of such a merger, the Board of Directors for both pools directed the merger of the organizations, effective 07/01/21, creating a new pool, CIRA. To proceed, the individual members must seek adoption of the CIRA agreements. Council is asked to adopt the CIRA Joint Powers Agreement and Bylaws.

While the intent of the merger is to merge the liability, workers' compensation and property programs, there is also an interest to have the self-insured health plan remain under the care, custody and

control of REMIF, at least for the time being. This necessitated changes to the underlying Joint Powers Agreement and Bylaws. Council is asked to adopt the REMIF Joint Powers Agreement and Bylaws.

Both the REMIF JPA and bylaws and propped CIRA JPA and bylaws have been reviewed and approved by the REMIF and PARSAC boards. As such, the proposed documents cannot be altered and must be either adopted as-is or not adopted. If the City Council choses to not adopt the City will need to explore other insurance options immediately.

FISCAL IMPACT:

The merger will consolidate the operations and expenses of both pools. CIRA will work towards eliminating redundant expenses which will lower long term operating costs. Consolidating operations will also achieve greater economies of scale, improve service deliver, and CIRA will be in better position to leverage its larger size for better services, rates and coverage with service providers and excess insurers. A larger organization will also result in more predictable funding and reserving forecasts (with more available data), which reduces the likelihood of future assessments. The merged organization will be more fiscally viable and provide greater long term stability and sustainability.

OPTIONS:

No other options recommended

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Water OM Fund Sewer OM Fund Other:

Comments:

SUGGESTED MOTIONS:

Move to adopt the resolution of the City Council of the City of Lakeport approving the CIRA Joint Powers Agreement and Bylaws and Approving the REMIF Fourth Amended and Restated Joint Powers Agreement and Bylaws.

Attachments:

1. Resolution
2. Amended JPA – REMIF
3. Amended Bylaws - REMIF
4. Joint Powers Agreement - CIRA
5. Bylaws - CIRA

RESOLUTION NO. XXXX (2020)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEPORT APPROVING THE CIRA JOINT POWERS AGREEMENT AND BYLAWS AND APPROVING THE REMIF FOURTH AMENDED AND RESTATED JOINT POWERS AGREEMENT AND BYLAWS

WHEREAS, the Redwood Empire Municipal Insurance Fund (REMIF) is a public entity pool representing 15 small to medium sized cities/towns; and

WHEREAS, the Public Agency Risk Sharing Authority of California (PARSAC) is a public entity pool representing 34 small to medium sized cities/towns and one fire district; and

WHEREAS, a transition committee of both Joint Powers Authorities have been regularly meeting to first discuss cooperation and then merger of most programs for the joint benefit of the members of both REMIF and PARSAC; and

WHEREAS, the current intention is to keep the REMIF self-funded health care plan outside of the merger and remain fully administered by REMIF, subject to future discussions after merger of the other programs; and

WHEREAS, after July 1, 2021, REMIF and PARSAC will continue to administer and close out all claims received prior to July 1, 2021, unless future boards eventually decide to merge any remaining claims into CIRA for administrative efficiency; and

WHEREAS, the goal of both REMIF and PARSAC is to fully merge the liability, property, and workers compensation programs by the effective merger date, but extreme instability in the insurance market may necessitate a longer transition; and

WHEREAS, as a result of these discussions, the transition committee has created the attached Joint Powers Agreement and by-laws for the California Intergovernmental Risk Sharing Authority (CIRA), the newly merged joint powers associated; and

WHEREAS, due to the tailing administration of existing program claims at REMIF and continued operation of the REMIF self-funded health care plan, the REMIF board of directors amended the REMIF Joint Powers Agreement and by-laws to fit the mission of REMIF after the merger with PARSAC; and

WHEREAS, the board of directors of both REMIF and PARSAC have approved the proposed CIRA Joint Powers Agreement and related by-laws, with an effective date of July 1, 2021; and

WHEREAS, any member city that wishes to transition to CIRA must approve the Joint Powers Agreement, or they will be forced to procure insurance through the private market or another Joint Powers Authority; and

WHEREAS, the proposed actions do not constitute a project as defined by California Environmental Quality Act Guidelines Section 15378; therefore, no further environmental review is required.

NOW THEREFORE BE IT RESOLVED THAT the City Council of the City of Lakeport hereby:

1. Approves the amended REMIF Fourth Amended and Restated Joint Powers Agreement effective as of July 1, 2021 and bylaws dated and effective January 1, 2021.
2. Approves the merger with PARSAC and the transition to CIRA on July 1, 2021.
3. Approves the CIRA Amended and Restated Joint Exercise of Powers Agreement and bylaws.
4. Authorizes the City Manager to execute the aforementioned documents and authorizes the City representatives to REMIF to take any administrative actions needed to effectuate this direction.

The foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Lakeport on the 1st day of December, 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

George Spurr, Mayor

ATTEST:

Kelly Buendia, City Clerk

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
FOURTH AMENDED AND RESTATED
JOINT POWERS AGREEMENT
Effective as of July 1, 2021

This Fourth Amended and Restated Agreement is made by and among the following public entities: City of Arcata, City of Cloverdale, City of Cotati, City of Eureka, City of Fortuna, City of Ft. Bragg, City of Healdsburg, City of Lakeport, City of Rohnert Park, City of Sebastopol, City of Sonoma, City of St. Helena, City of Ukiah, City of Willits and Town of Windsor, hereafter referred to as Members, all of which are public entities generally organized and operating under the laws of the State of California or public entities specifically organized and operating under §6507 of the California Government Code and related provisions of law which authorize the creation and operation of governmental joint powers authorities under California law. This Fourth Amended and Restated Agreement is dated and will be effective July 1, 2021.

RECITALS

- I. The following State laws, among others, authorize the Members to enter into this agreement:
- A. Labor Code §3700(b) allowing a local public entity to fund its own workers' compensation claims;
 - B. Government Code §989 and §990, and Education Code §15802, permitting a local public entity to insure itself against liability and other losses;
 - C. Government Code §990.4, permitting a local public entity to provide insurance and self-insurance in any desired combination;
 - D. Government Code §990.8, permitting two or more local public entities to pool self-insured claims or losses and enter into an agreement to jointly fund such expenditures under the authority of Government Code §§6500 through 6515; and
 - E. Government Code §§6500 through 6515, permitting two or more local public entities to jointly exercise, under an agreement, any power which is common to each of them.
- II. The governing board of each undersigned public entity has determined that it is in its best interest and in the public interest that this FOURTH AMENDED Agreement be executed and that it shall participate as a Member of the public entity created by the original version of this Agreement.

NOW, THEREFORE, the undersigned, by, between and among themselves, for and in consideration of the mutual benefits, promises and agreements set forth below, hereby agree as follows:

AGREEMENT

ARTICLE I

CONTINUATION OF THE REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

Pursuant to Article I, Chapter 5, Division 7, title I of the Government Code of the State of California (commencing with §6500), the parties previously created a public agency, separate and apart from the parties, now known as the REDWOOD EMPIRE MUNICIPAL INSURANCE FUND, hereinafter called the Authority. This Fourth Amended Agreement amends and supersedes all prior joint powers agreements of the parties.

ARTICLE II

PURPOSES

The purpose of the Authority is to develop an effective risk management program: (a) to reduce the amount and frequency of their losses; (b) pool their self-insured losses; and (c) jointly purchase excess insurance and administrative services in connection with a joint protection program for said parties.

ARTICLE III

DEFINITIONS

Unless the context otherwise requires, the following terms shall be defined as herein stated:

Alternate Director means the individual appointed by a Member or Associate Member to act in the absence of a duly appointed Director except the Alternate Director shall not exercise the powers of an officer of the Authority or serve on the Executive Committee.

Associate Member means any contracting public agency who has not been a member for over 10 years. A listing of the Associate Members and former Associate Members will be an addendum to the JPA Bylaws.

Authority means the Redwood Empire Municipal Insurance Fund created by this Agreement.

Board or Board of Directors means the governing board of the Authority.

Broker is an insurance broker used by the Board to acquire insurance coverage.

Cash Assessment means an amount determined by the Board, to be paid by each Participating Agency as necessary to meet the Authority's obligations.

Cash Contribution means the annual dollar amount determined by the Board which is payable to each Participating Agency as its established share of the funding required to cover the financial obligation of each pooled coverage program or insured program in which the Participating Agency participates.

Certificate of Coverage for Additional Covered Party means the document issued by the Authority to third parties specifying the type and amount of pooled coverage provided to the Participating Agency by the Authority and extended to the named third party for the specified purpose.

Claims means demands made against the Participating Agencies or the Authority arising out of occurrences which may be within any of the Authority's coverage agreements.

Claims Adjuster is the claims adjuster hired as an employee of the Authority and/or contracted by the Board to determine losses and make or recommend payments in the various coverage programs.

Coverage Agreement is the document issued by the Authority to Participating Agencies specifying the scope and amount of pooled protection provided to each Participating Agency by the Authority in each pooled coverage program.

Covered Loss means any loss resulting from a claim or claims against a Participating Agency or the Authority which is in excess of the respective self-funded retention, and is covered by a Coverage Agreement issued by the Authority or any purchased programs and may include loss payments, defense costs, and other charges directly attributed to the resolution of the matter including defense costs incurred by the Authority.

Deductible means the amount of a claim or lawsuit, which the Participating Agency must incur or become liable for before the Authority is obligated to pay. Deductible is synonymous with Self-Funded Retention.

Director means the individual appointed by the Member or Associate Member to serve on the Board or the Alternate Director in the absence of the individual Director.

Excess Insurance means any self-insurance, insurance, or reinsurance purchased by the Authority to cover losses in excess of the Authority's self-insured retention.

Executive Committee means that body composed of the President, Vice President and one

or more additional members of the Board appointed or elected in accordance with the Bylaws of the Authority.

General Manager is the person or firm appointed by the Board to be its Secretary and the Chief Administrative Officer of the Authority.

Incurred Loss means the sum of monies paid and reserved by the Authority that is necessary to investigate and defend a claim and to satisfy a covered loss sustained by a Participating Agency or the Authority pursuant to a coverage agreement.

Member means any Member that has been in the JPA for 10 consecutive years or more. A listing of the Members and former Members will be an addendum to the JPA Bylaws.

Participating Agency means any Associate Member agency or Member agency who is covered by this Agreement.

Pooled Coverage Programs shall consist of coverages provided or formerly provided directly by the Authority pursuant to a Coverage Agreement.

Program Year means a period of time determined by the Board, usually twelve (12) months, into which each pooled coverage program shall be segregated for purposes of account, record keeping, and coverage interpretation.

Self-Funded Retention means the amount of a claim or lawsuit, which the Participating Agency must incur or become liable for before the Authority is obligated to pay. Self Funded Retention is synonymous with Deductible.

Treasurer means an officer of the Authority appointed by a majority of the Board who shall serve at the pleasure of the Board.

ARTICLE IV

PARTIES TO AGREEMENT

Each party to this Agreement certifies that it intends to, and does, contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added as parties to, and signatories of, this Agreement pursuant to Article XIX. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Article XX or XXI, shall not affect this Agreement or the remaining parties' intent to contract as described above with the other parties to the Agreement then remaining. Each Participating Agency must, at all times, participate in at least one Coverage Program of the Authority.

ARTICLE V

TERM OF AGREEMENT

This Fourth Amended and Restated Agreement shall become effective as of July 1, 2021, and shall continue full force until terminated as hereafter provided.

ARTICLE VI

POWERS OF THE AUTHORITY

The Authority is authorized, in its own name, to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement or as otherwise authorized by law, including but not limited to the power to:

- A. make and enter into contracts;
- B. incur debts, liabilities and obligations; but no debt, liability or obligation of the Authority is a debt, liability or obligation of any Participating Agency, except as otherwise provided by Articles XX and XXI;
- C. acquire, hold or dispose of real and personal property;
- D. receive contributions and donations of property, funds, services and other forms of assistance from any source;
- E. sue and be sued in its own name;
- F. employ agents and employees;
- G. acquire, construct, manage and maintain buildings;
- H. lease real or personal property including that any Participating Agency; and
- I. receive, collect, invest and disburse monies.

ARTICLE VII

PARTICIPATING AGENCY RESPONSIBILITIES

Each Participating Agency shall have the following responsibilities;

- appoint a representative of the Participating Agency to be responsible for the risk management function within that Participating Agency, and to serve as a liaison between the Participating Agency and the Authority regarding risk management matters;

- provide the Authority with current, complete, and accurate information which will be used to determine the appropriate coverage cash contributions for each coverage program. This information can include but is not limited to property and building values, vehicle types and numbers, annual payrolls, miles of streets and sidewalks, and other pertinent demographic information;
- pay its coverage cash contributions, and any adjustments including cash assessments, promptly to the Authority when due. After withdrawal or termination, such agency shall pay promptly to the Authority its share of any additional coverage cash contributions or cash assessments, when and if required of it by the Board under Article XX or XXI of this Agreement;
- establish and maintain risk management programs including but not limited to loss control, risk transfer and employee safety programs;
- report to the Authority's risk manager, during the development stage, the addition of new programs or facilities, and the elimination or significant reduction or expansion of existing programs or facilities;
- comply with the Agreement, Bylaws and all policies and procedures adopted by the Board;
- promptly notify the Authority of any claim or summons and complaint which may result in a covered loss that is filed against and/or received by a Participating Agency;
- cooperate fully with and assist the Authority in determining the cause of claims and in the settlement of claims, as defined in the specific coverage agreement;
- cooperate fully with and assist the Authority, and any insurer, claims adjuster or legal counsel, of the Authority, in all matters relating to this Agreement and covered losses;
- comply with the risk management requirements established by the Authority;
- provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint protection program under this Agreement;
- if a Member or an Associate Member, appoint a representative and alternate to the Board.

ARTICLE VIII

BOARD

Responsibility for the control, direction, and administration of the Authority shall be vested in the Board. The Board will consist of a representative of each Member and Associate Member

agency. The powers of the Board shall be all of the powers of the Authority not specifically reserved to the Participating Agency by this Agreement.

**POWERS OF THE
MEMBERS AND
ASSOCIATE MEMBERS**

The city councils of the Members and Associate Members hereby retain the following powers:

- A. the appointment of their Director and Alternate Director to the Board;
- B. approval of amendments to this Agreement as specified in Article XXVI; and
- C. termination of the Authority in accordance with Article XXIII.

BOARD OF DIRECTORS– APPOINTMENTS

The Director and Alternate Director of the Board shall be appointed by the respective Member and Associate Member which shall notify, in writing, the Authority of the appointment. The representative shall serve at the pleasure of the Member or Associate Member until written notice of the appointment of a successor is received by the Authority.

The Alternate Director shall have all the powers of the representative in their absence except that the Alternate Director shall not exercise the powers of an officer of the Authority or serve on the Executive Committee.

Each Director has one (1) vote on the Board. A board member is not entitled to compensation from the Authority. However, the Board may authorize reimbursement for expenses incurred by a Participating Agency or Director/Alternate Director in connection with his or her duties as a board member.

ARTICLE IX

COMMITTEES

The Board shall have the authority to establish committees as it deems appropriate to conduct the business of the Authority. The Board is authorized to dissolve any committee established pursuant to this Article.

ARTICLE X

MEETINGS

The Board shall hold at least one regular meeting each year.

Each meeting of the Board and Executive Committee, including, without limitation, regular, special and adjourned regular or special meetings, shall be called, noticed, held and conducted in accordance with applicable State law.

ARTICLE XI

OFFICERS AND EMPLOYEES

The officers of the Authority shall be the President, Vice President, Treasurer and General Manager. The President and Vice President shall be elected by the Board from among its own members, as individuals, not as the Participating Agencies they represent. The term of office for President and Vice President shall be one (1) fiscal year, and they shall assume the duties of their offices at the beginning of the fiscal year. The Board shall appoint as a Treasurer a person who need not be a member of the Board, whose qualifications will be set by Board policy. This person shall have the powers, duties and responsibilities specified in Government Code §6505.5. The Treasurer shall serve at the pleasure of the Board. If the President or Vice President ceases to be a member of the Board or is removed from office, the resulting vacancy shall be filled, for the unexpired term, at the next regular or special meeting of the Board held after the vacancy occurs.

The General Manager shall be the Secretary and Chief Administrative Officer of the Authority. The Board shall appoint the General Manager who shall serve at the pleasure of the Board. The responsibilities and duties of the officers of the Authority shall be as defined in the Bylaws and as assigned by the Board. The Board may appoint such other officers and employees and may contract with such persons or firms as it considers necessary to carry out the purposes of this Agreement. The Board shall also set the terms and conditions of employment for the Authority's employees by Board action or policy.

Any Participating Agency which agrees to have an employee or other representative assigned duties pursuant to this Article may be reimbursed by the Authority for that individual's time and services rendered on behalf of the Authority, at the discretion of the Board. Any such employee, while acting for or on behalf of the Authority, will be entitled to defense and indemnification by the Authority to the extent provided in California Government Code §825 et. seq. and §995 et seq.

The Board shall require the General Manager and the Treasurer to file with the Authority an individual or a blanket bond in an amount to be fixed by the Board, but not less than \$100,000. The Authority shall pay the cost of the premiums for the bond required by it.

ARTICLE XII

FISCAL YEAR/BUDGET

The Authority's fiscal year shall be from July 1 to June 30 unless otherwise indicated by Board resolution.

An annual budget shall be presented by the General Manager to the Board before and shall be

adopted by the Board no later than June 30 of each year. At the discretion of the Board, a multi-year budget may be adopted, thereby eliminating the requirements of annual presentation and adoption during the term of such multi-year budget.

ARTICLE XIII

ANNUAL AUDITS AND AUDIT REPORTS

FINANCIAL AUDIT

The Board shall cause an annual financial audit in accordance with generally accepted auditing standards to be made with respect to all receipts, disbursements, other transactions and entries into the books by a Certified Public Accountant, and a report of such financial audit shall be filed as a public record with each of the Participating Agencies and with the county auditor in the county where the Authority has its principal office as stated in the Bylaws. All costs of such financial audit shall be paid by the Authority as a general and administrative expense.

ARTICLE XIV

ESTABLISHMENT AND ADMINISTRATION OF FUNDS

The Board shall be responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with all provisions of law relating to the subject, particularly §6505 of the California Government Code.

The Treasurer or Board's designee shall receive, invest and disburse funds only in accordance with the procedures established by the Board and in conformity with applicable law. The General Manager shall have the authority to expend funds, which have been budgeted, as provided in the Bylaws.

An Investment Policy shall be adopted by the Board and reviewed annually as required by state law.

The Authority may make loss payments on behalf of a Participating Agency up to the maximum amount of the self-insured coverage provided by the Authority, but limited to the actual amount of the loss.

The Board will set the level of authority for the settlement of claims by the General Manager and Executive Committee.

ARTICLE XV

CASH CONTRIBUTION

Each Participating Agency shall make a cash contribution for each year of participation in each pooled coverage program in an amount approved by the Board. The amount of such cash contribution shall be determined in accordance with a formula and schedule of payment contained

in the Bylaws of the Authority or a policy established pursuant to the Bylaws and shall be sufficient, when combined with the cash contributions of all other participants in such pooled coverage programs, to cover the outstanding liabilities, actuarially predicted losses, loss adjustment expenses, defense costs, excess insurance premiums and administrative expenses of the Authority.

The cash contribution is payment for the various coverage agreements issued by the Authority to each Participating Agency for the risk coverage specified in the coverage agreement or insured program. The Board may, but is not required to, use standard form policies utilized in the market for any coverages authorized by the Board. The scope of any such coverages in the pool shall be determined by the Board as specified in the Authority's Bylaws, policy statements, and/or in the coverage agreement.

The cash contribution shall be billed to the Participating Agencies in accordance with the policy set by the Board. Any cash contributions not received by the Authority within thirty (30) days following the date of billing shall be in arrears and subject to interest and/or penalties in accordance with the Bylaws or any policy adopted by the Board.

ARTICLE XVI

CASH ASSESSMENT

The Board by a majority vote shall have the authority to levy a cash assessment upon a determination that it is necessary to meet the Authority's obligations.

All cash assessments shall be determined and payable in accordance with Board policy or Bylaws and shall be assessed against those Participating Agencies who participated in the program year(s) resulting in a deficit.

ARTICLE XVII

POOLED COVERAGE PROGRAMS

The pooled coverage for each program shall be as specified in the Bylaws and applicable policies and procedures. Any new Participating Agency accepted for membership in the Authority shall have an initial three-program year, non-cancelable commitment. Each Participating Agency may participate in such pooled coverage programs as are offered by the Authority on such terms, for such time periods and with such cash contributions as are determined by the Board.

ARTICLE XVIII

AUTHORITY FUNCTIONS AND RESPONSIBILITIES

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

- (a) provide coverage, as authorized by the Board, through, but not limited to, a self- insurance fund and commercial insurance, as well as excess coverage, reinsurance, and umbrella insurance, by negotiation, bid, or purchase;
- (b) provide claims management and legal services for covered risk, which may or may not exceed the Participating Agency's deductible;
- (c) provide claims recovery and subrogation services to investigate, pursue and collect for damages caused by the acts of others;
- (d) establish actuarial services to distribute costs and generate revenues;
- (e) provide loss analysis control by use of statistical analysis, data processing, record and file keeping services in order to evaluate proper levels of self-funded retention and deductibles;
- (f) select legal counsel according to policy established by the Board;
- (g) perform other functions as required by the Board for the purpose of accomplishing the goals of the Agreement.

ARTICLE XIX

NEW PARTICIPATING AGENCIES

It is the intent of the Authority to provide, to the extent permitted by law and Board policy, for the inclusion at a subsequent date of such additional public entities, organized and existing under the Constitution or laws of the State of California, as may desire to become Participating Agencies of the Authority.

The Board shall review all applications for participation in the Authority. Those public agencies seeking membership must be approved by the affirmative vote of a two-third (2/3) majority of the Board.

Public agencies applying under this Article shall be required to pay their share of organizational expenses, as determined by the Board, including those costs necessary to analyze their loss data and determine their cash contributions.

Cash contributions for Participating Agencies joining the Authority at other than the beginning of the Authority's program year, shall be prorated for the remainder of the program year.

A new Participating Agency will be considered an Associate Member, whose voting rights will be

granted in conformity with the Agreement and Bylaws.

ARTICLE XX

WITHDRAWAL

A new Participating Agency which wishes to join the Authority shall not withdraw from the Authority for a three (3) fiscal year period commencing on July 1st of the first full fiscal year that said new Participating Agency became a Participating Agency of the Authority.

After the initial three (3) fiscal year non-cancelable commitment to the Agreement, a Participating Agency may withdraw only at the end of a fiscal year of the Authority, provided it has given the Authority a six (6) month written notice of its intent to withdraw from this Agreement and the joint protection program.

Any Participating Agency which withdraws as a party to this Agreement pursuant to this Article, or is expelled pursuant to Article XXI, shall not be reconsidered for new Membership until the expiration of five (5) years from the Participating Agency's withdrawal.

ARTICLE XXI

EXPULSION

The Authority shall have the right to expel any Participating Agency from a specific coverage program or from the entire Authority upon a four-fifths (4/5) vote of the entire Board after ninety (90) days written notice to the Participating Agency; and such expulsion shall be effective at the conclusion of the program year in which the notice is given, unless a different, specific date is stated by the Board. Any Participating Agency so expelled shall, on the effective date of the expulsion, be treated the same as if the Participating Agency had voluntarily withdrawn from this program.

ARTICLE XXII

EFFECT OF WITHDRAWAL OR EXPULSION

The withdrawal or expulsion of any Participating Agency after the inception of its participation in the Authority or any pooled coverage program shall not terminate its responsibility:

- (a) to cooperate fully with the Authority in determining the cause of losses and in the settlement of claims incurred during the coverage period, as defined in the Memorandum of Coverage;
- (b) to pay any cash assessments or other amounts determined by the Board to be due and payable to each program year of each program in which it participated until all claims, or other unpaid liabilities, covering such periods have been finally resolved;

(c) to provide the Authority with such statistical and loss experience data and other information as may be necessary for the Authority to carry out the purposes of this Agreement; and

(d) to cooperate with and assist the Authority and any insurer, claims adjuster or legal counsel retained by the Authority, in all matters relating to this Agreement.

Coverages under all pooled coverage programs in which that Participating Agency participated will remain in effect and continue until the conclusion of their respective program years or an earlier date as determined by the Board.

Further, withdrawal or expulsion of a Participating Agency shall not be considered as a completion of the purpose of this Agreement and shall not require the repayment or return to the withdrawing Participating Agency of all or any part of any contributions, payments or advances made by the parties unless the Agreement is rescinded or terminated as to all parties; however, when funds earmarked for program years in which the Participating Agency participated are rebated or redistributed to Participating Agencies, the withdrawing Participating Agency will be entitled to its pro rata share as determined by the Board for its years of participation.

ARTICLE XXIII

TERMINATION AND DISTRIBUTION

This Agreement may be terminated any time by the written consent of a majority of the Members' city councils provided that all Participating Agencies are notified in writing at least ninety (90) days in advance; 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. Notification of the action of the Members' city councils in terminating this Agreement may be delivered by mail to the Authority or in person by each Member's Director or Alternate Director at a regular or special meeting of the Board. Upon termination of this Agreement, all assets of the Authority shall be distributed only among the Participating Agencies which have been participants in its pooled coverage programs, including any of those Participating Agencies which previously withdrew or were expelled pursuant to Articles XXI and XXII of this Agreement, and in accordance with the terms and conditions of the Bylaws of the Authority. The Board shall determine such distribution within six (6) months after the last pending claim or covered loss subject to this Agreement has been finally resolved.

The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. These powers shall include the power to require the Participating Agencies, including those which were program participants at the time the claim arose or at the time the covered loss was incurred, to pay their share of any cash assessment deemed necessary by the Board for final disposition of all such claims and covered losses subject to this Agreement. The decision of the Board under this Article shall be final.

ARTICLE XXIV

NOTICES

Notices to Participating Agencies under this Agreement shall be sufficient if mailed, first class, to

their respective addresses on file with the Authority. Notices to the Authority shall be sufficient if mailed, first class, to the address of the Authority as contained in the Bylaws.

ARTICLE XXV

PROHIBITION AGAINST ASSIGNMENT

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

ARTICLE XXVI

AMENDMENTS

This Agreement may be amended by two thirds (2/3) vote of the Members' and Associate Members' city councils provided that any amendment is compatible with the purposes of this Agreement and has been submitted to the Members at least thirty (30) days in advance. Any such amendment shall be effective immediately upon receipt by the Authority of votes sufficient for passage, unless otherwise designated. Notification of the action of the Members' city councils may be delivered by a Member's Director or Alternate Director at any regular or special meeting of the Board. Such amendments shall be binding upon all Participating Agencies of the Authority.

ARTICLE XXVII

SEVERABILITY

Should any portion, term, condition or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California or the United States, or to be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions terms conditions and provisions shall not be affected thereby.

ARTICLE XXVIII

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.

BYLAWS

The following Bylaws are for the regulation of Redwood Empire Municipal Insurance Fund, except as otherwise provided by Statute or the Joint Powers Agreement creating Redwood Empire Municipal Insurance Fund. These Bylaws are dated and will be effective January 1, 2021.

ARTICLE I

DEFINITIONS

The terms in these Bylaws shall be as defined herein and in the Joint Powers Agreement (hereinafter JPA Agreement) creating the Redwood Empire Municipal Insurance Fund (REMIF) unless otherwise specified herein.

Alternate Director means that individual appointed by a Member or Associate Member to act in the absence of its duly appointed representative except the Alternate Director shall not exercise the powers of an officer of the Authority or serve on the Executive Committee.

Associate Member means any contracting public agency who has been a signatory of the Authority's JPA Agreement for less than ten years.

Authority means the Redwood Empire Municipal Insurance Fund created by the JPA Agreement.

Board or Board of Directors means the governing board of the Authority.

Broker is an insurance broker used by the Board to acquire insurance coverage.

Cash Assessment means an amount determined by the Board of Directors, to be paid by each Participating Agency as necessary to meet the Authority's obligations.

Cash Contribution means the annual dollar amount determined by the Board of Directors which is payable by each Participating Agency as its established share of the funding required to cover the financial obligation of each pooled coverage program in which the Participating Agency participates.

Claims means demands made against the Participating Agencies or the Authority arising out of occurrences which may be within any of the Authority's coverage agreements.

Claims Adjuster is the person(s) hired as an employee of the Authority and/or contracted by the Board to determine losses and make or recommend payments in the various coverage programs.

Coverage Agreement is the document issued by the Authority to Participating Agencies specifying the scope and amount of pooled protection provided to each Participating Agency by the Authority in each pooled coverage program.

Covered Loss means any loss resulting from a claim or claims against a Participating Agency or the Authority which is in excess of the respective self-funded retention, and is covered by a Coverage Agreement issued by the Authority or any purchased programs and may include loss payments, defense costs, and other charges directly attributed to the resolution of the matter including defense costs incurred by the Authority.

Deductible means the amount of a claim, which the Participating Agency must incur or become liable for before the Authority is obligated to pay. Deductible is synonymous with Self-Funded Retention.

Director means the individual appointed by the Member or Associated Member to serve on the Board of Directors or the Alternate Director in the absence of the individual Director.

Entire Board shall consist of all Directors, whether or not present at a Board meeting.

Excess Insurance means any self-insurance, insurance, or reinsurance purchased by the Authority to cover losses in excess of the Authority's self-insured retention.

Executive Committee means that body composed of the President, vice President and three additional members of the Board appointed or elected in accordance with the Bylaws of the Authority.

General Manager is the person or firm appointed by the Board to be its Secretary and the Chief Administrative Officer of the Authority.

Incurred Loss means the sum of monies paid and reserved by the Authority that is necessary to investigate and defend a claim and to satisfy a covered loss sustained by a Participating Agency or the Authority pursuant to a coverage agreement.

Member means any Participating Agency that has been a signatory to the Authority's JPA Agreement for more than ten years.

Participating Agency means any Associate Member agency or Member agency that is signatory to the Authority's JPA Agreement.

Pooled Coverage Programs shall consist of coverages provided by the Authority pursuant to a Coverage Agreement. These may include, but are not limited to property, workers' compensation and liability coverages as may be determined by

the Board.

Program Year means a period of time determined by the Board, usually twelve (12) months, into which each pooled coverage program shall be segregated for purposes of account, record keeping, and coverage interpretation.

Self-Funded Retention means the amount of a claim, which the Participating Agency must incur or become liable for before the Authority is obligated to pay. Self-Funded Retention is synonymous with Deductible.

Treasurer means an officer of the Authority appointed by a majority of the Entire Board who shall serve at the pleasure of the Board.

ARTICLE II

OFFICES

The principal executive office for the transaction of business of the Authority and receipt of all notices is hereby fixed and located as described in the attached addendum hereto and incorporated herein by reference. The Board shall have the authority to change the location of the principal executive office.

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

ARTICLE III

DIRECTORS OR OFFICERS

Appointment of Board of Directors

The Board of Directors will include one Director from each Member and a Director from each Associate Member.

The governing board or other duly designated official of each Member and Associate Member of the Authority shall appoint a representative to the Board of Directors. The appointment shall be in writing, directed to the Authority at its designated principal executive office, and shall remain in effect until the receipt of a written notice designating a replacement. Each Member and Associate Member shall also designate an Alternate Director, in the manner described above, to act in the absence of its duly appointed representative except the Alternate Director shall not exercise the powers of an officer of the Authority or serve on the Executive Committee. Each Director has one vote.

Election and Removal of Officers

The officers of the Authority shall be the President, Vice President, Treasurer and General Manager/Secretary. The President and Vice President shall be elected, as individuals, from among the members of the Board of Directors not as the Participating Agencies they represent. The term of office for President and Vice President shall be two (2) fiscal years, and they shall assume the duties of their offices at the beginning of the next fiscal year.

The Treasurer will be appointed, by a majority of the Board, and shall serve at the pleasure of the Board. The qualifications of the Treasurer will be set by Board policy and shall have the powers, duties and responsibilities specified in Government Code §6505.5. The Treasurer shall have no vote on the Board unless he/she is a Director also.

The General Manager shall be the Secretary and Chief Administrative Officer of the Authority, appointed by the Board and shall serve at the pleasure of the Board. Although the General Manager is an officer of the Authority, he/she may not vote on matters before the Board, Executive or other appointed committees. The General Manager may not be an employee or an officer of a Participating Agency. The General Manager shall be responsible for administering the operations of the Authority, cause minutes to be kept as specified by the Board, shall have the duty to maintain or cause to be maintained all accounting and other financial records of the Authority, file financial reports of the Authority, and perform other such duties as the Board may specify.

Election for President will be held first and then election for Vice President. Each Director present shall cast one vote for each office. The candidate receiving the greatest plurality of votes for the particular office will be elected and will assume the office on July 1 of the succeeding fiscal year. In the event of a tie vote, those not involved in the tie vote will be eliminated and the remaining candidates will be the subjects of a run-off election as described above. If unsuccessful after the run off, the election for that office shall start again with all the candidates eligible. Nomination of candidates and election for the Officers and the Executive Committee shall be made at the June meeting every other year for the succeeding fiscal year. Officers and the Executive Committee elections will be held on opposite years.

The President and Vice President will be elected at the Annual Board meeting in fiscal years ending in even numbered years and shall serve for their elected term of office for two (2) years, or until removal by the Participating Agency, or removal from office by the affirmative vote of the majority of the Board of Directors at any regular or special meeting of the Board of Directors. Vacancies in the offices of President or Vice President or Executive Committee will be filled by election of a replacement, at the next regular or special meeting of the Board, by a majority vote of the Board, to serve the remainder of the unexpired term.

All other Authority staff positions will be appointed by the General Manager subject to budget approval by the Board.

The Board shall require the General Manager and the Treasurer to file with the Authority

an individual or a blanket bond in the amount to be fixed by the Board, but not less than \$100,000. The Authority shall pay the cost of the premiums for the bond required by it.

ARTICLE IV

EXECUTIVE COMMITTEE

There shall be an Executive Committee composed of five members. The President and Vice President shall serve on the Executive Committee during their incumbency and three members at large will be elected every other year to serve with them.

The election of members at large to serve on the Executive Committee will be held at the annual Board meeting in fiscal years ending in odd numbered years. The at-large members shall be elected, as individuals, from among the members of the Board of Directors, not as the Participating Agencies they represent. If an Executive Committee member is not available for a committee meeting, no alternate can sit as a replacement.

One Executive Committee member shall be elected from each of the following three regions:

South Region includes: Cotati, Sebastopol Rohnert Park, Sonoma, and Windsor

Central Region includes: Cloverdale, Healdsburg, Lakeport, St. Helena, and Ukiah

North Region includes: Arcata, Eureka, Fort Bragg, Fortuna, and Willits

Each Region will elect their own Executive Committee Representative. The Board may revise the membership of the three regions from time to time as membership in the Authority changes.

Any vacancy on the Executive Committee shall be filled at the Next Board meeting by a vote from the appropriate Region as specified in Article III for elections and Removal of Officers.

Powers

The powers of the Executive Committee shall be those powers delegated to it by the Board of Directors, which may include but are not limited to:

- recommendation on the personnel matters concerning salary, benefits and working conditions of the General Manager;
- covered loss settlement authority as determined per Article X;
- approval of service contracts in excess of staff's authority of \$50,000, but within budgeted amounts;

- amendments to the annual budget within limits established in Article VIII;
- other authority as delegated by the Board.

The Board of Directors may revoke any of the powers delegated to the Executive Committee by a majority vote of the Board.

ARTICLE V **MEETINGS**

Board of Directors Meetings

There shall be at least one (1) regular meeting of the Board of Directors each year, which shall be designated as the Annual Membership Meeting. At the final Board meeting of each fiscal year, the Board shall fix the date, hour and location at which each regular meeting in the succeeding year is to be held. Special meetings may be called by the President or a majority of the Board. Notice of such special meetings shall be delivered personally, by electronic facsimile transmission or by mail, as provided by state law, to each Participating Agency at least twenty-four (24) hours before the time of such meetings.

A regular or special meeting of the Board may be cancelled or postponed by the General Manager or President by notice delivered as provided by state law, to each Participating Agency at least twenty-four (24) hours before the time of such meeting. The Annual Membership Meeting may be postponed but not cancelled.

Executive Committee Meetings

The Executive Committee shall hold meetings as the need arises. Some may coincide with meetings of the Board of Directors. The President or 2 members of the Executive Committee may request meetings, as need dictates. Notice of such special meetings shall be delivered as provided by state law, to each Participating Agency at least twenty-four (24) hours before the time of such meetings.

A regular or special meeting of the Executive Committee may be cancelled or postponed by the President by notice delivered as provided by State law, to each Participating Agency at least twenty-four (24) hours before the time of such meeting.

General Meetings

No business may be transacted by the Board, Executive Committee, or other appointed committees without a quorum of their respective members participating. A quorum of the Board shall consist of a majority of its number; a quorum of the Executive Committee shall number three (3) members. Quorums of other committees established by the Board shall be a majority of their members. A majority of the members present must vote in favor of a motion to approve it, except as otherwise provided in the JPA Agreement or Bylaws and

except for the following:

1. A two-thirds (2/3) vote of the Board is required to amend the Bylaws provided that any amendment is compatible with the purposes of the Authority, is not in conflict with the JPA Agreement and has been submitted to the Board at least thirty 30 days in advance.
2. A majority vote of the Board is required to levy a cash assessment for any pooled coverage program.
3. A majority vote of the Board is required to remove an officer of the Board or member of the Executive Committee.
4. A four-fifths (4/5) vote of the entire Board is required to expel any Participating Agency from the Authority.

The Board and the Executive Committee shall conduct their meetings in accordance with Robert's Rules of Order.

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, or any other applicable State law.

The General Manager shall cause minutes of all regular, adjourned regular and special meetings to be kept. As designated by the Board a copy of the minutes will be forwarded to each Participating Agency.

ARTICLE VI

DUTIES OF DIRECTORS AND OFFICERS

The Board of Directors shall be responsible for governing the Authority either directly or by delegation to other bodies or persons unless prohibited by law or by the JPA Agreement, and shall exercise all those powers not specifically reserved to the Participating Agencies in the JPA Agreement. Each Director shall have the authority to bind their Participating Agency on all matters pertaining to the JPA Agreement as provided in the JPA Agreement. In addition, the results of all votes will have the authority to bind all Participating Agencies. Each Director shall be entitled to cast one vote in all matters requiring a vote, except in the case of an actual or potential conflict of interest.

The Board may establish committees and delegate to them functions not otherwise reserved to the Board.

The duties of the President shall be to preside at all meetings of the board and the Executive Committee and to perform such other duties as the Board may specify.

The duties of the Vice President shall be to act as the President, in the absence of the President, and to perform such other duties as the Board may specify.

The duties of the Treasurer shall be those specified in §6505.5 or 6505.6 of the California Government Code, to receive and safekeep all money coming into the treasury, to comply with all laws governing the deposit and investment of funds, and to provide a quarterly financial report to the Board summarizing receipts, disbursements, and fund balances, along with a listing of all investments and other duties as specified by the Board.

The duties of the General Manager shall be to administer the operations of the Authority, to cause minutes to be kept as specified in the JPA Agreement, to maintain or cause to be maintained all accounting and other financial records of the Authority, to file all financial reports of the Authority and to perform such other duties as the Board may specify.

ARTICLE VII

BUDGET

An annual budget shall be presented by the General Manager to the Board before and be adopted no later than June 30 of each year. At the discretion of the Board, a multi-year budget may be adopted, thereby eliminating the requirements of annual presentation and adoption during the term of such multi-year budget.

The budget shall separately show the following:

- a. general and administrative expenses;
- b. revenue section;

ARTICLE VIII

RECEIPT AND DISBURSEMENT OF FUNDS

Revenues of the Authority shall be received at its principal executive office. The Treasurer, General Manager or other designee of the Board shall safeguard and invest funds in accordance with the Authority's current Investment Policy.

The General Manager and others as designed by the Board shall be authorized signatories of the Authority's checking account. All checks disbursing funds of the Authority shall be signed by the appropriate number of individuals as established by action of the Board.

The General Manager shall be authorized to make all expenditures for goods or services without specific approval, to the extent such funds have been included and approved by adoption of the budget, or as subsequently approved by the Board.

The Executive Committee shall be authorized to permit budget modifications in amounts up to \$50,000 for expenditures in excess of previously budgeted or approved amounts.

ARTICLE IX

ACCOUNTS AND RECORDS

The Authority shall maintain such funds and accounts in accordance with acceptable accounting practices or by any provision of the law or any policy of the Board. Books and records in the possession of the Treasurer or the Board's designee that are considered public documents by state law shall be open to inspection at all reasonable times by designated representatives of the Participating Agencies.

The Treasurer or the Board's designee shall report to the Board as required by State law and Board policy.

The Board shall contract with a certified public accountant to make an annual audit of the accounts and records of the Authority at the end of each fiscal year. The audit report shall be filed within six (6) months of the end of the fiscal year under examination. The Authority shall bear the cost of the audit.

The fiscal year of the Authority is the period from the first day of July of each year to and including the last day of June of the following year.

The Authority shall maintain or cause to be maintained accurate loss records for all covered risks, for all claims paid, and for such other losses as it requires records or directs records to be maintained.

ARTICLE X

SETTLEMENT OF CLAIMS

The General Manager or the Board's designee shall have authority to settle workers compensation, property and liability claims up to the limit specified by law and Board policy but not to exceed the actual amount of the claim.

The General Manager will have authority to settle property and liability claims for up to \$40,000 per occurrence. The Executive Committee shall have authority to settle property and liability claims from \$40,000 up to \$150,000 per occurrence. The Board shall have authority to settle claims in excess of these amounts up to the Authority's limit of coverage.

For workers compensation claims, staff has standing authority to pay benefits due under workers compensation law for medical benefits, temporary disability, etc. and to resolve permanent disability claims up to statutory requirements. Any settlements for permanent disability and/or a covenant and release exceeding the statutory requirements may be settled by the General Manager for amounts not to exceed \$40,000; by the Executive Committee for amounts not to exceed \$150,000; and for any higher amount, by the Board, up to the Authority's limit of coverage.

From time to time, the Board may, by policy or resolution, raise or lower the level of settlement authority granted to the General Manager and/or Executive Committee.

ARTICLE XI

POOLED RISK COVERAGE PROGRAMS

The Authority shall provide pooled risk coverage programs as determined by the Board of Directors. All Participating Agencies must participate in at least one pooled risk coverage program in order to maintain their membership in the Authority. The terms and conditions of each pooled risk coverage program including, but not limited to, agency participation commitment, choices of self-funded retentions, cash contributions, formulas, and other relevant details will be determined by the Board through these Bylaws, addendum, policies and/or coverage agreements.

The Board is authorized to adopt and provide additional pooled risk coverage programs it deems beneficial to Members.

Coverage may be provided by a self-funded risk-sharing pool, participation in pooled excess self-insurance, purchased insurance, reinsurance or any combination thereof, as determined by the Board as described in policy, attached addendum or coverage agreement.

Each pooled risk coverage program will be funded by annual cash contributions of the Participating Agencies at a level that is determined to be sufficient to cover the predicted losses, loss adjustment expenses, defense costs, excess premiums, and proportionate share of general administrative expenses of the Authority.

The cash contributions shall be calculated by taking into consideration the above expenses as well as each Participating Agency's incurred loss experience and deductible selected. The formula for establishing the cash contributions shall be included as an addendum to these Bylaws or in Board policy and can be changed by the Board to properly fund each program.

The cash contributions will be pooled with each year's cash contributions to provide a central pool for each pooled risk coverage program. These cash contributions paid to the Authority and any investment income attributed to such fund shall be held in trust by the Authority to carry out the purposes of the Authority as set forth in these Bylaws and the Authority Agreement. Failure to pay cash contributions when due will constitute grounds for cancellation of coverage under terms and procedures established by the Board. If the participating agency doesn't pay after 30 days, an interest fee will be issued; after 60 days, a \$150.00 penalty will be issued; and after 90 days of non-payment, notification will be sent to the Executive Committee and the delinquent Member's City Manager. After 120 days, a notice of cancellation will be issued by the Executive Committee to the delinquent Member.

Refunds of excess funds to the Participating Agencies will be issued in accordance with these Bylaws or policies established by the Board. Per California Government Code section 6512.2, there is no right to refunds or return of excess funds at any time, except as approved by the Board, and withdrawal or termination of membership shall not require the refund of any contributions, payments or advances by the Member.

Excess funds in one pooled risk coverage program shall not be used to fund a different pooled risk coverage program.

Cash contribution invoices are payable upon receipt and become in arrears thirty (30) days after the invoice date. Interest and/or other penalties for all such invoices in arrears shall be calculated in accordance with the policies and procedures adopted by the Board.

ARTICLE XII

RISK COVERAGE AND DEDUCTIBLES

EFFECTIVE DATE

Pursuant to the payment of cash contributions by each Participating Agency to the Authority, the Authority shall issue to each Participating Agency a coverage agreement or policy, indicating the risk coverage provided to the Participating Agency by the Authority. The coverage provided by the coverage agreement begins and ends for each Participating Agency on such dates as set forth in the coverage agreement.

DEDUCTIBLES

For each coverage agreement provided, the Authority is responsible for the risks covered by the coverage agreement over and above the deductible but only up to the limits of the coverage agreement. Each Participating Agency shall designate the deductible for each of its coverage agreements, but in no case will it be less than the per loss amount stated by Board policy or in the Bylaws. Each Participating Agency is responsible for the deductible applicable to it under the coverage agreement. The Authority shall take the amount of the deductible into consideration in calculating the amount charged to each Participating Agency for the risks covered. The Participating Agency will be responsible for all amounts over the combination of its Deductible, the Authority's coverage amount, and any purchased and/or pooled excess coverage if the loss or settlement exceeds the combination.

SUBROGATION

The Authority shall share each subrogation recovery with the Participating Agency in accordance with any policies or procedures described in the coverage agreement from which the covered loss originated. Each subrogation action shall be brought on behalf of both the Participating Agency and the Authority.

SPECIAL COVERAGES

The Authority may negotiate special coverages with or for a Participating Agency(ies) as may be requested by the Participating Agency(ies). The special coverages may be approved by the Board and be funded in accordance with the Authority's Bylaws or policies. It is

intended that special coverages for any Participating Agency(ies) not be provided at the expense of the other Participating Agencies without Board approval.

ARTICLE XIII

ASSESSMENTS

Upon a majority vote of the Board, the Board shall have the authority to levy a cash assessment for any pooled coverage program. There must be a finding by the Board that these are insufficient funds available to the Authority to meet its obligations.

A cash assessment shall be directed only to those Participating Agencies or former Participating Agencies which participated in the pooled coverage program during the program year in which the covered loss, causing the assessment, was incurred.

The cash assessment will be due and payable thirty (30) days from the date the Board declares the assessment, unless otherwise indicated.

Any costs, including attorney fees incurred by the Authority in collecting any cash assessment, shall be reimbursed in full by the Participating Agency against which such collection action has been taken.

ARTICLE XIV

MEMBERSHIP

New Member

The Authority may allow entry into the program a new Participating Agency as an Associate Member, approved by the Board only at the beginning of the Authority's fiscal year following the Authority's fiscal year in which the request to join the Authority is submitted to the Board by the agency requesting membership. Request for membership shall only be considered by the Board if the agency requesting membership has submitted a written request to the Board at least six (6) months prior to the beginning of the Authority's fiscal year in which the agency seeks membership. Moreover, the Board shall not consider a request for membership unless it includes, but is not limited to, such information as noted below:

- a) Complete a REMIF application form, which may include, but not be limited to, the following information.
 - 1) underwriting data for the current year;
 - 2) payrolls for the prior five years;
 - 3) loss history for the prior five years;
 - 4) a copy of the most recent claims audit and actuarial reports;
 - 5) a copy for the most recent audited financial statements;
 - 6) an indication as to the pooled coverage programs in which the prospective applicant wishes to participate and the anticipated retained limit for such programs; and
- b) Provide an actuarial study in a framework that is acceptable to REMIF.
- c) Provide a current accreditation or independent consultant's report from an organization that is acceptable to REMIF.
- d) Submit to a staff analysis of their qualifications for membership and provide whatever documentation is required.
- e) Comply with any other requests or considerations made by the Board of Directors.

Agencies entering under this Article shall be required to pay their share of organizational expenses as determined by the Board, including those necessary to analyze their loss data and determine their premiums.

Upon review of a prospective Participating Agency's application and after any necessary site visits by staff, a report, containing a staff recommendation, will be presented to the Board of Directors. The prospective Participating Agency will be invited to attend a meeting of the Board of Directors to respond to questions concerning the application. The

affirmative vote of a two-third (2/3) majority of the Board is necessary for admission to the Authority.

Any agency admitted under this Article will be designated an Associate Member with all the rights and responsibilities assigned by the Agreement, these Bylaws, and Board policies to an Associate Member.

ARTICLE XV

TERMINATION AND DISTRIBUTION

Upon termination of the Authority, in accordance with Article XXII of the JPA Agreement, the Authority shall take all necessary actions to properly dispose of all claims and other liabilities of the Authority.

Cash Contributions:

All remaining cash assets shall be distributed among only the parties which have been participants in the pooled coverage program, including any of those parties which had previously withdrawn, or were expelled, pursuant to Articles XX and XXI of the JPA Agreement and in accordance with the terms and conditions of the Bylaws. Each qualifying participant's share shall be determined by policy or a resolution of the Board of Directors. The Board shall determine and make such distribution within six (6) months after the last pending claim or covered loss, subject to the JPA Agreement, has been finally resolved.

Real and Personal Property (other than cash contributions):

All real and personal property shall be liquidated. The cash from the liquidated assets will be distributed in the manner as determined by the Board of Directors. The Board shall determine and make such distribution within six (6) months after the last pending claim or covered loss, subject to the JPA Agreement, has been finally resolved.

ARTICLE XVI

AMENDMENTS

These Bylaws may be amended by a two-thirds (2/3) vote of the Board provided that any amendment is compatible with the purposes of the Authority, is not in conflict with the JPA Agreement, and has been submitted to the Board at least thirty (30) days in advance. Any such amendment shall be effective immediately, unless otherwise designated.

ARTICLE XVII

SEVERABILITY

Should any portion, term, condition or provision of these Bylaws be decided by a court of competent jurisdiction to be illegal or in conflict with any laws of the State of California or the United States, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

ADDENDUM I

MEMBER LISTING

Original 7 Founding Members

Established in 1976

City of Cloverdale

City of Cotati

City of Healdsburg

City of Rohnert Park

City of Sebastopol

City of Sonoma

City of Ukiah

Effective July 1, 2014, the following public agencies are Current Members and Former Associate Members of the Redwood Empire Municipal Insurance Fund:

<u>Member</u>	<u>Date Joined</u>
City of Fort Bragg	12/31/78
City of Lakeport	12/31/78
City of Willits	12/31/78
City of Arcata	7/1/80
City of Fortuna	7/1/80
City of St. Helena	7/1/86
Town of Windsor	7/1/92
City of Eureka	3/1/93
City of Crescent City	3/1/78 to 6/30/93 (Former)

ADDENDUM II

OFFICES

The principal address of Redwood Empire Municipal Insurance Fund for the transaction of business and receipt of all notices shall be:

414 W. Napa Street
Sonoma, CA 95476

**AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT
OF THE
CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY
(formerly Public Agency Risk Sharing Authority of California)**

This Amended and Restated Joint Exercise of Powers Agreement of the California Intergovernmental Risk Authority (“CIRA” or “Authority”) (“Agreement”), formerly known as the Public Agency Risk Sharing Authority of California (“PARSAC”), is entered into by and among the public entities, hereafter referred to as “Members”, each of which is organized and existing under the laws of the State of California and is a signatory to this Agreement and listed in Appendix “A”, attached hereto and made a part hereof. This Agreement supersedes the Public Agency Risk Sharing Authority of California [PARSAC] Joint Powers Agreement dated May 25, 2017 as of, and is effective on, July 1, 2021 (“Effective Date”).

RECITALS

1. The Authority was originally created as the California Municipal Insurance Authority effective May 21, 1986 pursuant to that certain Joint Powers Agreement Creating the California Municipal Insurance Authority (“Original JPA Agreement”). The Original JPA Agreement was revised and restated effective July 1, 1989 and then again effective November 19, 1993 when the original name was changed to the Public Agency Risk Sharing Authority of California. Subsequent restatements were approved effective May 31, 1996, December 13, 2002, December 12, 2003, May 20, 2005, May 31, 2007, and May 26, 2011. The most recent restatement is the PARSAC Joint Powers Agreement which was approved effective May 25, 2017 (“PARSAC Agreement”).

2. Labor Code Section 3700 authorizes public entities, including members of a pooling arrangement under a joint powers authority, to fund their own workers’ compensation claims.

3. Government Code Sections 989 and 990 authorize a local public entity to insure itself and its employees against tort or inverse condemnation liability.

4. Government Code Section 990.4 authorize a local public entity to fund insurance and self-insurance in any desired combination.

5. Government Code Section 990.6 provides that the cost of insurance is an appropriate public expenditure.

6. Government Code Section 990.8 authorizes two or more local public entities to enter into an agreement to jointly fund such expenditures under the authority of the Joint Exercise of Powers Act (Gov. Code Section 6500 et seq.).

7. Government Code Section 6500 et seq. authorizes two or more public entities to jointly exercise, under an agreement, any power which is common to each of them.

8. Each Member that is a party to this Agreement desires to join with the other Members to fund programs of insurance for workers’ compensation, liability, property and other coverages to be determined and for other purposes set forth in this Agreement.

9. The governing body of each Member has determined that it is in the Member's own best interest, and in the public interest, to execute this Agreement and participate as a Member of the Authority.

In consideration of the recitals, mutual benefits, covenants, and agreements set forth in this Agreement, the Members agree as follows:

**ARTICLE I.
CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY
AS SUCCESSOR TO AND EXPANSION OF PARSAC**

- A. Authority Created. The Authority was originally formed on May 21, 1986 as the California Municipal Insurance Authority by operation of the Original JPA Agreement and subsequently renamed as the Public Agency Risk Sharing Authority of California effective November 19, 1993. The Authority was, and is, formed pursuant to the provisions of Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California ("Code"), which authorizes two or more public agencies, by a joint powers agreement entered into respectively by them and authorized by their legislative or governing bodies, to exercise jointly any power or powers common to the member agencies.
1. Name Change. As of the Effective Date, the Public Agency Risk Sharing Authority of California shall be known as the California Intergovernmental Risk Authority, hereinafter referred to as "CIRA" or the "Authority."
 2. Separate Entity. Pursuant to Code Sections 6506 and 6507, from its inception, the Authority has, is, and shall be a public entity separate and independent from the Members which is governed exclusively by the Authority's Board of Directors ("Board").
- B. Membership in the Authority as of the Effective Date. As of the Effective Date, the membership of the Authority shall consist of the members of PARSAC and the members of the Redwood Empire Municipal Insurance Fund ("REMIF"), with respect to only those that have approved this Agreement as of the Effective Date, as listed in Appendix "A".
- C. Future Membership. Membership in the Authority is open to public entities throughout the State of California, if such public entities meet the requirements specified in the Bylaws and are approved by the Board.

**ARTICLE II.
PURPOSE**

The purpose of the Authority is to exercise the powers of the Members to jointly accomplish the following:

- A. Develop comprehensive Programs with the objective to reduce the cost of risk against which the Members are authorized or required to protect against by insurance, self-insurance, or pooling. Such Programs may include, but are not limited to, coverages for tort liability, workers'

compensation, employee health benefits, loss to real or personal property, or liability arising out of the ownership, maintenance, or use of real or personal property.

- B. The design of the Programs may evolve with the needs of the Members and in accordance with contemporary economic and financial conditions. Programs may therefore operate on an insured, pooled, self-funded, or other appropriate basis whereby the Members share some portion, or all, of the costs of Program losses.

- B. Jointly secure administrative and other services including, but not limited to, general administration, underwriting, risk management, loss prevention, claims adjusting, data processing, brokerage, accounting, legal and other services related to any authorized purpose.

**ARTICLE III.
PARTIES TO THE AGREEMENT AND RESPONSIBILITIES OF MEMBERS**

- A. Each Member represents and warrants that it intends to, and does hereby, contract with all other Members listed in Appendix "A", and any new members admitted to the Authority. Each Member also represents and warrants that the withdrawal or expulsion of any Member shall not relieve any Member of its rights, obligations, liabilities or duties under this Agreement or the individual Programs in which the Member participates.

- B. Each Member agrees to be bound by and to comply with all the terms and conditions of the Governing Documents and any Resolution or other action adopted by the Board as they now exist or may hereinafter be adopted or amended. Each Member assumes the obligations and responsibilities set forth in the Governing Documents, as they may be amended.

- C. Each new Member agrees to participate for a minimum of five years, except that members of PARSAC and REMIF as of June 30, 2021 must continue for a minimum of two years thereafter. Also, each new Member agrees to meet its obligations and responsibilities as set forth in the Governing Documents.

**ARTICLE IV.
POWERS**

The Authority shall have the powers common to its Members. As provided by Government Code Section 6509, the Authority's power is subject to the restrictions upon the manner of exercising the power of the Member specified in the Bylaws. Under this Agreement, the Authority is authorized, in its own name, to do all acts necessary and to exercise such common powers to fulfill the purposes of this Agreement, including but not limited to the following:

- A. Make and enter contracts;

- B. Employ agents and employees;

- C. Incur debts, liabilities or obligations;

- D. Receive, collect, invest, and disburse funds;

- E. Receive contributions and donations of property, funds, services and other forms of assistance;
- F. Acquire, construct, manage, maintain, hold, lease or dispose of real and personal property; and
- G. Sue and be sued in its own name and settle any claim against it.

**ARTICLE V.
BOARD OF DIRECTORS**

- A. The Authority shall be governed by the Board. Each Member shall appoint a representative to the Board and an alternate representative, each of whom shall meet the parameters set forth in the Bylaws. In the absence of a resolution of the Board providing otherwise, representatives and alternates will serve without compensation by the Authority.
- B. The Member's representative and/or alternate representative shall be removed from the Board upon the occurrence of any one of the following events: (1) the expulsion or withdrawal of the Member from the Authority; (2) the death or resignation of the Member representative; (3) the Member gives notice that the Member representative is no longer employed by the Member; or (4) as otherwise provided in the Authority's Bylaws.
- C. The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation of authority to committees or other bodies or individuals.

**ARTICLE VI.
ADMINISTRATION OF PREEXISTING OBLIGATIONS**

- A. All liabilities and obligations of the Authority existing prior to the Effective Date ("Preexisting Obligations") will be administered under the terms and conditions of the PARSAC Agreement. For this purpose, the PARSAC Agreement in effect on June 30, 2021, which is attached hereto as Appendix B, is hereby made a part of this Agreement and incorporated herein by this reference.
- B. The Board shall appoint a committee made up of representatives of Authority members that were members prior to the Effective Date to make recommendations to the Board regarding the administration of the Preexisting Obligations. As to specific agenda items relating to such matters, only Directors representing Members who were members of the Authority prior to the Effective Date may vote, and as to such items, a quorum shall be determined solely by reference to the number of Members that were members of the Authority prior to the Effective Date.
- C. All assets of the Authority existing on June 30, 2021 shall be reserved by the Authority for the sole purpose of administering the Preexisting Obligations. Similarly, all assets of REMIF shall be used exclusively for the purpose of administering the obligations of REMIF.

**ARTICLE VII.
OFFICERS**

- A. The Board shall elect a President, Vice-President, Treasurer, and Auditor/Controller. The President, Vice-President, and Auditor/Controller must be Directors. The General Manager shall serve as Secretary of the Board. The manner of election and term of office of elected officers and their authority and responsibilities shall be as set forth in the Authority's Bylaws. If any of the elected officers ceases to be a Member's representative, the resulting vacancy shall be filled as provided in the Authority's Bylaws. The Board may elect such other officers as it considers necessary.
- B. As permitted by Government Code Section 6505.6, the Treasurer shall comply with the duties and responsibilities set for the subdivisions (a) through (d) of Government Code Section 6505.5, and shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Government Code Section 6505. The Treasurer will have no vote on the Board unless the Treasurer is also a Director.
- C. The Board shall appoint a General Manager who shall act as Secretary of the Board and as the Chief Administrative Officer of the Authority. Although an officer, the General Manager shall not have a vote on the Board or any committee of the Authority.

**ARTICLE VIII.
MEETINGS AND RECORDS**

- A. Not less than once a year, the Board and all standing committees shall hold regular meetings as set forth in the Bylaws of the Authority. Special meetings may be called as provided in the Bylaws.
- B. All meetings of the Board, and appointed committees, including without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the Ralph M. Brown Act (Section 54950 et. seq. of the Government Code).
- C. Minutes of regular, adjourned regular, and special meetings of the Authority shall be kept under the direction of the Secretary. After each meeting, the Secretary shall cause copies of the minutes to be forwarded to each Board member for review and approval at the next regular meeting.

**ARTICLE IX.
BUDGET**

The Board shall adopt an annual budget prior to the beginning of each Fiscal Year.

**ARTICLE X.
REGULAR AUDITS AND REVIEWS**

- A. The Board shall cause an annual financial audit of the accounts and records to be prepared by a Certified Public Accountant in compliance with California Government Code Sections 6505 and

6505.5 or 6505.6 with respect to all receipts, disbursements, other transactions and entries into the books of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted accounting standards. A report of each such audit shall be filed as a public record with the Board, each of the Members, and the auditor/controller of the county in which the Authority's administrative office is located. The report shall be filed within twelve months of the end of the fiscal year under examination. The Authority shall pay all costs for such financial audits.

- B. The Board shall cause an annual actuarial review to be prepared for each of the Programs of the Authority and a report of such actuarial review shall be made available for inspection by the Board and the Members. The Authority shall pay all costs for such actuarial review.
- C. The Board shall cause a claims audit of the administration of the claims for each of the Programs of the Authority at least biannually. A report of such claims review shall be made available for inspection by the Board and the Members. The Authority shall pay all costs for such claims reviews.

**ARTICLE XI.
ADMISSION OF NEW MEMBERS**

- A. Any public entity eligible for membership as stated in Article I may apply for membership in the Authority and participation in one or more of the Authority's Programs at any time. To be considered, the applicant must submit any documentation or information requested by the Authority and pay any costs required to analyze their application and determine their initial contribution.
- B. The Authority shall review all applications by potential new members to determine if they meet the requirements provided for in the Bylaws and any relevant Board policies to determine whether and on what conditions to admit the applicant.
- C. Upon approval for membership by two-thirds vote of the Board, to become a Member the applicant must execute this Agreement and pay any contributions or premiums required to participate in the Program(s) for the initial Program Year in which the applicant will participate.

**ARTICLE XII.
WITHDRAWAL**

- A. After the initial commitment period described in Article III, any Member which enters a Program may withdraw from that Program by compliance with the requirements stated in the Bylaws for withdrawal from the Program.
- B. Withdrawal of a Member does not terminate its rights to coverage arising under any Program in which it participated for the years in which it participated. A Member that has withdrawn from a Program may later seek to renew participation in the Program subject to any terms and conditions set forth in the Bylaws.

- C. A Member that has withdrawn from all of the Authority's Programs shall no longer have a right to a representative on the Board, but shall remain liable for assessments and other obligations arising from the Program Years in which it participated.
- D. As soon as administratively feasible after the Effective Date, the Members of the Authority shall agree on the method of apportioning the CalPERS retirement obligations of the Authority in the event of a default event as defined by Government Code Section 6508.2. Until such time, and in the event of a default event, the terms of the Public Agency Risk Sharing Authority of California (PARSAC) Agreement for Apportionment of Retirement Obligations dated May 25, 2017, and attached hereto as Exhibit "C", shall apply with respect to all Members of the Authority.

**ARTICLE XIII.
EXPULSION**

The Board may expel any Member from the Authority and/or from a Program for material breaches of the Governing Documents consistent with the provisions of the Bylaws, subject to any warning or probationary provisions in the Governing Documents. Expulsion does not terminate the obligations of either the Authority or the Member incurred prior to the expulsion.

**ARTICLE XIV.
TERMINATION AND DISTRIBUTION**

- A. This Agreement shall continue in full force and effect until terminated. Termination of this Agreement shall also constitute the termination of all Programs. This Agreement may be terminated at any time by the vote of three-fourths of the Members; provided, however, that this Agreement and CIRA shall continue to exist for the purpose of disposing of all claims and paying its obligations for employees' health and pension benefits, before the distribution of assets, and any other functions necessary to wind up the affairs of CIRA.
- B. Upon termination of this Agreement, all assets of each Program of CIRA shall be distributed among the Members which participated in such Programs, in accordance with the retrospective premium adjustment process in effect during the term of this Agreement. Such distributions shall be determined within six [6] months after the disposal of the last pending claim or other liability covered by all Programs of the Authority. The Board may in its sole discretion determine that earlier distributions are appropriate as to Programs for which there remains no claim or liability.
- C. Following the termination of this Agreement, any Member which was a participant in any Program of CIRA shall pay any additional amount of premium, determined by the Board or its designee in accordance with a retrospective premium adjustment, which may be necessary to enable final disposition of all claims arising from losses under that Program during the Member's period of participation.
- D. The Board is vested with all powers of CIRA for the purpose of concluding and dissolving the business affairs of CIRA. The Board may designate legal counsel and any committee or person to carry out a plan of dissolution adopted by the Board.

ARTICLE XV.
LIABILITY OF MEMBERS, DIRECTORS, OFFICERS, AND COMMITTEE MEMBERS

- A. Pursuant to Government Code section 6508.1, except as to liabilities to a public retirement system, the debts, liabilities, and obligations of the Authority shall not constitute debts, liabilities, or obligations of any Member. However, each Member shall remain liable to the Authority for contributions assessed by the Authority to pay its debts, liabilities, or obligations.

- B. The debts, liabilities or obligations incurred by either PARSAC or REMIF prior to the Effective Date shall not constitute the debts, liabilities or obligations of the other. Notwithstanding the preceding, the Authority intends to be the successor to the CalPERS pension obligations of REMIF pursuant to California Government Code Section 20508. As such, the liability to CalPERS with respect to service credited under REMIF's CalPERS contract, and the continuing liability to CalPERS of the Authority with respect to service credit accrued both prior to and after the Effective Date under the Authority's CalPERS contract, shall be the contractual liability of the Authority. The Authority and REMIF shall separately enter into an agreement to provide for the allocation of liability, and the payment of related contributions, with respect to service credit accrued prior to the Effective Date.

- C. The representatives to the Board of Directors and to each of the Programs and any officer, employee, contractor, or agent of the Authority shall use ordinary care and reasonable diligence in the exercise of their power and in the performance of their duties under this Agreement. Directors, officers, committee members of the Authority shall be liable for any act or omission within the scope of their office or employment by the Authority only in the event that they act or fail to act because of actual fraud, corruption, or actual malice or willfully fail or refuse to conduct the defense of a claim or action in good faith or to reasonably cooperate in good faith in the defense conducted by the Authority.

- D. The Authority shall defend and indemnify its directors, officers, and employees to the same extent as any other public entity of the State of California is obliged to defend and indemnify its employees pursuant to Government Code Section 825, et seq., or other applicable provisions of law. Nothing herein shall limit the right of the Authority to purchase insurance to satisfy this obligation.

- E. The Authority shall indemnify, protect, defend, and hold harmless each and all of the Members, and their officials, agents, and employees, for and from any and all liability, claims, causes of action, damages, losses, judgments, costs, or expenses (including attorney fees) resulting from an injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement by the Authority, by one or more of the Members, or any of their officials, employees, agents, or independent contractors.

**ARTICLE XVI.
NOTICES**

Notices to each Member under this Agreement shall be sufficient if mailed to its respective address on file with the Authority. Any Member may designate any other address in substitution of the foregoing address to which such notice will be given at any time by giving five days written notice to the Authority and all other Members.

**ARTICLE XVII.
AMENDMENTS**

This Agreement may be amended at any time with the approval of two-thirds of the Directors on the Board acting with the approval of their governing bodies, except that any amendment that reduces the voting requirement for termination of the Authority must be approved by three-fourths of the Directors on the Board acting with the approval of their governing bodies. Authority of the Member representative (director) to give such approval may be delegated such in advance by the Member's governing body, or in the absence of such prior delegation by action of a Member's governing body to approve the proposed amendment. The amended Agreement shall take effect on the first day of the month following the Authority's receipt of notice of approval by two-thirds of the Members, unless otherwise stated in the Amendment, and once effective shall apply to all Members regardless of whether a particular Member approved the amendment. Refusal to execute or comply with the amended Agreement shall be a basis for expulsion of the Member. A Member that does not approve of the amendment may withdraw from the Authority and all its Programs at the end of the fiscal year next following the effective date of the amendment, notwithstanding the five-year minimum commitment provided for in Article III, Section C.

**ARTICLE XVIII.
SEVERABILITY**

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

**ARTICLE XIX.
COMPLETE AGREEMENT**

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

**ARTICLE XX.
TERM OF AGREEMENT**

This Agreement shall become effective upon execution, and shall continue in effect until satisfaction of all obligations created hereunder following termination of the Authority created by this Agreement.

**ARTICLE XXI.
COUNTERPARTS**

The Agreement may be executed in multiple counterparts, each of which shall be considered an original.

**ARTICLE XXII.
ARBITRATION**

Any controversy arising out of this Agreement shall be submitted to binding arbitration, which shall be conducted in accordance with the provisions of the California Arbitration Act (California Code of Civil Procedure § 1280 et seq.).

**ARTICLE XXIII.
FORCE MAJEURE**

No party will be deemed to be in default where failure or delay in performance of any of its obligations (other than payment obligations) under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, actions of legislative, judicial, executive, or regulatory government bodies or other cause, without fault and beyond the reasonable control of such party ("Force Majeure"). If any such events shall occur, the time for performance by such party of any of its obligations under this Agreement will be extended by the parties for the period of time that such events prevented such performance. Upon the occurrence of an event of Force Majeure, the affected party shall: (i) promptly notify the other parties of such Force Majeure event, (ii) provide reasonable details relating to such Force Majeure event and (iii) implement mitigation measures to the extent reasonable.

**ARTICLE XXIV.
DEFINITIONS**

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

- A. "Agreement" shall mean this Agreement, as it may be amended from time to time, creating the California Intergovernmental Risk Authority.
- B. "Board" or "Board of Directors" shall mean the governing body of the Authority.
- C. "Bylaws" shall mean the Bylaws attached to this Agreement, as amended from time to time by the Board consistent with the amendment provisions in the Bylaws.

- D. "Claim(s)" shall mean demand(s) made against the Member arising out of occurrences which are covered or alleged to be covered by the Authority's Memorandums of Coverage or policies of insurance.
- E. "Fiscal Year" shall mean the period of time commencing on July 1 of each year and ending on June 30 of the following year.
- F. "Governing Documents" shall mean this Agreement, the Bylaws of the Authority, each Program's Memorandum of Coverage, the Master Program Document, , and any other document stipulated as a Governing Document in the Bylaws or by action of the Board.
- G. "Insurance" shall mean insurance or reinsurance purchased by the Authority to cover Claims against or losses of the Authority and/or its Members.
- H. "Jurisdiction" shall mean the territory in which the Authority may exercise its powers; i.e., the State of California.
- I. "Member" shall mean any public entity authorized to be a member of a Joint Powers Authority, which is a party to this Agreement and is participating in one or more Programs.
- J. "Memorandum of Coverage" shall mean a document issued by the Authority for each Program specifying the coverages and limits provided to the Members participating in the Program.
- K. "Participation" or "participating" shall refer to a Member that has elected to join and take part in a Program.
- L. "Pooling" shall mean group self-insurance as allowed by Government Code section 990.8, Labor Code section 3700, or any other applicable law.
- M. "Program" shall mean those coverage programs of risk sharing, insurance, self-insurance, pooling and risk management services created by the Authority to manage specific types of risks.
- N. "Program Year" shall mean the annual period in each Program to be segregated for determination of coverage premiums or assessments.
- O. "Risk Management" shall mean the process of identifying, evaluating, reducing, transferring, and eliminating risks. Risk Management includes, but is not limited to, various methods of funding claims payments, purchasing insurance, legal defense of claims, controlling losses, and determining self-insured retention levels and the amount of reserves for potential claims.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

California Intergovernmental Risk Authority ["CIRA"]

Date: _____ By: _____
Name/Title

Attest: _____
Secretary, CIRA

Member Entity: _____

Date: _____ By: _____
Name/Title

Attest: _____
City/Town Clerk

APPENDIX "A"

CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY MEMBERS

1. City of Arcata
2. City of Amador City
3. City of Avalon
4. City of Belvedere
5. City of Blue Lake
6. City of California City
7. City of Calimesa
8. City of Calistoga
9. City of Citrus Heights
10. City of Clearlake
11. City of Cloverdale
12. City of Coalinga
13. City of Cotati
14. City of Eureka
15. City of Ferndale
16. City of Fort Bragg
17. City of Fortuna
18. City of Grass Valley
19. City of Healdsburg
20. City of Highland
21. City of Lakeport
22. City of Menifee
23. City of Nevada City
24. City of Placentia
25. City of Placerville
26. City of Plymouth
27. City of Point Arena
28. City of Rancho Cucamonga
29. Rancho Cucamonga Fire Protection District
30. City of Rancho Santa Margarita
31. City of Rohnert Park
32. City of San Juan Bautista
33. City of Sebastopol
34. City of Sierra Madre
35. City of Sonoma
36. City of South Lake Tahoe
37. City of St. Helena
38. City of Tehama
39. City of Trinidad
40. Town of Truckee
41. City of Twentynine Palms
42. City of Ukiah
43. City of Watsonville
44. City of Wheatland
45. City of Wildomar
46. City of Willits
47. Town of Windsor
48. Town of Yountville
49. City of Yucaipa
50. Town of Yucca Valley

APPENDIX "B"

PARSAC Agreement

PARSAC
JOINT POWERS AGREEMENT

Revised & Adopted May 25, 2017

**Public Agency Risk Sharing
Authority of California**

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PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA [PARSAC]

JOINT POWERS AGREEMENT

THIS AGREEMENT is made in the State of California by and among those municipalities organized and existing under the laws of the State of California, hereinafter referred to as "Member Entity[ies]," which are parties' signatory to this Agreement. All such Member Entities are listed in Appendix "A", which is attached hereto and made a part hereof.

RECITALS

A. California Government Code Section 6500 and following permits two or more public agencies by agreement to jointly exercise any power common to the contracting parties.

B. California Government Code Section 990.4 permits a local public entity to self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these;

C. California Government Code Section 990.6 provides that the cost of insurance provided by a local public entity is a proper charge against that local public entity;

D. California Government Code Section 990.8 permits two or more local entities to, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and provides that such pooling of self-insured claims or losses does not constitute the business of insurance under the California Insurance Code;

E. California Labor Code Section 3700(c) permits all political subdivisions of the State of California, including each member of a pooling arrangement under a joint exercise of powers agreement to self-insure against workers' compensation claims by securing a certificate of consent from the Department of Industrial Relations;

F. Each of the Member Entities, which is a party to this Agreement, desires to join with the other Member Entities to fund programs of insurance for workers' compensation, liability, property and other coverages to be determined and for other purposes set forth in Article III of this Agreement;

G. The governing body of each Member Entity has determined that it is in its own best interest and in the public interest that this Agreement be executed and that it participate as a member of the Public Agency Risk Sharing Authority of California [PARSAC] created by this Agreement; and

H. As of the effective date of this Agreement, this Agreement shall replace and supersede the Joint Powers Agreement Creating the Public Agency Risk Sharing Authority of California, dated May 21, 1986, as amended on November 20, 1987, July 1, 1989, and November 19, 1993, May 31, 1996, December 13, 2002, December 12, 2003, May 20, 2005, May 31, 2007, December 2, 2010, May 26, 2011 and May 25, 2017.

Now, therefore, in consideration of the above facts and the mutual benefits, promises and agreements set forth below, the Member Entities hereby agree as follows:

AGREEMENT

ARTICLE I DEFINITIONS

The following terms shall have the following definitions:

- A. “**Agreement**” shall mean this Revised and Restated Joint Powers Agreement creating the Public Agency Risk Sharing Authority of California [PARSAC].
- B. “**Alternate**” shall mean the person designated by the Member Entity to act as a director of PARSAC in the absence of the Director. The Alternate shall have the same responsibility, power and authority as the Director when acting in the Director's stead.
- C. “**Board**” or “**Board of Directors**” shall mean the governing body of PARSAC.
- D. “**Bylaws**” shall mean the Bylaws of PARSAC, revised as of May 27, 2010, and as they may be further amended or revised.
- E. “**Claims**” shall mean any demand[s] made against a Member Entity to recover for monetary damages within, or alleged to be within, the scope of coverage provided by any of PARSAC's Memoranda of Coverage [or any commercial insurance policy related to a PARSAC Program].
- F. “**PARSAC**” shall mean the Public Agency Risk Sharing Authority of California created by this Agreement.
- G. “**Covered Loss**” shall mean any loss resulting from a claim or claims against a Member Entity which is in excess of its Self-Insured Retention and which is covered by any of PARSAC's Memoranda of Coverage [or insurance policy related to a PARSAC Program].
- H. “**Deposit Premium**” shall mean the estimated amount determined for each Member Entity necessary to fund each layer of coverage for each Policy Year of each

Program of PARSAC.

I. “**Executive Committee**” shall mean that committee of the Board, constituted and exercising the authority set forth in this Agreement and in the Bylaws.

J. “**Fiscal Year**” shall mean the period of time ending on June 30 of each year during which PARSAC is in existence.

K. “**Incurred Loss**” shall mean the amount of monies paid and reserved by PARSAC to investigate, defend and satisfy a demand or demands made against a Member Entity.

L. “**Insurance**” shall mean commercial insurance policies which PARSAC may purchase for its Member Entities, from time to time, in order to effect a transfer of risk. The term "Insurance" shall not mean any self-insurance, risk-sharing or pooling of losses or risks.

M. “**Liability Program Participant**” shall refer only to members of PARSAC that have been approved and are in good standing to participate in the Liability Program.

N. “**Member Entity**” shall mean any California public entity which is a party signatory to this Agreement including any other agency for which the City Council sits as the Governing board.

O. “**Memorandum of Coverage**” shall mean the document or documents issued by PARSAC specifying the type and amount of coverages provided under any Program to the Member Entities by PARSAC.

P. “**Program Year**” shall mean a period of time, usually 12 months, for which each Program is to determine Deposit Premiums, Retrospective Premiums, and Retrospective Premium Adjustments.

- Q. “**Program**” shall mean arrangements to cover specific types of claims which may include, but not be limited to, property, workers' compensation, and comprehensive liability claims.
- R. “**Public Entity**” shall mean a county, city, whether general law or chartered, city and county, town, district, political subdivision, joint powers authority, or any board, commission, or agency thereof providing a municipal service, excluding school districts.
- S. “**Retrospective Premium**” shall mean, the amount determined retrospectively as each Member Entity's share of losses, reserves, expenses and interest income as may be determined periodically for any Program.
- T. “**Retrospective Premium Adjustment**” shall mean the amount necessary to periodically adjust the Deposit Premium, or prior Retrospective Premiums if any, to the newly calculated Retrospective Premium amount.
- U. “**Self-Insured Retention**” or “**SIR**” shall mean the amount of loss from each occurrence which the Member Entity shall retain and pay directly and which shall not be shared by the Member Entities of PARSAC.
- V. “**Workers’ Compensation Program Participant**” shall refer only to members of PARSAC that have been approved and are in good standing to participate in the Workers’ Compensation Program.
- W. “**Group Purchase Programs**” shall mean coverage programs provided by insurance policies where there is no self-insurance, risk sharing or pooling.

**ARTICLE II
PARTIES TO THE AGREEMENT**

Each Member Entity is a party to this Agreement and agrees that it intends to, and does contract with, all other parties who are signatories of this Agreement and with such other parties as may later be added. Each Member Entity also agrees that the expulsion or withdrawal of any Member Entity from this Agreement shall not affect this Agreement nor the remaining parties as to the other Member Entities then remaining.

**ARTICLE III
PURPOSES**

This Agreement is entered into by the Member Entities in order to:

- A. Create the Public Agency Risk Sharing Authority of California to carry out the purposes listed below and to exercise the powers contained in this Agreement;
- B. Develop effective risk management programs to reduce the amount and frequency of their losses;
- C. Share some portion, or all, of the cost of their losses;
- D. Jointly purchase commercial insurance, associate with other risk-sharing pools, or self-insure against risks;
- E. Jointly purchase administrative and other services including, but not limited to, underwriting, risk management, loss prevention, claims adjusting, data processing, brokerage, accounting and legal services when related to any of the other purposes;
- F. Provide other joint powers risk sharing authorities with management services;
and
- G. Do all things necessary to carry out the foregoing purposes, as well as all things necessary to implement the terms of this Agreement as permitted by law.

**ARTICLE IV
CREATION OF THE PUBLIC AGENCY
RISK SHARING AUTHORITY OF CALIFORNIA**

Pursuant to the California Government Code, the Member Entities hereby agree to continue in existence a public entity, separate and apart from the parties to this Agreement, to be known as the Public Agency Risk Sharing Authority of California ["PARSAC"]. The debts, liabilities or obligations of PARSAC shall not constitute debts, liabilities or obligations of any party to this Agreement. However, a Member Entity may separately contract for, or assume responsibility for, specific debts, liabilities or obligations of PARSAC.

**ARTICLE V
TERM OF AGREEMENT**

This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated in accordance with Article XXVI.

**ARTICLE VI
POWERS OF PARSAC**

PARSAC shall have the powers common to its Member Entities in California and all additional powers permitted to a joint powers authority by California law, and the parties hereby authorize PARSAC to do all acts necessary to exercise such powers to fulfill the purposes of this Agreement including, but not limited to, the following:

- A. Make and enter into contracts;
- B. Incur debts, liabilities and obligations;
- C. Acquire, hold, lease or dispose of real and personal property, contributions and donations of property, funds, services and other forms of assistance;
- D. Sue and be sued in its own name and settle any claim against it;
- E. Employ agents and employees;

F. Acquire, construct, manage, maintain or operate buildings, works or improvements;

G. Receive, collect, and disburse monies; and invest money not required for immediate necessities; and

H. Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement.

ARTICLE VII RESPONSIBILITIES OF MEMBER ENTITIES

Each member entity shall:

A. Sign this Agreement and its legally enacted amendments and participate in PARSAC's Liability Program and/or Workers' Compensation Program;

B. Sign a Membership Resolution for each Program;

C. Pay Deposit Premiums, Retrospective Premium Adjustments, and any Special Assessments to PARSAC on or before the due date;

D. Appoint, elect or remove representatives to serve as director and alternate on the Board, which representatives are expressly authorized to act on behalf of the Member Entity on all matters coming before the Board;

E. Assure that its representative director or alternate attends at least one meeting of the Board annually;

F. Assure that its representative director and alternate keep informed about PARSAC's activities and assist them in doing so;

G. Approve Amendments to this Agreement as set forth in Article XXIX; provided, however, the Member Entity may, by resolution or ordinance, authorize its director and alternate on the Board to approve and execute amendments on behalf of the Member Entity

without the necessity of a resolution or ordinance of the legislative body of the Member Entity confirming or ratifying such amendment.

H. File, in a prompt and timely manner, all statewide, county, and locally-mandated reports and filings, including but not limited to the Fair Political Practices Commission's Statement of Economic Interests;

I. Undertake a risk management audit of its facilities and activities, conducted by a person and/or firm approved by PARSAC's Executive Committee and, based upon such report, to evidence correction, elimination and/or clarification of all noted deficiencies or recommended corrections to the satisfaction of PARSAC's Executive Committee. Risk management audits may be required by the Executive Committee as frequently as it chooses. Risk management audits may be paid by PARSAC and charged back to Member;

J. Provide PARSAC with a copy of its most recent audited annual financial statements prepared by a Certified Public Accountant; or, if not available, provide PARSAC with the most recent set of unaudited monthly financial statements, and any other financial material as may be requested by PARSAC from time to time;

K. Cooperate with, communicate and assist in a timely manner, PARSAC and any insurer, provider of excess coverage, claims adjuster, legal counsel or other service provider engaged or retained by PARSAC in all matters relating to this Agreement;

L. Promptly cooperate with PARSAC to determine and/or clarify any incidents which might become losses, the cause of any and all actual losses, and methods to bring about settlement of claims;

M. Comply with its obligations and responsibilities under this Agreement, the

Bylaws, the Memoranda of Coverage, the Risk Management Standards, PARSAC's policies and procedures, and any other contract or requirement [as any of the foregoing may be created or amended] necessary to implement this Agreement or any Program;

N. Pay any fines or penalties assessed by the Board or any regulatory agency that are attributable to the Member Entity's failure to perform in accordance with self-insurance regulations or comply with the provisions of this Agreement. An appeal may be filed with the appropriate regulatory agency. All decisions of the Board are final.

O. Use an Executive Committee-approved third-party claims administrator for claims handling, under such circumstances as the Board of Directors may require.

Failure to comply with any of the obligations under this section may be grounds for expulsion pursuant to Article XXIV of this Agreement.

ARTICLE VIII BOARD OF DIRECTORS

Except as otherwise provided in this Agreement or in the Bylaws, the powers of PARSAC shall be exercised, its property shall be controlled, and its affairs shall be conducted by its Board of Directors whose meetings, functions and activities shall be governed by the Bylaws.

The Board shall be composed of one director who represents and acts on behalf of each respective Member Entity which participates in PARSAC's Liability and/or Workers' Compensation Program. The number of persons on the Board shall be equal to the number of Member Entities. In addition, each Member Entity shall appoint a second individual as alternate director, who shall have the authority to attend, participate in, and vote at any meeting of the Board when the respective director is absent. Each director and alternate director shall be an elected official or employee of the respective Member Entity, shall be appointed by the

respective Member Entity's governing body, and shall serve at its pleasure. If a director or alternate ceases to be an employee or elected official of a Member Entity for any reason, his or her position on the Board and any of its committees shall immediately terminate.

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

A. The Board shall exercise all powers and conduct all business of PARSAC, either directly or by delegation of authority to other bodies or persons pursuant to this Agreement and applicable law;

B. The Board shall form an Executive Committee from its membership. In the Bylaws the Board shall delegate to that Committee such powers as it sees fit;

C. The Board may form such other committees as it deems appropriate in conducting PARSAC's business;

D. The Board shall elect PARSAC's officers;

E. The Board shall cause to be prepared and adopt PARSAC's annual operating budget;

F. The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each of PARSAC's Programs, including all provisions for reinsurance and administrative services necessary to carry out such Program;

G. The Board shall contract or otherwise provide for necessary services to PARSAC and to Member Entities. These necessary services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services;

H. The Board, either directly or through the Executive Committee, shall provide policy direction to PARSAC's General Manager;

I. The Board shall receive and act upon reports of its committees and the General Manager, either directly or through the Executive Committee;

J. The Board shall establish monetary limits upon any delegation of the claims payment and settlement authority, beyond which a proposed settlement must be referred to the Board for approval;

K. The Board may require that PARSAC review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any Member Entity insofar as those functions are affecting PARSAC's liability or potential liability. The Board may forward any or all such recommendations to the Member Entity with a request for compliance and a statement of potential consequences for noncompliance;

L. The Board shall receive, review and act upon periodic reports and audits of PARSAC's funds;

M. The Board may amend, repeal or adopt new Bylaws, this Agreement or other key documents;

N. The Board may increase, decrease, or otherwise amend the coverages, limits and other terms of any Memorandum of Coverage;

O. The Board shall approve any proposal by the Executive Committee for Special Assessments from the Member Entities before such Special Assessments are billed;

P. The Board may expel a Member Entity from any Program or from membership in PARSAC pursuant to Article XXIV of this Agreement;

Q. The Board may ratify actions of the Executive Committee, where such ratification is required before the action becomes final;

R. The Board may enter into a joint venture or contractual arrangement with any

similar entity and may also enter into a merger or acquisition agreement with a similar entity, provided that if PARSAC is not the surviving entity in any such merger or acquisition, such action shall require approval by the vote of three-fourths of the Member Entities; and

S. The Board shall have such other powers and functions as are provided for in this Agreement, the Bylaws, and applicable law.

ARTICLE IX OFFICERS

The officers of PARSAC shall be the President, Vice President, Treasurer, and Auditor/Controller, and their qualifications and duties shall be those set forth in the Bylaws.

ARTICLE X EXECUTIVE COMMITTEE

There shall be an Executive Committee, all of whose members shall be directors. The Executive Committee shall set policy for and direct the administration of PARSAC on a day-to-day basis and may, without limitation, provide incentives and impose penalties, financial or otherwise, for performing or failing to perform in conformance with PARSAC requirements, programs, standards and policies. The composition, specific authority and meeting arrangements of the Executive Committee shall be set forth in the Bylaws.

ARTICLE XI ADMINISTRATION

PARSAC shall have a general manager, who shall be appointed or terminated by the Executive Committee, shall be responsible to the Executive Committee for the efficient and effective administration of PARSAC, and who shall serve as the Secretary of PARSAC. The General Manager shall attend all meetings of the Board, the Executive Committee, and other committees of the Board (but shall have no vote), shall prepare and maintain all minutes of meetings of the Board and its Committees, notices of meetings, and records of PARSAC, and

shall carry out all duties set forth in the Bylaws.

ARTICLE XII BUDGET

The Executive Committee shall recommend and the Board shall adopt an annual operating budget prior to the beginning of each Fiscal Year.

ARTICLE XIII ANNUAL AUDITS AND REVIEWS

A. **Financial Audit.** The Auditor/Controller shall cause an annual financial audit of the accounts and records to be prepared by a Certified Public Accountant in compliance with California Government Code Sections 6505 and 6505.5 or 6505.6 with respect to all receipts, disbursements, other transactions and entries into the books of PARSAC. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted accounting standards. A report of each such audit shall be filed as a public record with the Board, each of the Member Entities, and the auditor/controller of the county in which PARSAC's administrative office is located. The report shall be filed within twelve [12] months of the end of the fiscal year under examination. PARSAC shall pay all costs for such financial audits.

B. **Actuarial Review.** The Board shall cause an annual actuarial review to be prepared for each of the Programs of PARSAC and a report of such actuarial review shall be made available for inspection by the Board and the Member Entities. PARSAC shall pay all costs for such actuarial review.

C. **Claims Audit.** The Board shall cause a biannual claims audit of the administration of the claims for each of the Programs of PARSAC. A report of such claims review shall be made available for inspection by the Board and the Member Entities. PARSAC

shall pay all costs of such claims reviews.

**ARTICLE XIV
ESTABLISHMENT AND ADMINISTRATION OF FUNDS**

PARSAC shall be responsible for the strict accountability of all funds and the reporting of all receipts and disbursements in accordance with generally accepted accounting principles. It will comply with all provisions of law relating to this subject, including California Government Code Sections 6500-6525.

The Treasurer of PARSAC shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board. Separate accounts shall be established and maintained for each Program Year of each Program of PARSAC. Books and records of PARSAC in the hands of the Treasurer or other designated person shall be open to inspection at all reasonable times by members of the Board or authorized representatives of the Member Entities.

The Treasurer shall have the custody of and disburse PARSAC's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board to perform that function provided that, pursuant to Government Code Section 6505.5, the Treasurer shall:

- A. Receive and acknowledge receipt of all funds of PARSAC and place them in the treasury to the credit of PARSAC;
- B. Be responsible upon his or her official bond for the safekeeping and disbursement of PARSAC's funds so held by him or her;
- C. Pay any sums due from PARSAC as approved for payment by the Board or by any body or person to whom the Board has delegated approval authority, making such payments from PARSAC's funds upon warrants drawn by the Auditor;
- D. Verify and report in writing to PARSAC and to Member Entities, as of the first

day of each quarter of the fiscal year, the amount of money then held for PARSAC, the amount of receipts since the last report, and the amount paid out since the last report;

E. Prepare a complete written report of all financial activities within one hundred and twenty [120] days after the close of each fiscal year for such fiscal year to the Board and to each Member Entity; and

F. Receive, invest, and disburse funds in accordance with the procedures established by the Board or the Bylaws and in conformity with applicable law.

Pursuant to Government Code Section 6505.1, the General Manager, the Treasurer, and such other persons as the Board may designate shall have charge of, handle, and have access to PARSAC's property.

PARSAC shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in form specified by the Board, covering all officers and employees of PARSAC who are authorized to hold or disburse PARSAC's funds and all officers and employees who are authorized to have charge of, handle, and have access to PARSAC's property.

The Authority shall defend and indemnify its directors, officers, and employees to the same extent as any other public entity of the State of California is obliged to defend and indemnify its public employees pursuant to California Government Code Section 825, *et seq.*, or other applicable provisions of law.

The Authority may insure or self-insure itself to the extent deemed necessary by the Board against loss, liability and claims arising out of or connected to the conduct of the Authority's activities.

ARTICLE XV SUPPORT OF PARSAC'S GENERAL EXPENSES

Costs of staffing and supporting PARSAC [hereinafter called PARSAC's general

expenses] shall be equitably allocated among the various Programs by the Board, and shall be funded by the Member Entities which participate in such Programs [and ex-Member Entities] in accordance with such allocations.

ARTICLE XVI DEPOSIT PREMIUMS

The Deposit Premiums for the Liability and Workers' Compensation Programs shall be set at a level estimated to be sufficient, as determined by the Executive Committee, to cover PARSAC's budget for each Policy year. The Deposit Premiums for the Member Entities shall be set by PARSAC using various rating and underwriting criteria, such as:

- [1] The Member Entity's payroll;
- [2] The Member Entity's exposure base;
- [3] The results of an on-site underwriting inspection;
- [4] The Member Entity's prior claims history;
- [5] Total insurable values; and/or
- [6] Employee classification ratings.

Deposit Premiums for the Liability, Workers' Compensation, and Group Purchase Programs shall be billed to the Member Entities.

At the conclusion of each Program Year, PARSAC shall conduct a payroll audit of each Member Entity to adjust for any discrepancies between estimated and actual payroll. In the sole discretion of PARSAC, an on-site payroll audit may be conducted by PARSAC or an independent auditor. Any adjustments in payrolls, either debits or credits, shall result in an assessment of additional premiums or a return of overpaid premiums. This adjustment shall be made within sixty (60) days after the date of the audit.

**ARTICLE XVII
PARSAC MEMBERSHIP**

Member Entities shall participate in PARSAC's Liability Program and/or Workers' Compensation Program as a condition of membership in PARSAC. Participation in either Program shall be a minimum of three years and the Term shall be renewed for subsequent one-year periods at the commencement of each Program Year upon payment of the applicable Deposit Premium, unless termination, withdrawal, or expulsion occurs pursuant to Articles XXIII and XXIV of this Agreement. The Executive Committee shall establish the initial SIR for each Liability or Workers' Compensation Program Participant and may require a different SIR for Program Participants from time to time, in its sole discretion.

Program Years shall begin on July 1 of each year and shall continue through the following June 30. Retroactive coverage may be provided as approved by the Board and documented on the Declaration Page of the respective Memorandum of Coverage.

**ARTICLE XVIII
MEMORANDA OF COVERAGE**

The types and amounts of coverage for each Program available to Member Entities shall be specified in a Declarations Page and/or Memorandum of Coverage which shall be issued by PARSAC to each Member Entity for each Program Year in which the Member Entity has coverage. The Board shall have the power and authority to decrease, increase, or amend the coverage provided by a Memorandum of Coverage. If any such amendment is approved by the Board during a Program Year, no Member Entity participating in that Program Year shall be entitled to withdraw by reason of any said amendment prior to the termination of that Program Year.

ARTICLE XIX
SIR MANDATORY RESERVES/PAYMENTS

A Member Entity participating in the Liability Program must establish by resolution a “Fund Balance Reserve” (“Reserve”) equal to three times (3) the designated SIR, or any underlying insurance deductible chosen, and approved for the Member Entity by PARSAC. The Reserve will be recorded and maintained in the appropriate Member Entity Fund in accordance with Generally Acceptable Accounting Principles.

PARSAC will be notified of any proposed adjustment to the Reserve prior to the Member Entity’s adoption of such a resolution.

PARSAC may request certification, by the Member Entity, of the balance in the Reserve account at any time.

Applicants establishing coverage with PARSAC shall be required to submit the “Fund Balance Reserve Resolution” prior to coverage inception.

Any Member Entity which does not desire to establish a local Fund Balance Reserve at the required three-times its SIR, or underlying insurance deductible amount, may contract for an actuarial study of its losses and reserves by a Fellow of the Casualty Actuary Society (FCAS) to ascertain and represent to PARSAC adequate SIR Reserves. Such SIR amount shall be established as the correct Reserve for that Member Entity.

Although not obligated to do so, PARSAC may elect to pay a portion of claims expenses before the Member Entity’s self-insured retention has been exhausted in order to expedite the resolution of a claim. In this event, the member will be invoiced and shall have 30 days from the date of invoice to remit reimbursement. A 10% penalty shall be applied to the balance if payment is not received by the due date.

The claims payment procedures for members participating in the Workers’

Compensation Program with a self-insured retention are as follows:

1. The Member Entity shall set up a checking account with the Third-Party Administrator (TPA). The TPA shall pay all claim expenses within the Member's Entity's self-insured retention from the checking account. The Member Entity shall be responsible for ensuring sufficient funds are available for all costs related to the checking account, including any set-up fees charged by the TPA; or
2. PARSAC shall pay all claim expenses within the Member Entity's self-insured retention, which shall be reconciled and invoiced to the Member Entity quarterly. The Member Entity shall have 30 days from the date of invoice to submit its self-insured retention payment. A 10% penalty shall be applied to the balance if payment is not received by the due date. This option is available to Member Entities with an SIR of \$100,000 or lower.

ARTICLE XX RETROSPECTIVE PREMIUM ADJUSTMENTS AND ASSESSMENTS

Retrospective Premium Adjustments (RPA) for self-funded Programs shall be calculated annually as determined by each Program's funding policy. The Board may determine and levy special assessments on Member Entities by majority vote.

The RPA is a financial reconciliation made by PARSAC to determine whether the Deposit Premium collected for that Policy Year was sufficient to cover the costs. An RPA summary is presented annually to the Board for approval. Distribution of credits or collection of assessments will follow each Program's funding policy.

If a Member Entity has timely withdrawn or been expelled from a Program, any Retrospective Premium Adjustment credit shall remain with PARSAC until all Policy Year(s) in which they participated have been closed and reconciled. Any Retrospective Premium

Adjustment deficit shall be billed to the Member Entity at the time that particular Policy Year(s) is being reconciled. If a withdrawn or expelled member's total equity for all program years in which they participated is insufficient, the member will be billed at the time the deficit is identified. A member that has untimely withdrawn from a program foregoes their right to any remaining equity and is subject to assessment for any deficits.

ARTICLE XXI NEW MEMBERS

Any California public entity as defined in Article I may apply for membership in PARSAC and participation in any of PARSAC's Programs at any time. Public Entities must participate in either the Liability or Workers' Compensation program before participating in other Program offerings.

PARSAC shall review all requests for Program membership, and the Executive Committee shall approve and the Board shall ratify, which applicants shall be accepted for membership, in which Programs they may participate, and when such participation shall begin. Public Entities shall become new Member Entities as of the effective date of coverage indicated on the Program Declarations Page and upon payment of the Deposit Premium. Public Entities which are in the process of formation shall be covered only as of the effective date of formation.

Deposit Premiums for coverage which begins during a Program Year may be prorated for the remainder of the Program Year. A Public Entity applying for membership in the Workers' Compensation or Liability Program shall complete, return and comply with all of the following:

A. An "Application for a Certificate of Consent to Self-Insure" from the Department of Industrial Relations/Division of Self-Insurance Plans (DIR/SIP) (Workers' Compensation only);

- B. Loss reports for the five (5) most recent policy years;
- C. Estimated payroll for the current year and corresponding to the 5 years of loss data
- D. Liability Exposure questionnaire from PARSAC, questionnaires from the excess carrier or reinsurer, and most recent three years' audited financial statements;
- E. Undertake a risk management audit of its facilities and activities and, based upon such audit report, provide evidence of correction, elimination and/or clarification of all noted deficiencies revealed by such inspection; and
- F. Such other information as is reasonably required by PARSAC to assure compliance with law and PARSAC policies.

**ARTICLE XXII
WITHDRAWAL**

Any Member Entity who has been a member for at least three full fiscal years may withdraw from its status as a member and as a party to the Joint Powers Agreement by submitting notice in writing to PARSAC as follows:

- A. Timely Notice of Withdrawal. A withdrawing Member Entity must notify PARSAC of its intention to withdraw at least six (6) months prior to the end of the fiscal year in which the member intends to withdraw, unless a shorter withdrawal period is approved by the Executive Committee, in its sole discretion. Withdrawing members who submit Timely Notice shall be subject to an administrative fee equal to their pro-rata share of ongoing expenses for the three program years following withdrawal. Ongoing expenses include but are not limited to staff payroll and benefits, actuarial services, investment services, financial audits, and claims administration. Withdrawing member will be

invoiced for their portion of the administrative fee each of the three years.

Calculation and Payment of Fee. The administrative fee shall be calculated based on the member's actual payroll and self-insured retention level in the last year in which the member participated. In year one, 100% of the administrative fee will be charged to the member; 50% in year two; and 25% in year three. The withdrawing member shall be invoiced for their portion of the administrative fee and it shall not be taken from equity. Should equity be insufficient to cover any deficit, the member will be subject to assessment. The withdrawing member's equity will remain with PARSAC until all years in which the member has participated are closed. Any equity remaining after all years have closed will be returned to the withdrawn member.

- B. Untimely Notice of Withdrawal. Members submitting a notice of intent to withdraw less than six (6) months prior to the end of the fiscal year, but not later than April 1, in which the member intends to withdraw shall be considered untimely. In the event of an untimely notice of intent to withdraw, the withdrawing member shall forego their right to any remaining equity. In addition to foregoing equity, withdrawing members who submit Untimely Notice shall be subject to an administrative fee equal to their pro-rata share of ongoing expenses for the three program years following withdrawal. Ongoing expenses include but are not limited to staff payroll and benefits, actuarial services, investment services,

financial audits, and claims administration, and will remain subject to both the administrative fee and assessments for all years in which they participated. Withdrawing members will be invoiced for their portion of the administrative fee each of the three years. *Calculation and Payment of Fee.* The administrative fee shall be calculated based on the member's actual payroll and self-insured retention level in the last year in which the member participated. In year one, 100% of the administrative fee will be charged to the member; 50% in year two; and 25% in year three.

Withdrawal from the Liability or Workers Compensation Program shall terminate coverage under that Program. If withdrawal would result in the Member Entity no longer being a member of either the Liability or the Workers Compensation Program, then such withdrawal shall constitute withdrawal from this Agreement and from membership in PARSAC, subject to the ex-Member Entity's continuing obligations under Article XXV below.

A notice of intent to withdraw may be rescinded in writing with Executive Committee consent at any time earlier than ninety (90) days before the expiration of the withdrawal period, except that any withdrawal approved by the Executive Committee upon less than 6 months notice shall be final.

Any Member Entity which withdraws as a participant in any Program may renew participation in that Program by complying with all Program rules and regulations.

ARTICLE XXIII EXPULSION

Regardless of its three-year commitment under the Liability and/or Workers' Compensation Program, a Member Entity may be expelled from PARSAC or a Program either with or without cause. The General Manager shall review any lack of satisfactory performance or other problem with the Member Entity and shall attempt to resolve the matter. If the General Manager determines that the Member Entity is unwilling or unable to correct the problem, the General Manager shall present the matter to the Executive Committee. The Executive Committee may recommend to the Board that the Member Entity be expelled, either with or without cause. Written notice of the Executive Committee's recommendation for expulsion shall be delivered to the Member Entity with return receipt at least fourteen [14] days before the Board meeting at which the matter will be discussed. Action by the Board shall require the vote of a majority of the total number of directors. Expelled members are subject to the administrative fee for a timely withdrawal as described in Article XXIII, Paragraph A.

In considering the expulsion of a Member Entity, the Executive Committee shall allow the affected Member Entity a reasonable opportunity to address and remedy the reasons, if any, for the proposed expulsion. The period of time so allowed shall be within the sole discretion of the Executive Committee. If such a reasonable opportunity is allowed, PARSAC may require quarterly audits to monitor the affected Member Entity's remedial actions or any other conditions to its continued participation in PARSAC or its Programs.

A Member Entity which is the subject of a proposed expulsion shall be responsible for investigating the availability of alternate coverage. On the request of the Member Entity, the Board may permit the Member Entity a reasonable time to make arrangements for alternative coverage, but such period of time shall be at the Board's sole discretion.

**ARTICLE XXIV
EFFECT OF WITHDRAWAL OR EXPULSION
ON MEMBER ENTITY'S RESPONSIBILITIES**

The withdrawal or expulsion of any Member Entity after its participation in any Program shall not terminate its responsibility with respect to the following:

A. Provide PARSAC with such statistical and loss experience data and other information as may be necessary for PARSAC to carry out the purposes of this Agreement;

B. Pay to PARSAC when due any Deposit Premiums or Retrospective Premium Adjustments for each Policy Year of each Program in which it participated;

C. Cooperate fully with PARSAC in determining the cause of losses in the settlement of claims;

D. Cooperate with and assist PARSAC and any insurer, excess provider, claims adjuster, legal counsel or other service provider engaged or retained by PARSAC in all matters relating to this Agreement; and

E. Comply with the Bylaws and all policies and procedures of PARSAC not inconsistent with the provisions of this Agreement and not inconsistent with its withdrawal from PARSAC.

Disposition of Equity – Timely Withdrawal or Expulsion. In addition, PARSAC shall retain all remaining equity, and the ex-Member Entity is obligated to pay any future assessments made with respect to the Policy Years of any Program in which it participated, until all such Policy Year[s] have been closed, at which time PARSAC shall refund to the ex-Member Entity, any remaining equity which was not expended in settling, paying or otherwise resolving claims against the ex-Member Entity.

Disposition of Equity – Untimely Withdrawal. PARSAC shall retain all remaining equity

and the ex-Member Entity is obligated to pay any future assessments made with respect to the Policy Years of any Program in which it participated, until all such Policy Year[s] have been closed and the administrative fee charged per Article XXII, Paragraph B.

**ARTICLE XXV
TERMINATION OF AGREEMENT AND DISTRIBUTION OF ASSETS**

This Agreement shall continue in full force and effect until terminated. Termination of this Agreement shall also constitute the termination of all Programs. This Agreement may be terminated at any time by the vote of three-fourths of the Member Entities; provided, however, that this Agreement and PARSAC shall continue to exist for the purpose of disposing of all claims and paying its obligations (to CalPERS) for employees' health and pension benefits, before the distribution of assets, and any other functions necessary to wind up the affairs of PARSAC.

Upon termination of this Agreement, all assets of each Program of PARSAC shall be distributed among the Member Entities [and ex-Member Entities which previously timely withdrew or were expelled] which participated in such Programs, in accordance with the retrospective premium adjustment process in effect during the term of this Agreement. Such distributions shall be determined within six [6] months after the disposal of the last pending claim or other liability covered by each Program.

Following the termination of this Agreement, any Member Entity which was a participant in any Program of PARSAC shall pay any additional amount of premium, determined by the Board or its designee in accordance with a retrospective premium adjustment, which may be necessary to enable final disposition of all claims arising from losses under that Program during the Member Entity's period of participation.

The Board is vested with all powers of PARSAC for the purpose of concluding and

dissolving the business affairs of PARSAC. The Board may designate legal counsel and any committee or person to carry out a plan of dissolution adopted by the Board.

**ARTICLE XXVI
NOTICES**

Notices to Member Entities under this Agreement or the Bylaws shall be sufficient if mailed to their respective addresses on file with PARSAC. Notices to PARSAC shall be sufficient if mailed to the address of the principal executive office of PARSAC, addressed to the General Manager.

**ARTICLE XXVII
PROHIBITION AGAINST ASSIGNMENT**

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

**ARTICLE XXVIII
AMENDMENTS**

This Agreement may be amended by a two-thirds vote of the Board present and voting at any duly convened regular or special meeting; provided that, any such amendment has been submitted to the directors and the Member Entities at least thirty [30] days in advance of such meeting. Member Entities may, by resolution or ordinance, grant their director and alternate on the Board explicit authorization to approve and execute amendments to this Agreement on behalf of the Member Entity without the necessity of a resolution or ordinance of the legislative body of the Member Entity confirming or ratifying such amendment. Any such amendment shall become effective immediately, unless otherwise stated therein.

**ARTICLE XXIX
SEVERABILITY**

Should any portion, term, condition or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

**ARTICLE XXX
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, except as noted with respect to the Bylaws and Memoranda of Coverage. If any provision of this Agreement conflicts with a provision of the Bylaws, Memoranda of Coverage or other document, such conflicting provisions shall be interpreted to avoid any such conflict, but this Agreement shall govern.

**ARTICLE XXXI
EXECUTION OF COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but altogether shall constitute one and the same Agreement.

Public Agency Risk Sharing Authority of California ["PARSAC"]

Date: _____ By: _____
Name/Title

Attest: _____
Deputy Secretary, PARSAC

Member Entity: _____

Date: _____ By: _____
Name/Title

Attest: _____
City/Town Clerk

APPENDIX “A”

**PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA
[PARSAC]**

MEMBER ENTITIES

City of Amador City
City of Avalon
City of Belvedere
City of Blue Lake
City of California City
City of Calimesa
City of Calistoga
City of Citrus Heights
City of Clearlake
City of Coalinga
City of Ferndale
City of Grass Valley
City of Highland
City of Menifee
City of Nevada City
City of Pacific Grove
City of Placentia
City of Placerville
City of Plymouth
City of Point Arena
City of Rancho Cucamonga
Rancho Cucamonga Fire Protection District
City of Rancho Santa Margarita
City of San Juan Bautista
City of South Lake Tahoe
City of Tehama
City of Trinidad
Town of Truckee
City of Twentynine Palms
City of Watsonville
City of West Hollywood
City of Wheatland
City of Wildomar
Town of Yountville
City of Yucaipa
Town of Yucca Valley

Appendix "C"

Public Agency Risk Sharing Authority of California (PARSAC) Agreement for Apportionment of Retirement Obligations Dated May 25, 2017

PARSAC

**AGREEMENT FOR APPORTIONMENT OF
RETIREMENT OBLIGATIONS**

**Public Agency Risk Sharing
Authority of California**

**PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA [PARSAC]
AGREEMENT FOR APPORTIONMENT OF RETIREMENT OBLIGATIONS**

THIS AGREEMENT is made in the State of California by and among those municipalities organized and existing under the laws of the State of California, hereinafter referred to as "Member Entity[ies]," which are parties' signatory to the Joint Powers Authority Agreement (as revised effective May 25, 2017, hereafter "JPA Agreement. All such Member Entities are listed in Appendix "A," which is attached hereto and made a part hereof.

RECITALS

Whereas PARSAC is an entity formed under California Government Code § 6500 which permits two or more public agencies by agreement to jointly exercise any power common to the contracting parties.

Whereas California Government Code § 6508.2 requires that the member agencies of a joint powers agency ("AGENCY") mutually agree to a 100% apportionment of the AGENCY's retirement liability prior to either a dissolution of the AGENCY or the termination of the AGENCY's participation in a public retirement system.

Now, therefore, in consideration of the above facts and the mutual benefits, promises and agreements set forth below, the Member Entities hereby agree as follow:

AGREEMENT

ARTICLE I

DEFINITIONS

The following terms shall have the following definitions:

- A. **"Agreement"** shall mean this Revised and Restated Joint Powers Agreement creating the Public Agency Risk Sharing Authority of California [PARSAC].

- B. **“Board”** or **“Board of Directors”** shall mean the governing body of PARSAC.
- C. **“PARSAC”** shall mean the Public Agency Risk Sharing Authority of California created by this Agreement.
- D. **“Deposit Premium”** shall mean the estimated amount determined for each Member Entity necessary to fund each layer of coverage for each Policy Year of each Program of PARSAC.
- E. **“Member Entity”** shall mean any California public entity which is a party signatory to this Agreement including any other agency for which the City Council sits as the Governing board.
- F. **“Program Year”** shall mean a period of time, usually 12 months, for which each Program is to determine Deposit Premiums, Retrospective Premiums, and Retrospective Premium Adjustments.
- G. **“Program”** shall mean arrangements to cover specific types of claims which may include, but not be limited to, property, workers' compensation, and comprehensive liability claims.
- H. **“Public Entity”** shall mean a county, city, whether general law or chartered, city and county, town, district, political subdivision, joint powers authority, or any board, commission, or agency thereof providing a municipal service, excluding school districts.
- I. **“Public Retirement System”** shall mean CalPERS or any other Public Entity retirement program established or operated by a California Public Entity available to public employees as to which current or former employees of PARSAC participated.
- J. **“Retirement Liability”** shall mean the liability that PARSAC possesses to all former or current employees of PARSAC for retirement benefits owed to them pursuant to a contract between PARSAC and a Public Retirement System and arising by reason of those employees participation in the Public Retirement System.

K. **“Retrospective Premium”** shall mean, the amount determined retrospectively as each Member Entity's share of losses, reserves, expenses and interest income as may be determined periodically for any Program.

L. **“Retrospective Premium Adjustment”** shall mean the amount necessary to periodically adjust the Deposit Premium, or prior Retrospective Premiums if any, to the newly calculated Retrospective Premium amount.

ARTICLE II

PARTIES TO THE AGREEMENT

Each Member Entity is a party to this Agreement and agrees that it intends to, and does contract with, all other parties who are signatories of this Agreement and with such other parties as may later be added. Each Member Entity also agrees that the expulsion or withdrawal of any Member Entity from this Agreement shall not affect this Agreement nor the remaining parties as to the other Member Entities then remaining.

ARTICLE III

PURPOSE

This Agreement is entered into by the Member Entities in order to:

A. Provide for an apportionment among current and former PARSAC Member Entities of 100% of PARSAC's Retirement Liability consistent with the requirements of Government Code §§ 6508.1 and 6508.2 as enacted and amended effective January 1, 2019. The current Member Entities of PARSAC are set forth in Appendix A. The former Member Entities of PARSAC as of the date of this Agreement are set forth in Appendix B.

ARTICLE IV

METHOD OF APPORTIONMENT OF RETIREMENT LIABILITY

A. In the event of a decision by the governing Board of PARSAC to dissolve and cease all operations, or in the event of a decision by the governing Board of PARSAC to terminate PARSAC's contract with a Public Retirement System, the Member Entities agree that 100% of PARSAC's Retirement Liability shall be funded by all current and former PARSAC Member Entities based on a pro rata share of the former and current Member Entities' historical Deposit Premium in the Workers' Compensation and Liability self-funded Programs. The apportionment of the Retirement Liability shall be calculated as set forth above, and the unfunded Retirement Liability then existing shall be paid as follows: The unfunded Retirement Liability then existing shall be paid prior to any distribution of assets as provided in ARTICLE XXV of the JPA Agreement and prior to the payment of any equity that may be determined as the result of the Retrospective Premium Adjustment process as set forth in ARTICLE XX. (For example, should a Member Entity have remaining equity in either the Workers' Compensation or Liability program, at the time of PARSAC's dissolution or PARSAC's termination of PARSAC's contract with a public retirement system, the Member Entity's equity shall first be applied to reduce that Member Entity's share of the apportionment of the Unfunded Retirement Liability.)

B. In the event that PARSAC disposes of the real property identified as 1525 Response Road, Sacramento, CA, 95815 (the "Property"), any unfunded Retirement Liability of PARSAC shall first be reduced by applying the proceeds from the sale of the Property as provided in Resolution 2019-03, attached hereto as Exhibit A, prior to the determination of the amounts owed by the former or current Member Entities under the apportionment provided herein.

C. The apportionment of the Retirement Liability of PARSAC among the former and current Member Entities of PARSAC and the obligation of the former and current Member Entities to pay such apportionment of the PARSAC Retirement Liability as provided herein shall be a separate and independent obligation from the obligation of the Member Entities arising upon termination, expulsion or withdrawal of a Member Entity or upon termination of the Joint Powers Agreement (as revised effective May 25, 2017) including but not limited to ARTICLES XX, XXII, XXIII, XXIV and XXV of that Agreement.

ARTICLE V

TERM OF AGREEMENT

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for the purpose of paying 100% of the Retirement Liability of PARSAC pursuant to the apportionment among former and current Member Entities as provided for herein.

ARTICLE VI

SEVERABILITY

Should any portion, term, condition or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

ARTICLE VII

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, except as noted with respect to the Bylaws and Memoranda of Coverage. If any provision of this Agreement conflicts with a provision

of the Bylaws, Memoranda of Coverage or other document, such conflicting provisions shall be interpreted to avoid any such conflict, but this Agreement shall govern.

ARTICLE VIII

AMENDMENTS

This Agreement may be amended by a two-thirds vote of the Board present and voting at any duly convened regular or special meeting; provided that, any such amendment has been submitted to the directors and the Member Entities at least thirty [30] days in advance of such meeting. Member Entities may, by resolution or ordinance, grant their director and alternate on the Board explicit authorization to approve and execute amendments to this Agreement on behalf of the Member Entity without the necessity of a resolution or ordinance of the legislative body of the Member Entity confirming or ratifying such amendment. Any such amendment shall become effective immediately, unless otherwise stated therein.

ARTICLE IX

EXECUTION OF COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but altogether shall constitute one and the same Agreement.

Public Agency Risk Sharing Authority of California [“PARSAC”]

Date:

By: _____

Name/Title

Attest: _____

Deputy Secretary, PARSAC

Member Entity: _____

Date:

By: _____

Name/Title

Attest: _____

City/Town Clerk

APPENDIX “A”

**PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA
[PARSAC]**

MEMBER ENTITIES

City of Amador City
City of Avalon
City of Belvedere
City of Blue Lake
City of California City
City of Calimesa
City of Calistoga
City of Citrus Heights
City of Clearlake
City of Coalinga
City of Ferndale
City of Grass Valley
City of Highland
City of Menifee
City of Nevada City
City of Pacific Grove
City of Placentia
City of Placerville
City of Plymouth
City of Point Arena
City of Rancho Cucamonga
Rancho Cucamonga Fire Protection District
City of Rancho Santa Margarita
City of San Juan Bautista
City of South Lake Tahoe
City of Tehama
City of Trinidad
Town of Truckee
City of Twentynine Palms
City of Watsonville
City of Wheatland
City of Wildomar
Town of Yountville
City of Yucaipa
Town of Yucca Valley

APPENDIX “B”

**PUBLIC AGENCY RISK SHARING AUTHORITY OF CALIFORNIA
[PARSAC]**

FORMER MEMBER ENTITIES

City of Alturas
City of Canyon Lake
City of Carlsbad
City of Elk Grove
City of Hesperia
City of Rialto
City of Ridgecrest
City of Rio Dell
City of West Hollywood

**BYLAWS
of the
CALIFORNIA INTERGOVERNMENTAL RISK AUTHORITY**

**ARTICLE I.
PREAMBLE**

The California Intergovernmental Risk Authority (“CIRA” or “the Authority”) is established for the purposes and under the authorities described in its Joint Exercise of Powers Agreement (“Agreement”). The Agreement specifies that Bylaws will govern many of the operations of the Authority, and defines certain terms used in these Bylaws.

**ARTICLE III.
NEW MEMBERS**

Any California public agency that provides municipal services may become a Member of the Authority by agreeing to be bound by the Governing Documents and by complying with all of the following requirements:

- A. Submit a completed application for membership 90 days before the start of the fiscal year, including any required application fee;
- B. Submit a signed resolution acknowledging participation under the terms and conditions which then prevail;
- C. Execute the Agreement then in effect and agree to be bound by any subsequent amendments to the Agreement;
- D. Agree to be a Member for at least five consecutive fiscal years after commencement of membership or, if a member of the Public Agency Risk Sharing Authority of California (PARSAC) or the Redwood Empire Municipal Insurance Fund (REMIF) as of June 30, 2021, for two fiscal years after that date;
- E. Be accepted for membership by a two-thirds vote of the Board of Directors;
- F. Appoint, in writing, a representative to act as Director on the Authority’s Board and another to act as alternate Director in the absence of the Director, who shall be officers or employees of the Member; and
- G. Ensure the Director and alternate Director file with the Authority the required Fair Political Practices Commission (FPPC) forms upon assuming office, annually, and upon termination of office.

Before the Board votes on a potential Member’s application, there shall be a review and interview of the applicant, in accordance with the Underwriting Guidelines, including the applicant’s most recent audited financial statement and associated management letters. This review may also include a safety inspection of the facilities of the applicant. A two-thirds vote of the Board of Directors is required to approve the

application, based upon the application, and any inspections, reports, or other material pertinent to the decision.

**ARTICLE IV.
MEMBER RESPONSIBILITIES**

Each Member is responsible for the following:

1. Cooperation with the Authority, its insurers, adjusters and legal counsel in determining the cause of losses in settling claims, and supporting effective risk management and risk transfer decisions;
2. Timely payment of all contributions, assessments, interest, penalties, or other charges imposed consistent with the Governing Documents;
3. Providing the Authority with statistical and loss experience and other data as requested.
4. Execution of a membership resolution for each Program in which the Member participates.
5. Appointing a representative and alternate to represent the Member on the Authority's Board, expressly authorizing such representatives to act on behalf of the Member on all matters coming before the Board, and assuring that its representative or alternate regularly attend meetings of the Board and any committee to which a representative has been appointed.
6. Execution of amendments to this Agreement as set forth in Article XV; provided, however, the Member may, by resolution or ordinance, authorize its representative on the Board to approve and execute amendments on behalf of the Member without the necessity of a resolution or ordinance of the legislative body of the Member confirming or ratifying such amendment.
7. As required by the Authority, undertake risk management audits of its facilities and activities, conducted by a person and/or firm approved by the Authority and provide evidence of correction, elimination and/or clarification of all noted deficiencies or recommended corrections to the satisfaction of the Authority.
8. Use of an Authority-approved third-party claims administrator.
9. Payment for the costs of staffing and supporting the Authority ("general expenses") shall be funded by the Members in accordance with the Board's allocation of general expenses to the Authority's various Programs.

**ARTICLE V.
GOVERNING BOARD**

- A. The governing body of the Authority shall be the Board of Directors (Board). The Board shall be comprised of one Director from each Member. Each Director has one vote. An alternate Director may cast a vote only in the absence of the Director. Each Director and alternate Director must be an officer or employee of the Member. A Member may change any of its representatives to

the Board only by written notification to the Authority from the Member's governing body or the Member's Chief Executive Officer or equivalent.

- B. The Board shall provide policy direction for the General Manager, the Executive Committee, any other standing committees, and any administrative or legal service providers to the Authority. The Board may delegate any or all of its responsibilities, except those requiring a vote by the Board as specified in the Governing Documents.
- C. As to Program-specific agenda items, only the Directors representing Members that participate in that Program may vote, and as to such items a quorum shall be determined by reference to the number of Members participating in the Program. As to agenda items relating to all liabilities and obligations of CIRA existing prior to the Effective Date ("Preexisting Obligations"), only Directors representing Members who were members of the Authority prior to the Effective Date may vote, and as to such items, a quorum shall be determined solely by reference to the number of Members that were members of the Authority prior to the Effective Date.
- D. The Board reserves unto itself the authority to do the following (except where specifically noted, a simple majority of the Board present at a meeting may take action):
 - 1. Accept a new Member to the Authority (two-thirds vote of the Board);
 - 2. Accept indebtedness (two-thirds vote of the entire Board);
 - 3. Adopt a budget;
 - 4. Amend these Bylaws;
 - 5. Elect and remove Officers;
 - 6. Expel a Member from the Authority (two-thirds vote of the Board);
 - 7. Approve dissolution of Authority (two-thirds vote of the entire Board); and
 - 8. Approve financing costs from one Program to another (Program to Program borrowing) if such financing extends beyond a twelve-month period.
- E. The Board will meet at least once a year to review the operations of the Authority. The Board will establish a time and place to hold such regular meetings. The Board Secretary will mail notices of all Board meetings to each Member, keep minutes of the meetings, and send copies of such minutes to the Members.
- F. A special meeting may be called by the president or by a majority of the Board with twenty-four (24) hours' notice, stating the purpose, date, time, and place of the meeting, provided such notice is in writing.
- G. Every Member is expected to have its Director or alternate attend Board meetings.

- H. All meetings of the Board shall be conducted in accordance with the Ralph M. Brown Act (Government Code §54950 et seq.)
- I. A quorum shall consist of a majority of the Directors then appointed and serving, without counting vacancies. All matters within the purview of the Board may be decided by a majority vote of a quorum of the Board, except as specified otherwise in the Governing Documents.

**ARTICLE VI.
OFFICERS**

- A. The officers of the Authority shall consist of a President, a Vice President, a Treasurer, an Auditor/Controller, and a Secretary. The Board shall elect the President, Vice-President, Treasurer, and Auditor/Controller. The President, Vice-President, and Auditor/Controller must be directors on the Board. The Treasurer may be a Director, an employee of the Authority, or an employee of a Member, and if the Treasurer is an employee of a Member the employee need not be the Member's designated representative on the Board. The General Manager shall serve as Secretary.
- B. Initial officers shall serve staggered terms with the President and Treasurer serving a two-year term and Vice President and Auditor/Controller serving a one-year term. The terms of office for subsequent officer elections shall be two years. The President and Auditor/Controller will be elected in odd-numbered years and the Vice President and Treasurer will be elected in even-numbered years.
- C. Initial officers (other than the Secretary) shall be elected at the first meeting of the Board of Directors. At least 30 days before each subsequent election, the President may appoint a nominating committee as set forth in these Bylaws or propose a slate informally.
- D. The nominating committee's nomination of candidates for elected officer positions shall be made in writing, and the slate of nominees will be sent to each Member at least seven (7) days before the last regular Board meeting of the fiscal year. Additional candidates for any of the offices may be made by an open nomination and second from the floor at the time of the meeting.
- E. The election of officers will be held at the last regular Board meeting of the fiscal year in which their terms expire or at a special meeting called for that purpose. Those candidates receiving a majority of votes cast for each office will succeed to those offices. If no nominee receives a majority of the vote, the nominee with the least votes shall be deleted as a nominee and a new vote taken. This elimination process will continue until one nominee receives a majority vote. Each Director or, in the absence of that Director, the Director's alternate, shall be eligible to vote.
- F. Each elected officer will serve until the next election of officers, or termination of his or her employment with the Member, or until removal from office by a majority vote of the Board, whichever is earliest.
- G. The Board shall make the appointment to a vacancy in the office of the President. Vacancies in any other office shall be filled by appointments by the President with ratification by the Board at

the next Board meeting held after the vacancy occurs. In the event that the Board fails to ratify an appointment, the President shall make another appointment which will be subject to ratification by the Board.

- H. The President shall preside at all meetings of the Authority. The President shall, with the consent of the Board or Executive Committee, appoint representatives to the board of any joint powers authority of which the Authority is a Member, and shall make all Committee appointments with the exception of the Executive Committee. The President shall execute documents on behalf of the Authority as authorized by the Board and shall serve as the primary liaison between the Authority and any other organization. The President shall serve as a member of the Executive Committee and as a nonvoting ex-officio member of all other Committees.
- I. In the absence or temporary incapacity of the President, the Vice-President shall exercise the functions of the President. The Vice-President shall serve as member of the Executive Committee and as a nonvoting ex-officio member of all other committees when the President is unable to attend.
- J. The Auditor/Controller shall be responsible for the duties and functions prescribed by Government Code Section 6505.6, as well as any other duties as may be specified by the Board or the Executive Committee. The Auditor/Controller may appoint an assistant to serve as needed, provided such assistant shall not be an employee or public official of the same Member as the Auditor/Controller. In the absence of both the President and Vice President at any one meeting, the Auditor/Controller shall preside over that meeting only and shall have powers and duties as may be required by the Board for this purpose. If the President, Vice-President, and Auditor/Controller will be absent from any one meeting, any of them may designate a director to preside over the meeting, but the designated director shall have only the powers and duties as may be required by the Board for this purpose.
- K. The Secretary shall be responsible for preparing all minutes and agendas of the Board, the Executive Committee, and any other Committee meetings, preparing necessary correspondence, and maintaining files and records.
- L. The Treasurer shall have no vote on the Board or Executive Committee unless the Treasurer is a designated representative of a Member to the Board. The Treasurer shall have the responsibility to establish and maintain such funds and accounts as may be required by accepted accounting practices and procedures prescribed by the Government Accounting Standards Board and by the Board. Separate accounts shall be established and maintained for each Program Year of each Program. Books and records of the Authority in the hands of the Treasurer or other designated person shall be open to inspection at all reasonable times by members of the Board or authorized representatives of the Members. The Treasurer shall disburse Authority funds, accounts, and property, in accordance with the Government Code and at the direction of the Board.
- M. An Officer Emeritus is a retired or former member of the Authority's or REMIF's Executive Committee or Board of Directors, preferably an Officer, having served three terms or more on the Executive Committee or six years on the Board for each agency. The Officer Emeritus serves to maintain the institutional knowledge, culture, and practice of CIRA. The Officer Emeritus is

independent and does not represent any Member. The Officer Emeritus attends and may participate in meetings but does not vote. The Officer Emeritus may represent CIRA as directed and may serve as a mentor or advisor as needed and available. The Officer Emeritus receives a stipend as determined by the Board via resolution and reimbursement for reasonable travel expenses. The Executive Committee shall appoint up to two Officers Emeritus to be affirmed by the Board. The Officer Emeritus position will be re-evaluated by the Board after five years.

ARTICLE VII. COMMITTEES

- A. Executive Committee. There shall be an Executive Committee to conduct the day-to-day business of the Authority. The Board may create other committees, standing or temporary, as it deems necessary.
- B. All committee meetings shall be conducted in accordance with applicable law, including but not limited to the Ralph M. Brown Act (Government Code § 54950, et seq.). For all committees, a quorum shall consist of a majority of committee members then appointed and serving, without counting vacancies. All matters within the purview of a committee may be decided by a majority vote of a quorum of the committee, except as specified otherwise in the Governing Documents.
- C. The Executive Committee shall be composed of thirteen members including the President, Vice-President, Treasurer (if a Board Member), and Auditor/Controller, and nine (or ten, if necessary) other individuals, all of whom must be Directors and not alternates. Five of the nine shall be elected by the Board in even numbered years and four (or five, if necessary) shall be elected by the Board in odd numbered years. One each shall be elected by the Directors in each of three regions designated by the Board. One each shall be elected by the Directors in each of three size categories (small, medium, and large) designated by the Board. Three (or if necessary four) shall be elected at large. Executive Committee members may be re-elected without restriction. All nine shall be elected in the first election following adoption of these Bylaws, with either four or five being designated to serve an initial term of one year until the next election depending on whether the next year is odd or even. For the first two elections after these Bylaws become effective on July 1, 2021, at least five members of the Executive Committee shall be from former members of the Redwood Empire Municipal Insurance Fund. No Member shall be represented by more than one member on the Executive Committee.
- D. Members of the Executive Committee may be removed with or without cause by the Board, which shall elect replacements for the vacancies caused by such removal. Members may also be removed for failure to attend two consecutive meetings without reasonable excuses. The President may appoint replacements to fill any vacancies caused by death, disability, resignation, disqualification, or removal for unexcused absences, and such appointees shall serve until the next meeting of the Board, at which time the selection of replacement shall be ratified or another replacement elected.
- E. The Executive Committee may exercise all powers and authority of the Board, except those reserved to the Board as set forth in Article V.D. The Executive Committee may make recommendations to the Board on matters including a change in Members' retention levels, approval of the annual budget, and approval of new Members. The Executive Committee may also establish subcommittees, define their functions and responsibilities and appoint members

to them; appoint or terminate the General Manager; and exercise such other powers and perform such other duties as these Bylaws or the Board may prescribe.

- F. PARSAC Committee. The Board shall appoint a committee made up of representatives of Authority members that were members prior to the Effective Date to make recommendations to the Board regarding the administration of the Preexisting Obligations.
- G. Personnel Committee. The Officers (not including the Secretary or any Treasurer who is not a Director) and two other Directors appointed by the President (three if the Treasurer is not a Director) shall serve collectively as the Personnel Committee, with the authority to oversee, review and recommend action to be taken by the Executive Committee regarding the performance and compensation of the General Manager and any other personnel issues.

**ARTICLE VIII.
GENERAL MANAGER**

- A. The General Manager shall be the Chief Administrative Officer and Secretary of the Authority, appointed by the Board and serving at the pleasure of the Board. The General Manager may not be an employee or an officer of a Member.
- B. The General Manager shall be responsible for administering the operations of the Authority, including giving notices of meetings, posting of agendas for meetings, preparation of minutes of meetings, maintenance of all accounting and other financial records of the Authority, filing of all financial reports of the Authority, reporting activities of the Authority to Members, and other such duties as the Board may specify.
- C. The General Manager shall appoint all staff positions of the Authority, subject to budget approval by the Board, and shall be responsible for their supervision.
- D. The General Manager shall attend all meetings of the Board and Executive Committee

**ARTICLE IX.
SETTLEMENT OF CLAIMS**

- A. The General Manager shall have authority to settle workers compensation, property and liability claims up to the limit specified by Board policy but not to exceed the actual amount of the claim. The Executive Committee, Board, or a designated claims committee, if appointed, shall have authority to settle claims beyond the authority of the General Manager.
- B. For workers' compensation claims, staff has standing authority to pay benefits due under workers' compensation law for medical benefits, temporary disability, etc. and to resolve permanent disability claims up to statutory requirements. Any settlements for permanent disability and/or a compromise and release exceeding the statutory requirements may be settled by the General Manager, or by the Executive Committee or Board for amounts in excess of the General Manager's authority up to the Authority's limit of coverage.

**ARTICLE X.
FINANCIAL AUDIT**

- A. The Auditor/Controller shall cause an annual audit of the financial accounts and records of the Authority to be made by a qualified, independent individual or firm. The minimum requirements of the audit shall be those prescribed by law.
- B. The financial audit report shall be filed with the State Controller's Office within six months of the end of the fiscal year under examination. A copy of the audit report shall be filed as a public record with each Member.
- C. The costs of the audit shall be charged against the operating funds of the Authority.

**ARTICLE XI.
FISCAL YEAR**

- A. The fiscal year of the Authority shall be the period from July 1 of each year through June 30 of the subsequent year.

**ARTICLE XII.
BUDGET**

- A. A draft budget shall be presented to the Board at the last scheduled Board meeting prior to July 1 of the next fiscal year.
- B. The Board shall adopt the annual budget by July 1 of each year.

**ARTICLE XIII.
ESTABLISHMENT AND ADMINISTRATION OF FUNDS**

- A. The Authority is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It shall comply with every provision of law relating to the subject, particularly Section 6505 of the Government Code. The Treasurer shall receive, invest, and disburse funds only in accordance with procedures established by the Board and in conformity with applicable law.
- B. The funds received for each Program shall be accounted for separately on a full-accrual basis. The portion of each Program's annual contribution allocated for payment of claims and losses shall be held by the Authority in trust for the Program members.
- C. The Treasurer may invest funds not required for the immediate operations of the Authority, as directed by the Board or Executive Committee, in the same manner and on the same conditions as local agencies as provided by Government Code Section 53601.
- D. The General Manager shall draw warrants to pay demands against the Authority, after such demands have been approved by both the President and the Treasurer, except for employee payroll and benefits disbursements, and other unusual or urgent circumstances as determined

by the General Manager. All checks disbursing funds of the Authority shall be signed by at least two Authority officials, one of whom must be the General Manager or designee.

- E. Officers, directors and employees handling funds shall be properly bonded as determined by the Board or Executive Committee.

**ARTICLE XIV.
PROGRAMS**

- A. The Authority shall establish Programs in such areas as the Board may select including, but not limited to, the areas of property, workers' compensation, and liability coverage.
- B. Coverage in a Program may be provided by a self-funded risk-sharing pool, participation in pooled excess self-insurance, purchased insurance, reinsurance or any combination thereof, as determined by the Board or Executive Committee.
- C. The Authority may authorize and use administrative funds to study the feasibility and development of new Programs. If a new Program is approved by the Board, the estimated contributions to fund the Program shall be developed and presented in writing to each Member. Each Member shall have sixty (60) days from the date of such notice to state in writing its intent to join or refrain from joining the new Program. Unless the Member provides written notice to the Authority of its intent to participate in the new Program, it shall be presumed that the Member declines to participate in the Program. Upon conclusion of the notice period, the final contributions will be determined and billed to the Members in the new Program. Each Member that elected to participate will be bound to the new Program for the period of time required by the Master Program Document.
- D. The Board will adopt and maintain a Memorandum of Coverage and Master Program Document, and determine the financial contributions to be required of the Members for each Program. The Memorandum of Coverage or Master Program Document shall, among other things, establish procedures for addressing claims disputes.
- E. Each Program will be financially self-contained and individually evaluated for administrative and equity allocation purposes. Each fiscal year within each Program shall be separately accounted and maintained. Program funds may be co-mingled with the funds of another Program for durations shorter than a twelve-month period, or when specifically allowed by the Board.
- F. Each Member shall cooperate fully with the Authority to provide underwriting and safety and loss control information. Additionally, each Member shall comply with the provisions of the annual Safety and Loss Prevention Program Plan as approved by the Board.
- G. Members with delinquent amounts due may be assessed a penalty which shall be set by the Authority.
- H. The condition of each Program shall be evaluated by an independent actuary. The Workers' Compensation and Liability Programs shall receive such evaluation on an annual basis. Other Programs shall be evaluated as determined by the Board. The condition of each open fiscal year within each such Program shall be evaluated to determine its actuarial soundness. If it is

determined by the actuary that any year is no longer actuarially sound, appropriate actions shall be taken. In addition, the Board reserves the right to assess all Members and/or the Members of any Program an amount determined by the Board to be necessary for the soundness of the Program and to allocate such assessment in a fair and equitable manner.

- I. The withdrawal or expulsion of a Member from any Program shall be in accordance with the provisions of the Master Program Document.
- J. The withdrawal or expulsion of any Member from any Program shall not terminate the Member's responsibility to contribute its share of contributions, or funds, to any fund or Program in which it participated, nor its responsibility to provide requested data for the periods in which it participated. All current and past Members shall be responsible for their respective share of the expenses, as determined by the Authority, until all claims, or other unpaid liabilities covering the period of the Member's participation in the Program, have been finally resolved and a determination of the final amount of payments due by, or credit to, the Member for the period of its participation has been made by the Board. Past Members shall receive any distribution of surplus based on the same methodology as current Members. The withdrawal or expulsion of any Member from any Program shall not require the repayment or return to that Member of all or any part of any contributions, payments, advances, or distributions except in conformance with the provisions as set forth herein and in the Master Program Document.
- K. 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 city incorporated in the State of California and in accordance with the Investment Policy adopted annually by the Board.
- L. The accounting method for each Program will be in accordance with the provisions of the Master Program Document and the principles established by the Government Accounting Standards Board.

**ARTICLE XV.
WITHDRAWAL, DEFAULTS AND EXPULSION FROM THE AUTHORITY**

- A. Withdrawal from a Program
 - 1. Any Member which withdraws as a participant in any Program may renew participation in that Program by complying with all Program rules and regulations.
 - 2. All Members must participate in at least one of the following two Programs: Workers' Compensation and Liability. If withdrawal from a Program would result in the Member no longer participating in either of these two Programs, then such withdrawal shall constitute withdrawal as a party to the Joint Powers Agreement, subject to the Member's continuing obligations outlined in this Agreement and any other relevant governing documents. Withdrawal from the Authority pursuant to this Section A requires one year's notice of intent to withdraw as described in Section B below.

B. Withdrawal from the Authority

1. A withdrawing Member must notify CIRA of its intention to withdraw at least one year prior to the end of the fiscal year in which the Member intends to withdraw, unless a shorter withdrawal period is approved by the Executive Committee, in its sole discretion.
2. Withdrawing Members shall forfeit any remaining equity. In addition to foregoing equity, withdrawing members shall be subject to an administrative fee equal to their pro-rata share of ongoing expenses for the three program years following withdrawal. Ongoing expenses include but are not limited to staff payroll and benefits, actuarial services, investment services, financial audits, and claims administration. The withdrawing member will be invoiced its portion of the administrative fee for each of the three years, as outlined in the Master Program Document.
3. Following withdrawal, any Member which was a participant in any Program shall be responsible for its share of any additional amount of contribution, determined by the Board in accordance with the retrospective contribution adjustment, which may be necessary to enable final disposition of all claims arising from losses under that Program during the withdrawn Member's period of participation. Any such additional contribution shall be taken first from the Member's forfeited equity, if any, and if such equity is insufficient the withdrawn Member shall be responsible to pay the difference.
4. A notice of intent to withdraw may be rescinded in writing with Executive Committee consent at any time earlier than ninety (90) days before the expiration of the withdrawal period, except that any withdrawal approved by the Executive Committee upon less than six (6) months' notice shall be final.

C. The following shall be "defaults" under the Agreement and these Bylaws:

1. Failure by a Member to observe and/or perform any covenant, condition, or agreement under the Governing Documents, including but not limited to risk management or loss reporting procedures;
2. Consistent failure to attend meetings by a Member's designated representative or alternate, submit requested documents, or cooperate in the fulfillment of the Program objectives;
3. Failure to pay any amounts, including penalties and interest, due to the Authority for more than thirty (30) days;
4. Consistent inability to sustain the financial and insurance criteria that was reviewed and considered upon application for membership. For example, excessive losses, financial distress of member, handling of legal matters, corrective actions and other areas as determined by the Board;

5. The filing of a petition applicable to the Member in any proceedings instituted under the provisions of the Federal Bankruptcy Code or under any similar act which may hereafter be enacted; or
6. Any condition of the Member which the Board believes jeopardizes the financial viability of the Authority.

C. Remedies on Default

1. Whenever any default has occurred, the Authority may exercise any and all remedies available pursuant to law or granted pursuant to the Agreement and these Bylaws including, but not limited to increasing a Member's retention, penalty, or assessment, canceling a Member's coverage, or expelling the Member. However, no remedy shall be sought for defaults until the Member has been given thirty (30) days' notice of default by the Authority.
2. Probation of a Member from a Program and/or Authority:
 - a. If deemed appropriate by the Authority a member may be put on probation for a defined period of time to remedy any stated failures or matters noted in this Article.
 - b. Notice of such probation shall be in writing and signed by both parties.
 - c. The probation remedies and timelines shall be stated clearly in the notice of probation so that the Authority's actions at the end of the probation period are understood by both parties.
3. Expulsion of a Member from the Authority:
 - a. The Board, with at least a two-thirds vote, may expel any Member that is in default from the Authority.
 - b. Such expulsion shall be effective on the date prescribed by the Board, but not earlier than thirty days after notice of expulsion has been personally served or sent by certified mail to the Member.
 - c. The expulsion of any Member from any Program, after the effective date of such Program, shall not terminate its responsibility to contribute its share of contributions, or funds, to any fund Program in which it participated, nor its responsibility to provide requested data for the period(s) in which it participated.

D. Cancellation by the Authority of Coverage under a Program:

1. Upon the occurrence of any default, the Board may temporarily cancel all rights of the defaulting Member in any Program in which such Member is in default until such time as the condition causing default is corrected.

2. Upon the occurrence of any default, the Board, with at least a two-thirds (2/3) vote, may cancel permanently all rights of the defaulting Member in any Program in which such Member is in default.
- E. No remedy contained herein is intended to be exclusive. No delay or failure to exercise any right or power accruing upon any default, shall impair any such right or shall be construed to be a waiver thereof.
- F. In the event any provision in any of the Governing Documents is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.
- G. Except as stated in this Article or elsewhere in the Governing Documents, neither withdrawal nor expulsion shall extinguish the rights and obligations of the parties incurred prior to such withdrawal or expulsion.

**ARTICLE XVII.
LEGAL REPRESENTATION**

- A. Legal counsel may be retained by the Board to advise on matters relating to the operation of the Authority and interpretation of the Governing Documents, including but not limited to the Memoranda of Coverage. In matters in which the parties' interests are adverse or potentially adverse, counsel for the Board shall only represent the Board and shall not represent any individual Member without the informed written consent of both parties.
- B. The Authority shall have the right to pay such legal counsel reasonable compensation for said services.

**ARTICLE XVIII.
EXECUTION OF CONTRACTS**

- A. The Board or Executive Committee may authorize any officer or officers, or any 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.
- B. Unless so authorized by the Board, 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 XXIV.
EXPENSE REIMBURSEMENT AND INSURANCE**

- A. The Authority shall reimburse any Director who does not otherwise receive compensation for actual expenses incurred, for reasonable out of pocket expenses of the Director in the performance of his/her duty on behalf of the Authority.

- B. The Authority shall obtain insurance or provide other coverage (which may include self-insurance) indemnifying the directors, officers, and employees for personal liabilities arising out of wrongful acts in the discharge of their duties to the Authority.

**ARTICLE XIX.
NOTICES**

- A. Any notice to be given to any Member, in connection with these Bylaws, must be in writing (which may include facsimile or email) and will be deemed to have been given when deposited in the mail to the address specified by the Member to receive such notice. Any notice delivered by facsimile will be deemed to have been given when the facsimile transmission is complete. Any notice delivered by email will be deemed to have been given when the message is successfully sent. Any Member may, at any time, change the address to which such notice will be given by giving five (5) days written notice to the Authority.
- B. Any notice to or claim against the Authority shall be mailed or delivered to the mailing address of the Authority.

**ARTICLE XX.
EFFECTIVE DATE, AMENDMENTS, AND SUPREMACY**

- A. These Bylaws shall be effective immediately upon the date of adoption.
- B. Any amendments to these Bylaws shall be effective upon adoption, unless the Board in adopting them specifies otherwise, and shall supersede and cancel any prior Bylaws and/or amendments thereto.
- C. These Bylaws shall not be amended until at least 30 days after notice of the proposed amendment has been given to each Member.
- D. The adoption or amendment of these Bylaws shall not affect the Agreement or any amendments thereto. Any provision in these Bylaws which is inconsistent with the Agreement shall be superseded by the Agreement but only to the extent of the inconsistency.

**ARTICLE XXI.
POWER OF DESIGNATED PARTY**

- A. Pursuant to Government Code section 6509, the Authority is subject to the restrictions upon the manner of exercising the power of the City of Rancho Cucamonga. In the event that the City of Rancho Cucamonga ceases to be a member of the Authority, the Authority's power shall be subject to the restrictions applicable to the City of Sebastopol.



CITY OF LAKEPORT

- City Council
- City of Lakeport Municipal Sewer District
- Lakeport Redevelopment Successor Agency
- Lakeport Industrial Development Agency
- Municipal Financing Agency of Lakeport

STAFF REPORT	
RE: Language Assistance Plan	MEETING DATE: 12/1/2020
SUBMITTED BY: Kevin Ingram	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve a resolution adopting a Language Assistance Plan or LAP.

BACKGROUND/DISCUSSION:

The purpose of the LAP for Lakeport is to make clear the expectations of the guidelines for the program under EO 13166, signed on August 11, 2000, directing all federal agencies, including the Department of Housing and Urban Development (HUD), to work to ensure that programs receiving federal financial assistance provide meaningful access to Limited English Proficiency (LEP) persons. The City participates with Community Development Block Grant (CDBG) and HOME funding through the Department of Housing and Community Development (HCD) which requires compliance with LEP. Pursuant to EO 13166, the meaningful access requirement of the Title VI regulations and the four-factor analysis set forth in the Department of Justice (DOJ) LEP Guidance apply to the programs and activities of federal agencies, including HUD. In addition, EO 13166 requires federal agencies to issue LEP Guidance to assist their federally assisted recipients in providing such meaningful access to their programs. This Guidance must be consistent with the DOJ Guidance. Each federal agency is required to specifically tailor the general standards established in DOJ's Guidance to its federally assisted recipients.

The City of Lakeport will take reasonable steps to ensure that LEP persons have meaningful access and an equal opportunity to participate in City services, activities, programs, and other benefits. This "reasonableness" standard is intended to be flexible and fact-dependent; it is also intended to balance the need to ensure meaningful access by LEP persons to critical services while not imposing undue financial burdens on small business, small local governments, or small nonprofit organizations. The City's policy is to ensure meaningful communication with customers, patrons, applicants, and the public. The policy also provides for communication of information contained in vital documents. All interpreters, translators and other aids needed to comply with this policy will be provided to any LEP persons without cost and the public will be made aware of the availability of said assistance.

According to Census.gov, the population for Lakeport, CA is 5,006 with a total LEP percentage for Lake County being 5.54%. If it is assumed that the population of LEP persons is evenly dispersed, we would assume that the City would see 273 LEP persons. Of those, 91% are Spanish speaking, or 249. The City will continue to review the numbers of LEP persons, and the languages represented in the community as well as update and monitor the implementation of this policy, as necessary.

The City acknowledges that the program would involve LEP persons on a moderate and non-consistent basis. The need for services is found to be modest in this community. The nature and importance of the program is relevant to LEP persons and all reasonable efforts on the part of the city will be taken to ensure that LEP persons are made aware of the services at their disposal.

OPTIONS:

Approve the Language Assistance Plan for the City of Lakeport and authorize the Mayor to sign the associated resolution.

Do not approve the resolution and provide direction to staff.

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Water OM Fund Sewer OM Fund Other:

Comments:

SUGGESTED MOTIONS:

Move to approve the Language Assistance Plan for the City of Lakeport and adopt the proposed resolution.

- Attachments:**
1. Lakeport Language Assistance Plan
 2. Resolution Language Assistance Plan

City of Lakeport

Language Assistance Plan (LAP)

POLICY AND PROCEDURES FOR COMMUNICATION WITH PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

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Procedures

1. Identifying LEP persons and their language

The City of Lakeport will take reasonable steps to identify the language and communication needs of LEP persons. If necessary, staff will use a language identification card (“I speak cards” found on the LEP.gov website) or posters to determine what language the LEP person speaks. In addition, records that are kept of interactions with LEP persons, the language used will be included in the record.

2. Obtaining a Qualified Interpreter

The City Manager will be responsible for:

- a. Maintaining an accurate and current list showing the name, language, phone number and hours of availability of bilingual staff.
- b. Contacting the appropriate bilingual staff member to interpret, in the event that an interpreter is needed, if an employee who speaks the needed language is available and is qualified to interpret.
- c. Obtaining an outside interpreter if a bilingual staff or staff interpreter is not available or does not speak the needed language.

If no interaction with the public for the project is identified, no translation will be provided.

The City will use in-house staff first to provide translation, if this is not available, electronic translation services may be used (Google translate) to meet this request.

The City may join with Lake County and use resources they have available. A written agreement will be on file at the City Manager’s office.

When LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing in place of the free language services offered by the City. The interpreter may be a family or a friend.

3. Providing Notice to LEP persons

Being that the number of LEP persons is over 5%, and there are more than 50 persons, the majority of whom are Spanish speakers (91% of LEP), the City may translate notices to Spanish. For activities with high resident interaction – i.e., housing rehabilitation or public services, the City may post notices in Spanish to ensure outreach is complete to those residents.

If a significant need is identified for translation of vital documents, each City department will submit documents for translation into frequently encountered languages to the City Manager. Original documents being submitted will be in their final, approved form with updated and accurate legal information.

Departments will provide translation of other written materials, if significant need is identified, as well as written notice of the availability of translation, free of charge, for LEP individuals. Commissions and departments are not required to translate minutes from meetings but will provide translated notices and agendas.

The City will set benchmarks for translation of vital documents into additional languages over time.

4. Providing Notice to LEP persons

The City of Lakeport will inform LEP persons of the availability of language assistance, free of charge, when contact is made with an LEP person.

5. Training Staff

The City Manager will oversee mandatory training for any staff that could reasonably come in contact with LEP persons. Staff will be trained in how to identify the language needs of an LEP individual, access and provide the necessary language assistance services, work with interpreters, request document translation, and track the use of language assistance services. Bilingual staff members who communicate “in-language” to LEP individuals, or who serve as interpreters or translators, should be assessed, and receive regular training on proper interpreting and translation techniques, ethics, specialized terminology, and other topics as needed.

6. Monitoring Language needs and Implementation

On a decennial basis, in conjunction with the national census, the City of Lakeport will assess changes in demographics, types of services or other needs that may require reevaluation of this policy and procedures. In addition, the City will regularly assess the efficacy of these procedures. The City will designate an office or official responsible for developing and maintaining accurate record of a program that regularly assesses and takes necessary steps to improve and ensure the quality and accuracy of language assistance services provided to individuals with LEP. The City will implement methods for measuring improvement in language access in individual programs and take steps to ensure that such information is collected in a manner that increases comparability, accuracy, and consistency across programs. Agencies can determine whether it is appropriate for this

element to be implemented by the same office or official responsible for implementing another element.

Date _____

Submitted by _____

Date _____

Approved by _____

RESOLUTION NO. 2020-XX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEPORT TO
ADOPT A LANGUAGE ASSISTANCE PLAN**

WHEREAS, the City of Lakeport aims to meet all requirements of Title VI of the Civil Rights Act of 1964, as it relates to addressing the needs of Limited English Proficient (LEP) persons within our community; and

WHEREAS, the City of Lakeport has taken the time and exercised due diligence in the four-factor analysis to determine how to best provide needed language assistance to Limited English Proficient (LEP) persons within this community; and

WHEREAS, based on the data from the four-factor analysis, the City of Lakeport has developed a Language Assistance Plan (LAP),

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Lakeport hereby adopts the attached Language Assistance Plan and will abide by it in all aspects.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect immediately upon its adoption by the City of Lakeport City Council.

I **HEREBY CERTIFY** that the foregoing resolution was duly and regularly introduced and adopted by the City Council of the City of Lakeport, State of California, on the December 1, 2020, by the following vote:

Ayes: [ENTER VOTE]

Noes: None

Absent: None

Abstain: None

ATTEST:

City Clerk

APPROVED:

Mayor



CITY OF LAKEPORT

- City Council
- City of Lakeport Municipal Sewer District
- Lakeport Redevelopment Successor Agency
- Lakeport Industrial Development Agency
- Municipal Financing Agency of Lakeport

STAFF REPORT	
RE: Letter to Governor Newsom	MEETING DATE: 12/01/2020
SUBMITTED BY: Kevin Ingram, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to consider co-signing or authoring a letter to Governor Newsom regarding the most recent changes to the COVID-19 shelter in place structure.

BACKGROUND/DISCUSSION:

The Lake County Board of Supervisors drafted a letter to Governor Newsom requesting a restructuring of the tiered shelter-in-place orders and identifying the unique economic impact on small communities. Staff is presenting the City Council with the Board’s letter for consideration of co-signing this letter or authoring a different letter.

OPTIONS:

FISCAL IMPACT:

None Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase:

Affected fund(s): General Fund Water OM Fund Sewer OM Fund Other:

Comments:

SUGGESTED MOTIONS:

Provide staff direction.

- Attachments:**
 1. Board of Supervisor’s letter dated November 17, 2020 to Governor Gavin Newsom



COUNTY OF LAKE
BOARD OF SUPERVISORS

Courthouse - 255 North Forbes Street
Lakeport, California 95453
TELEPHONE (707) 263-2368
FAX (707) 263-2207

Moke Simon – District 1

Bruno Sabatier – District 2

Eddie Crandell – District 3

Tina Scott – District 4

Rob Brown – District 5

November 17, 2020

The Honorable Gavin Newsom
Governor of the State of California
1303 10th Street, Suite 1173
Sacramento CA 95814

To the Honorable Governor Gavin Newsom:

COVID-19 has been a struggle for all. It has impacted every foundational fabric of our communities. Our schools, our elderly, our medically fragile, and our businesses have all been impacted. Here in Lake County we have worked hard to protect our vulnerable, provide assistance to our businesses, and continue to track the virus and manage the pandemic to the best of our abilities.

We have managed to do this through all the different mandates from the state. We shut down entirely in mid-late March. We submitted our local variance when the opportunity presented itself so we could move into reopening our communities, including our schools. We managed again to figure out how to fit within the parameters of the new tiered system, including the revision with the small population counties. However, while managing to keep our spread of the virus to a manageable status for our county, our businesses have had difficulties with some still being restricted and others still unable to open due to the parameters that have been set within the tiered system.

In our recent conversations, we've been discussing on how to save the businesses, mainly our hospitality businesses, from the oncoming winter months and the increasingly enormous impact to staff, owners, and the domino economic effect this has in our communities including the collection of taxes at the county level for the increased services that are desperately needed. This includes a 500% increase in calls for substance use disorders and 129% increase in mental health calls. The survival of these businesses, while ensuring the safety of staff and customers, is important for the short and long term of our county as the need for our services has not subsided.

Dr. Ghaly, in yesterday's report stated that we should stay local and related that travelling 2-3 hours was within your local area. This means that we have state approval for folks from purple areas, which we are surrounded by, to come and visit our county regularly. We've been dealing with this constantly, however, now the state has shared approval of this occurring.

This brings me to yesterday's new unveiling of the changes to the tiered process. Our restricted businesses are struggling enough as it is. Now, to be able to go from 50% capacity to outdoor only has the potential to create a complete loss as these businesses reminiscent of PSPS. For example, restaurants order by the week to ensure their food is fresh for their customers, yet their activity for the following may change drastically with these new changes. To allow the skipping of tiers and to make the changes occur so abruptly while advertising that it is appropriate to travel 2-3 hours means that our potential impact to these businesses could swing abruptly from week to week if not sometimes in the middle of the week. This makes these businesses even less likely to survive the winter season.

The state discussions with CSAC that brought forth the new small county criteria was due to us being impacted greatly by a single outbreak such as the one that recently occurred in our county jail. These numbers are magnified when compared to a population of 100,000 which makes us moving through the tier system on a week to week basis even more likely. We should be looking for stability with safety guidelines for our communities. This new approach creates a vastly unstable environment for our businesses to try and survive.

Please reconsider this new change and review how it is that we can support our businesses, while utilizing every safety precaution to ensure the safety of our communities and to reduce the risk of an economic collapse.

Respectfully submitted,

COUNTY OF LAKE

Moke Simon, Chair
District 1 Supervisor

Bruno Sabatier
District 2 Supervisor

E.J. Crandell
District 3 Supervisor

Tina Scott
District 4 Supervisor

Rob Brown
District 5 Supervisor