



**Northern United Charter Schools
Board of Directors
Special Board Meeting**

May 9, 2018
Open Session 4:00 p.m.

Teleconference locations:
Cutten Resource Center Classroom
2120 Campton Road, Suite H, Eureka, CA

Yreka Learning Center
505 S. Broadway, Yreka, CA

Any writings distributed either as part of the Board packet, or within 72 hours of a meeting, can be viewed at the Northern United Charter Schools' office.

In compliance with Government Code section 54954.2(a) Northern United Charter Schools will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Northern United Charter Schools' office.

A digital copy of our board packet is available at www.nucharters.org.
If you are interested in a hard copy of the packet, please contact Lynda Speck or Shari Lovett at (707) 445-2660.

**Northern United - Siskiyou Charter School and Northern United - Humboldt Charter School are proud to be
Equal Opportunity Employers.**

Meeting Opened by President: _____ Members Leaving Early: _____
Members Present: _____ Members Arriving Late: _____
Members Absent: _____ Adjournment: _____

OPEN MEETING: 4:00 PM, CALL TO ORDER

1. CALL TO ORDER/AGENDA

1.1 Pledge of Allegiance

1.2 Agenda: Items to be removed from the agenda or changes to the agenda will be made at this time.

Action _____

2. BUSINESS AND FINANCE

2.1 Financial Report

Information

2.2 2017-18 Local Control and Accountability Plan (LCAP)

Information

2.3 Northeastern Joint Powers Authority Agreement and Bylaws

Action _____

3. CONSENT AGENDA

No items

3.1 Approval of Warrants & Payroll

3.2 Approval of Minutes

3.3 Resignations, Hires and Leaves

4. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Information

4.1 Comments by the Public

Under this item, the public is invited to address the Board regarding items that are not on tonight's agenda. Speakers are limited to three minutes each. The Board is not allowed under the law to take action on matters that are not on the agenda. Should comments from the public pertain to a charge or complaint against an employee of Northern United - Humboldt Charter School or Northern United - Siskiyou Charter School, the Board encourages the speaker to utilize the district's written complaint procedures to pursue the matter. The public will have an opportunity to comment on all agenda items as those items are heard this evening.

CALL TO ORDER/AGENDA

Subject:

1.1 Pledge of Allegiance

1.2 Agenda: Items to be removed from the agenda or changes to the agenda will be made at this time.

Action Requested:

1.1 None

1.2 Approval

Previous Staff/Board Action, Background Information and/or Statement of Need:

1.2 A trustee, administrator or a member of the public may request that an item be removed from the agenda or the order of the agenda be changed at the pleasure of the Board.

Agenda items may be added to the agenda if an "emergency situation" exists or "immediate action" is needed.

Fiscal Implications:

None

Contact Person/s: Shari Lovett, Jere Cox

Agenda Item 2.

BUSINESS AND FINANCE

Subject:

2.1 Financial Report

Action Requested:

Approval

Previous Staff/Board Action, Background Information and/or Statement of Need:

Each month a Financial Report is given in order to keep the Board apprised of the Schools' fiscal condition.

Applications for the Public Charter School Grant Program for each school were submitted. The budgets for both schools are being developed by in-house business staff and SCOE. See item 2.3.

Fiscal Implications:

As reported.

Contact Person/s: Shari Lovett, Tammy Picconi, Kirk Miller

Agenda Item 2.
BUSINESS AND FINANCE

Subject:
2.2 2018-19 Local Control and Accountability Plan (LCAP)

Action Requested:
None

Previous Staff/Board Action, Background Information and/or Statement of Need:
The Board is required to approve an LCAP for each school for the 2018-2019 school year.

Using data and local stakeholder input, the LCAP attempts to capture and reduce to writing what our school does well and areas for growth. It represents the goals of all stakeholders and includes the resources the schools allocate to reach these goals.

At each Board meeting, the Board and the public will be notified of the Schools' progress on the LCAPs' goals and are encouraged to provide their input.

Fiscal Implications:
None

Contact Person/s: Shari Lovett

Agenda Item 2.
ADMINISTRATION

Subject:
2.3 Northeastern Joint Powers Authority Agreement and Bylaws

Action Requested:
Approval

Previous Staff/Board Action, Background Information and/or Statement of Need:
The Northeastern Joint Powers Authority (NEJPA) provides Workers' Compensation protection for public agencies who are members. Northern United - Siskiyou Charter School is seeking membership in this JPA. Adopting the agreement and bylaws is a requirement for each member.

Fiscal Implications:
Unknown at this time

Contact Person/s: Shari Lovett

NORTHEASTERN JOINT POWERS AUTHORITY

POLICIES & PROCEDURES MANUAL



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SECTION I – AGREEMENT & BYLAWS

JOINT EXERCISE OF POWERS AGREEMENT
TO ESTABLISH, OPERATE, AND MAINTAIN A JOINT PROGRAM
FOR WORKERS' COMPENSATION PROTECTION

THIS AGREEMENT is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code, relating to the joint exercise of powers, between the public agencies signatory hereto, and also those which may hereafter become signatory hereto, for the purpose of operating an agency to be known and designated as "Northeastern Joint Powers Authority" (hereinafter referred to as "The Authority").

WITNESSETH:

WHEREAS, it is to the mutual benefit of the parties herein subscribed and in the best public interest of said parties to join together to establish this Joint Exercise of Powers Agreement to accomplish the purposes hereinafter set forth; and

WHEREAS, the development, organization, and implementation of The Authority is of such magnitude that it is desirable for aforesaid parties to join together in this Joint Exercise of Powers Agreement in order to accomplish the purposes hereinafter set forth; and

WHEREAS, the signatories hereto have determined that there is need, by public agencies, for a Joint Program for Workers' Compensation protection; and

WHEREAS, it has been determined by such signatories that a Joint Program for Workers' Compensation protection is of value on an individual and mutual basis; and

WHEREAS, Title 1, Division 7, Chapter 5, Article 1, of the California Government Code authorizes joint exercise by two or more public agencies of any power common to them; and

WHEREAS, it is the desire of the signatories hereto to jointly provide for a Joint Program for Workers' Compensation protection for their mutual advantage and concern; and

WHEREAS, it is the desire of the signatories hereto to study and from time to time to incorporate other forms of risk management into a Joint Program such as that described herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC AGENCIES, each of the parties hereto does agree as follows:

1. CREATION OF THE JOINT POWERS ENTITY

A joint powers entity, separate and apart from the public agencies signatory hereto, shall be and is hereby created and shall hereafter be designated as the Northeastern Joint Powers Authority (hereinafter referred to as "The Authority").

2. FUNCTIONS OF THE AUTHORITY

A. The Authority is established for the purposes of administering this Agreement, pursuant to the provisions of the California Government Code, and of providing the services and other items necessary and appropriate for the establishment, operation and maintenance of a Joint Program for Workers' Compensation protection for the public agencies who are Members thereof, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding other programs.

B. The functions of The Authority are:

1. To provide a Joint Program and system, as stated in the Basis of Contribution and given to each Member, for Workers' Compensation claims against the Members of The Authority and as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other services as necessary for the payment and handling of all Workers' Compensation claims against Members.
2. To pursue the Member's right of Subrogation against a third party when in the discretion of the Executive Committee the same is appropriate. Any and all proceeds resulting from the assertion of such Subrogation rights shall accrue to the benefit of The Authority.
3. To enter into contracts.
4. To obtain appropriate commercial insurance coverage as determined by the Executive Committee.
5. To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of a Joint Program for Workers' Compensation including, but not limited to, the acquisition of facilities and equipment, the employment of personnel, and the operation and maintenance of a system for the handling of the Joint Program.
6. To incur debts, liabilities, and Obligations necessary to accomplish the purposes of this Agreement.
7. To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any Governmental entity.

8. To invest funds as deemed appropriate by the Executive Committee, and as subject to law.

3. POWERS OF THE AUTHORITY

The Authority shall have the power and authority to exercise any power common to the public agencies which are parties to this Agreement, provided that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of The Authority shall be subject to the restrictions upon the manner of exercising such powers by a public agency having the same status as a member agency or Joint Powers Authority except as otherwise provided in this Agreement.

4. TERM OF THE AGREEMENT

This Agreement shall be effective and binding on any signatory thereto upon execution. This Agreement shall continue in effect until lawfully terminated as provided herein and in the Bylaws. In the event of a reorganization of one or more of the public agencies participating in this Agreement, the successor or successors in interest to the assets and/or obligations of any such reorganized public agency shall succeed as a party or as parties to this Agreement.

5. BYLAWS

- A. The Authority shall be governed pursuant to certain Bylaws, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, and by such amendments to the Bylaws as may from time to time be adopted. Wherever in this Agreement "Bylaws" are referred to, said Bylaws shall be those set forth in Exhibit "A", as may be amended. Each party to this Agreement agrees to comply with and be bound by the provisions of said Bylaws and further agrees that The Authority shall be operated pursuant to this Agreement and said Bylaws.
- B. Procedures for amending the Bylaws shall be as provided in the Bylaws so long as not inconsistent with this Agreement.

6. MEMBERSHIP IN THE AUTHORITY

- A. Each party to this Agreement must be eligible for membership in The Authority as defined in the Bylaws and shall become a Member of The Authority on the effective date of this Agreement, except as provided herein below. Each party, which becomes a Member of The Authority shall be entitled to the rights and privileges of, and shall be subject to the obligations of, membership as provided in this Agreement and in the Bylaws.
- B. Upon approval by the Executive Committee, any public agency that is not a party hereto but that desires to join The Authority created hereby, may become a Member hereof by executing a copy of this Agreement whereby said public agency agrees to comply with the terms of this Agreement and of the Bylaws effective as of the date of such execution.

7. WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

- A. Any party to this Agreement, which has completed the minimum term as, described in the Bylaws as a Member of The Authority may voluntarily terminate this Agreement as to itself and withdraw from membership in The Authority. Such termination and withdrawal of membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.
- B. A Member may be involuntarily terminated from The Authority upon recommendation by the Executive Committee, as provided in the Bylaws. Such removal from membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.

8. TERMINATION OF AGREEMENT

This Agreement may be terminated effective at the end of any fiscal year by a three-fourths (3/4) vote of the Members present at a Board of Directors' meeting, provided, however, that The Authority and this Agreement shall continue to exist for the purpose of disposing of all Obligations, distribution of assets, and all other functions necessary to conclude the affairs of The Authority.

9. DISPOSITION OF PROPERTY, FUNDS AND OBLIGATIONS

- A. In the event of the dissolution of The Authority, the complete rescission, or other final termination of this Agreement by the public agencies then a party hereto, any property interest remaining in The Authority following a discharge of all Obligations shall be disposed of as provided for in the Bylaws.
- B. In the event a Member withdraws from this Agreement, any property interest of that Member remaining in The Authority following discharge of all Obligations shall be disposed of as provided for in the Bylaws.

10. AMENDMENTS

This Agreement may be amended at any time by a subsequent written agreement signed by all the parties hereto. Any such amendment shall be effective upon -the date of final execution thereof by all the parties hereto.

11. 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 any other applicable law, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

12. LIABILITY

- A. Pursuant to Section 6508.1 of the California Government Code, the debts, liabilities and Obligations of The Authority shall be debts, liabilities or Obligations of the parties to this Agreement.

- B. Pursuant to the provisions of Sections 895, et seq., of the California Government Code, the Members of The Authority are jointly and severally liable for any liability, which is otherwise imposed by law upon any one of the Members or upon The Authority for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement. If a Member, or The Authority, is held liable upon any judgment for damages caused by such an act or omission and makes payments in excess of its Pro Rata Share on such judgment, such Member of The Authority is entitled to contribution from each of the other Members that are parties to the Agreement. A Member's Pro Rata Share shall be determined in the same manner as for the disposition of property and funds as provided in the Agreement and the Bylaws.
- C. The Authority may insure itself, to the extent deemed necessary or appropriate by the Executive Committee, against loss, liability, and claims arising out of or connected with this Agreement.

13. ENFORCEMENT

The Authority is hereby given authority to enforce this Agreement. In the event suit is brought upon this Agreement by The Authority and judgment is recovered against a Member, the Member shall pay all costs incurred by The Authority, including reasonable attorney's fees as fixed by the court.

14. MULTIPLE COUNTERPARTS

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

15. DEFINITIONS

The terms used herein and in the Bylaws shall have the following meanings:

- A. "The Authority" shall mean the Northeastern Joint Powers Authority created by this Agreement.
- B. "Basis of Contribution" shall mean the method by which the Executive Committee computes the Members share of the cost of each Program Year of the Joint Program.
- C. "Board of Directors" shall mean the governing board of The Authority established by the Bylaws to direct and control The Authority.
- D. "Capital Target" shall mean the excess by which the assets exceed the liabilities for all the Program Years measured at a point in time as determined by the Executive Committee.
- E. "Claim Liability" shall mean those liabilities established by The Authority, which represents.
- F. Workers' Compensation liabilities as respects to claims that have been incurred but unpaid and incurred but not reported.

- G. "Contribution" shall mean money paid by a Member to The Authority, or monies assessed a Member of The Authority.
- H. "Executive Committee" shall mean the committee with the powers and authority as established by the Bylaws.
- I. "Joint Program" shall mean the group purchasing of insurance or the setting aside of funds and reserves to pay for a self-insured retention or for losses not covered by insurance.
- J. "Member" shall mean an individual California school public agency, county office of education, Community College district, regional occupational center or program, county superintendent of Schools, or Joint Powers Authority comprised solely of California school public agencies which belongs to The Authority.
- K. "Memorandum of Coverage" shall mean the description of the scope of protection provided to the Members for Workers' Compensation claims.
- L. "Net Contribution Available For Pool Operations" shall mean the Contribution by each Member for each Program Year less amounts paid for Member's share of any excess insurance and individual risk management services.
- M. "Obligations" shall mean to include, but not limited to, all payments required by law together with all Claim Liabilities and any other legal obligations incurred by The Authority pursuant to this Agreement and Bylaws.
- N. "Program Year" shall mean one year of the Joint Program, separate from each and every other Program Year and shall operate on a fiscal year from July 1st through June 30th, or as otherwise determined by the Executive Committee.
- O. "Pro Rata Share" shall mean each Member's Net Contribution Available For Pool Operations in proportion to the total of all Member's Net Contributions Available For Pool Operations for each Program Year.
- P. "Subrogation" shall mean the recovery of payments, which The Authority has made on behalf of a Member. Subrogation monies received are the property of The Authority and for the Basis of Contribution are credited to the account of the Member.
- Q. "Workers' Compensation" shall mean coverage for workers' compensation and employer's liability claims as defined in the Basis of Contribution.

16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between The Authority and the Members, and as such supersedes all prior agreements, understandings, negotiations and representations.

17. CONTROLLING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

Member: _____

Date: _____

By: _____

Title: _____

BYLAWS

NORTHEASTERN JOINT POWERS AUTHORITY

EXHIBIT A

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Revised: 6/15/05
 4/9/09
 1/23/18

BYLAWS

NORTHEASTERN JOINT POWERS AUTHORITY

PREAMBLE

Northeastern Joint Powers Authority ("The Authority") is established for the purpose of providing the services and other items necessary and appropriate for the establishment, operation, and maintenance of a Joint Program for Workers' Compensation protection for the public agencies who are Members hereof, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding programs of Workers' Compensation coverage.

ARTICLE I

BOARD OF DIRECTORS

A Board of Directors is hereby established to direct and control The Authority.

Each Member of The Authority shall be entitled to a seat on the Board of Directors and shall appoint to the Board of Directors one representative and one alternate who shall be designated in writing. Said representative and said alternate must be an employee or authorized agent of the Member and shall serve at the pleasure of the Member by whom appointed. Only the designated representative or designated alternate may represent a Member. The designated representative and designated alternate may invite members of their agency's staff or consultants to attend meetings of the Board of Directors in an advisory capacity. The Authority shall be notified in writing prior to a change in a Members' designated representative or alternate.

Each Member shall have one vote, which may be cast only by the designated representative who is in physical attendance or the designated alternate who is in physical attendance if the designated representative is absent. No proxy or absentee votes shall be permitted. As per the Joint Exercise of Powers Agreement or in these Bylaws, a vote of the majority of the Board of Directors present, shall be sufficient to constitute action, provided that a quorum is present.

The Board of Directors may conduct regular, adjourned regular, special, and adjourned special meetings, provided, however, that it will hold at least one meeting each fiscal year. The date, time, and place for each such meeting shall be fixed by the Board of Directors. All meetings of the Board of Directors shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act (Sections 54950, et seq.) of the California Government Code, as said Act may be modified by subsequent legislation, and as the same may be augmented by rules of the Board of Directors not inconsistent therewith. Except as otherwise provided or permitted by law, all meetings of the Board of Directors shall be open and public. The Board of Directors shall cause minutes of its meetings to be kept, and shall promptly transmit to the Members of The Authority true and correct copies of the minutes of such meetings.

The Board of Directors shall designate, by resolution, a specific location at which it will receive notices, correspondence, and other communications and shall designate one of its Members

as an officer for the purpose of receiving service on behalf of the Board of Directors. The Board of Directors shall comply with the provisions of Sections 6503.5 and 53051 of the California Government Code requiring the filing of a statement with the Secretary of State and with the County Clerk.

The Board of Directors shall establish an Executive Committee as hereinafter provided in these Bylaws.

ARTICLE II

EXECUTIVE COMMITTEE

- A. The Board of Directors shall establish an Executive Committee of nine (9) members as follows:
1. The members of the Executive Committee shall be elected by a majority vote of the Members of the Board of Directors to serve terms of office of two (2) years. Should a mid-term vacancy occur, the Executive Committee members shall have authority to fill the vacancy, with the position to be held only until the next Board of Directors meeting when a regular election can be held.
 2. The Executive Committee shall consist of nine (9) members; the officers of the Board of Directors, including the Treasurer, which position is filled by the Chief Business Official of the Office of the Siskiyou County Superintendent of Schools, or their designee (see Article IV.A), and the remaining members to be elected from the other Member districts with a minimum of one (1) member from each County.
 3. The members of the Executive Committee may be removed at any time, with or without cause, upon a majority vote of the Members present at a Board of Directors meeting.
- B. The Executive Committee shall be responsible for the ongoing operations of the Joint Program and is hereby empowered to implement and enforce rules, regulations, and procedures, except those specifically designated for the Board of Directors.
- C. Each Executive Committee member shall have one vote, which may be cast only by the designated representative who is in physical attendance. No proxy or absentee votes shall be permitted. As per the Joint Exercise of Powers Agreement or in these Bylaws, a vote of the majority of the Executive Committee present, shall be sufficient to constitute action, provided that a quorum is present.
- D. The Executive Committee may conduct regular, adjourned regular, special, and adjourned special meetings, provided, however, that it will hold at least one meeting each fiscal year. The date, time, and place for each such meeting shall be fixed by the Executive Committee. All meetings of the Executive Committee shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act (Sections 54950, et seq.) of the California Government Code, as said Act may be modified by subsequent legislation, and as the same may be augmented by rules of the Executive Committee not inconsistent therewith. Except as otherwise provided or permitted by law, all meetings of the Executive Committee shall be open and public. The Executive Committee shall cause minutes of its

meetings to be kept and shall promptly transmit to the Members of The Authority true and correct copies of the minutes of such meetings.

- E. The Executive Committee shall determine Contributions and the method by which Contributions will be paid to The Authority. Contributions shall be based upon the method as defined in the Basis of Contribution for the Program Year for which the Contribution was assessed. Final Contributions will be adjusted based on actual payroll for the Program Year. The Executive Committee reserves the right to audit the payroll of any or all Members. The Executive Committee shall also provide for additional assessments during the year, if necessary or appropriate. The Executive Committee shall ensure that a complete and accurate system of accounting of The Authority shall be maintained at all times consistent with established Generally Accepted Accounting Principles and particularly those promulgated by the Governmental Accounting Standards Board as presently set forth or as subsequently expanded upon or modified.
- F. The Executive Committee may appoint and dissolve working committees from its active membership or contract for services of others in keeping with the Joint Exercise of Powers Agreement, these Bylaws and the Laws of the State of California.
- G. The Executive Committee shall have the power, authority and duty to authorize the course and scope of investigation, defense, settlement and payment of Workers' Compensation claims against Members of The Authority.
- H. The Executive Committee shall directly or by contract provide for services required to effectively implement all aspects of this Joint Program.

ARTICLE III

RULES OF THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

- A. The Board of Directors and Executive Committee may establish rules governing their own conduct and procedure and have such expressed or implied authority as is not inconsistent with or contrary to the laws of the State of California, or any other applicable law, these Bylaws, or the Joint Exercise of Powers Agreement.
- B. A quorum for the transaction of business by the Board of Directors or the Executive Committee shall be the majority of the Members of the Board of Directors and the Executive Committee, respectively. All actions of the Board of Directors or the Executive Committee require a majority vote, unless otherwise specified in the Agreement or these Bylaws.
- C. No one serving on the Board of Directors or Executive Committee shall receive any salary or compensation from The Authority.
- D. The Board of Directors or Executive Committee may approve reimbursement for expenses incurred at their direction.
- E. All expenditures of funds shall be authorized by the Board of Directors or the Executive Committee.

ARTICLE IV

OFFICERS

- A. The officers of the Board of Directors shall be elected by the Board of Directors from members of the Executive Committee, with the exception of the Treasurer, which position shall be filled by the Chief Business Official of the Office of the Siskiyou County Superintendent of Schools, or their designee, and serve terms of office as elected.
- B. The principal officers of the Authority shall be a President, a Vice President, a Secretary and a Treasurer and each shall serve a term of office as may be established by the Board of Directors in its rules. Each officer shall be a member of the Executive Committee as established by these Bylaws. Any person elected or appointed as an officer may be removed at any time, by a vote of the Board of Directors. All vacancies arising may be filled at any time by a vote of the Board of Directors.
- C. The President shall be the Chief Executive Officer and shall have general supervision and direction of the business of The Authority, shall see that all orders and resolutions of the Board of Directors are carried into effect, and shall be a member of all committees appointed by the Board of Directors. The President shall have other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.
- D. The Vice President shall have such powers and perform such duties as may be prescribed from time to time by the Board of Directors or the President. In the absence of the President, the Vice President shall be vested with all the powers and authorized to perform all the duties of the President.
- E. The Secretary shall record, or cause to be recorded, all votes and the minutes of all proceedings, shall give, or cause to be given, notice of all meetings of the Board of Directors and Executive Committee when notice is required by law or these Bylaws, and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or the President.
- F. The Treasurer shall be the Chief Financial Officer of The Authority and shall assume the duties described in Sections 6505.1, 6505.5 and 6505.6 of the California Government Code, as follows:
 - 1. Receive and receipt for all money of The Authority and place it in the treasury so designated by the Board of Directors to the credit of The Authority.
 - 2. Be responsible upon his/her official bond for the safekeeping and disbursement of all money held by The Authority.
 - 3. Pay, when due, out of money of The Authority so held, all sums payable by The Authority.
 - 4. Verify and report in writing as of the first day of July, October, January and April of each year to the Board of Directors, and to the Members of The Authority, the amount of receipts since the last report, the amount paid out since the last report and the cash balance.

5. Serve as custodian of The Authority property.
6. Monitor the investment of surplus funds of The Authority and oversee the performance of the contracted investment advisor, assuring compliance with the investment requirements of the State of California, as provided in Government Code Section 53600 et seq, and the issuance of written reports at least quarterly from the investment advisor concerning investment activity during the preceding quarter and the value of invested funds.
7. The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by law or by the Board of Directors or the President.
8. The Treasurer shall have staff assistance in the performance of these duties.

ARTICLE V

FINANCE

- A. The Authority shall operate on a fiscal year from July 1st through June 30th, or as otherwise determined and approved by the Board of Directors.
- B. The Board of Directors shall adopt, on or before July 1st, a budget estimating the amount of money that will be needed for the ensuing year. The budget shall be based upon an actuarial study of the programs provided by The Authority. A copy of the budget shall be transmitted to each of the participating Members.
- C. Each Member shall pay to The Authority each fiscal year the annual Contribution as adopted by the Executive Committee pursuant to Paragraph D of this Article. Contributions are due and payable on receipt of invoice and shall be considered past due 60 days from receipt of invoice and a penalty assessed on the unpaid amount at the current investment rate of the County Treasurer, or as otherwise determined by the Executive Committee.
- D. The annual Contributions, as adopted by the Executive Committee for each Member of The Authority, shall be determined prior to May 1st, but in no event later than July 1st for each ensuing fiscal year as follows:
 1. Member's share of The Authority's Joint Program as modified per Member's Basis of Contribution.
 2. Member's share of all other costs as determined by the Executive Committee.
- E. Each Program Year of The Authority shall operate separately from every other Program Year in regard to its assets and Obligations. Those assets and Obligations are pooled assets and Obligations of the Members who participate in each distinct and separate Program Year. (see Exhibit A-1)
 1. All Contributions, Obligations, expenditures and disbursements of The Authority that can be separately and distinctly identified by Program Year shall be accounted for separately by each Program Year.

2. Joint Program revenues, Obligations and expenses (such as interest income, auditor fees, travel and meeting expenses, etc.) that cannot be separately and distinctly identified to a specific Program Year shall be allocated to each Program Year in a logical and consistent manner, as determined by the Executive Committee.
3. Should the total Obligations for a Program Year of The Authority exceed the total assets of that year, that year's Members may be assessed a Pro Rata Share of the additional Contribution required as determined by an actuary or consultant and approved by the Executive Committee. Late payment of additional Contributions are subject to late payment penalties as determined and approved by the Executive Committee.
4. Should the total assets of a Program Year exceed the Obligations of that year, that year's Members may receive a Pro Rata Share return of Contribution as determined by an actuary or consultant and approved by the Executive Committee.
5. The Authority's Capital Target, as adopted annually by July 1st by the Executive Committee, must be met before any assets may be returned to the Members, as in Paragraph E, 4 above.

F. When the total assets exceed Obligations of a Program Year, as set forth above, the return of Contribution for each Program Year shall be established as follows:

1. Program Years of 7 age and older, return of Contribution shall be 100% of the Programs' net assets;
2. Program Years of 5 age through 6 age shall be 75 % of the Programs' net assets;
3. Program Years of 3 age through 4 age shall be 25 % of the Programs' net assets;
4. Program Years of 1 age through 2 age shall be 0 % of the Programs' net assets.

The term "age" as used herein shall be defined as the number of years since the beginning of the Program Year. Upon determination of each Program Year's net asset, the withdrawing or withdrawn Member's proportion thereof shall be distributed to it or collected from it in proportion to such Member's Pro Rata Share of Contributions for each applicable Program Year according to the schedule referred to in the paragraph referred to immediately above.

The process referred to above shall be repeated for 10 years and in each year subsequent thereto, in which the expected claims figure changes following withdrawal.

Upon a Member's withdrawal, an individually identified but not separately segregated, net asset account shall be established for said Member for accounting purposes. No sums shall be collected from or paid to a withdrawing or withdrawn Member until the amount of net liability and said Member's net asset exceeds \$500.00. Said segregated account shall not accrue or be charged any interest on behalf of or to the withdrawing or withdrawn Members. Further, no sums shall be distributed to a withdrawing or withdrawn Member of the total net asset of each Program from all years of operation is not greater than the Capital Target amount as defined by Board policy. Nothing herein shall be construed to prohibit the assessment of additional Contributions otherwise authorized for Program Years in which withdrawn or withdrawing Member was a participant.

- G. Any Subrogation recoveries received by The Authority, or its Members, shall be credited to the amounts paid by The Authority for the Member, with the remainder, if any, remitted to the Member and accounted for separately by each Program Year.
- H. A general fund shall be established and maintained to receive monies, pay operating expenses, hold reserves and pay claims of The Authority. The Authority shall accept and deposit in the general fund all monies received.

ARTICLE VI

BASIS OF CONTRIBUTION

- A. The Executive Committee shall, by July 1st, distribute to Members the Basis of Contribution for the following Program Year.
- B. The Basis of Contribution shall be adopted by the Executive Committee.
- C. The Basis of Contribution shall consist of:
 - 1. An actuarial retrospective cost allocation and Member prospective experience rating program.
 - 2. The rate foundations and payroll for program Contributions.
 - 3. The scope of protection, as stated in the Memorandum of Coverage, for Workers' Compensation claims.
 - 4. Other terms and conditions which the Executive Committee may consider necessary.

ARTICLE VII

ACCOUNTS AND RECORDS

- A. The Treasurer is designated the depository for The Authority in compliance with California Government Code 6505.5 and 6505.6.
- B. The Authority is strictly accountable for all funds received and disbursed by it and, to that end, shall establish and maintain such funds and accounts as may be required by Generally Accepted Accounting Principles, or by any provision of law or any resolution of The Authority. Books and records of The Authority in the hands of the Treasurer, shall be open to inspection at all reasonable times by representatives of the Members. Authority as soon as practical after the close of each fiscal year shall give, or cause to be given, a complete written report of all financial activities for such fiscal year to each Member of The Authority.
- C. The Treasurer shall contract with a Certified Public Accountant to make an annual audit of the accounts' records, and financial affairs of The Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under California Government Code 26909 and shall conform to Generally Accepted Auditing Standards and accounting principles.

When such an audit of accounts and reports is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Members of The Authority.

Such reports shall be filed within twelve (12) months of the end of the fiscal year under examination. Any costs of the audit, including contracts with, or employment of, Certified Public Accountants in making the audit(s) provided for herein, shall be appropriate administrative charges against the funds of The Authority.

ARTICLE VIII

RISK MANAGEMENT

The Executive Committee of The Authority shall develop guidelines for risk management practices. Each of the Members hereby agrees to implement in its agency the guidelines of risk management practices developed by the Executive Committee.

ARTICLE IX

WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

- A. Any Member having completed a minimum of thirty six (36) consecutive months as a Member of The Authority may withdraw from its status as a Member at the end of any fiscal year by notifying the Executive Committee in writing prior to December 31st of the fiscal year, at the end of which the withdrawal is to be effective.
- B. The incurred claims, incurred but not reported claims, and all Contributions of the withdrawing Member shall stay with The Authority. The withdrawing Member shall continue to participate in each of the Program Years for which they were a Member, per Article V, Paragraph E, of these Bylaws. The allocation of assets and Obligations as per Article V, Paragraph E, that were in effect for those years the withdrawing Member was a Member shall continue to stay in effect until those years are closed and clear of assets and/or Obligations.
- C. A Member may be involuntarily terminated from The Authority upon an approval by the Executive Committee. Involuntary termination shall have the effect of eliminating the party as a signatory of the Joint Exercise of Powers Agreement and as a Member of The Authority, effective at the end of the fiscal year in which the action is taken or upon such other date as the Executive Committee may specify, but in no case less than sixty (60) days after written notice of involuntary termination is given. The responsibility and participation of an involuntarily terminated Member shall be the same as stated in Paragraph B of this article.
- D. Grounds for involuntary termination include, but are not limited to, the following:
 - 1. Failure or refusal to abide by the Agreement or Bylaws.
 - 2. Failure or refusal of a Member to abide by an amendment which has been adopted by the Members of The Authority as provided in the Agreement or these Bylaws.

3. Failure or refusal to pay Contributions or assessments to The Authority as provided in the Agreement or Bylaws.
4. Failure to comply with risk management or safety programs implemented by the Executive Committee.
5. Failure of a Member to disclose a material fact to The Authority whereby said material fact constitutes fraud, misrepresentation or concealment for the purposes of obtaining coverage with The Authority.

ARTICLE X

DISPOSITION OF PROPERTY AND FUNDS

- A. In the event of the dissolution of The Authority, the complete rescission, or other final termination of the Joint Exercise of Powers Agreement by all Members or other public agencies then a party to the Agreement, any property interest remaining in The Authority following a discharge of all Obligations shall be disposed of pursuant to a plan adopted by the Board of Directors, with the objective of returning to each Member or other agency which is then or was theretofore a party preceding the termination of the Agreement, a Pro Rata Share of each Program Year's equity to which each Member was a participant. The plan adopted by the Board of Directors shall include, but not be limited to, the following:
 1. Claims outstanding against, and incurred but not reported to, The Authority shall be audited and calculated by an independent auditor and actuary selected by the Board of Directors for a determination of future liabilities for expenses and costs to bring these claims to a conclusion.
 2. The current fair market value of The Authority's properties shall be determined by the Board of Directors. If a Member disagrees with the current fair value of The Authority's properties as determined by the Board of Directors, the current fair value of said properties shall be determined by an independent appraiser selected by the Board of Directors.
- B. If the Board of Directors determines a dividend or return of Contributions is to be declared, such dividend or return of Contribution shall be computed pursuant to Article V, Paragraph E, of these Bylaws.

ARTICLE XI

INVESTMENT OF FUNDS

- A. The Executive Committee shall have the power to invest or cause to be invested in compliance with Section 6509.5 of the California Government Code, such funds as are not necessary for the immediate operation of The Authority in such securities as allowed by Section 53601 of the California Government Code.
- B. The level of cash to be retained for the actual operation of The Authority shall be determined by the Executive Committee.

ARTICLE XII

AMENDMENT

- A. Amendment to these Bylaws may be proposed by any Member of The Authority.
- B. All amendments to these Bylaws must be approved, after a recommendation by the Executive Committee, by a two-thirds (2/3) vote of the Members of the Board of Directors before the amendment shall become effective. Such amendments shall be binding upon all Members of The Authority. The effective date of any amendment will be on the first day of the month following adoption, unless otherwise stated.

ARTICLE XIII

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 law of the State of California, or any other applicable law, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

ARTICLE XIV

EFFECTIVE DATE

These Bylaws shall become effective upon the execution of the Joint Exercise of Powers Agreement.

EXHIBIT "A-I"

PROLOGUE

The accounting of the assets, Obligations, expenses, allocated investment income and the related contingent fund balance/(deficit) by Program Year is a lengthy and interdependent exercise that is not easily reduced to writing as to how it is calculated. It is, therefore, the intent of this Exhibit "A-1" to display the mechanics of how each Program Year's contingent fund balance/(deficit) is calculated and the interdependent relationship between all Program Years' contingent fund balances/(deficits) and The Authority's combined contingent fund balance/(deficit).

Agenda Item 3.

CONSENT AGENDA

A trustee can have an item removed from the Consent Agenda and given individual consideration for action as a regular agenda item. An administrator or a member of the public may request that an item be removed from the Consent Agenda and given individual consideration for action as a regular agenda item at the pleasure of the Board.

Subject:

3.1 Approval of Warrants and Payroll

Action Requested:

None

Previous Staff/Board Action, Background Information and/or Statement of Need:

This is a monthly process. The warrants and payroll totals are inspected and clarification is given if needed. In the future the Board Warrant and Payroll Reports will be attached.

Fiscal Implications:

None

Contact Person/s: Shari Lovett, Tammy Picconi, Kirk Miller

Agenda Item 3.

CONSENT AGENDA

A trustee can have an item removed from the Consent Agenda and given individual consideration for action as a regular agenda item. An administrator or a member of the public may request that an item be removed from the Consent Agenda and given individual consideration for action as a regular agenda item at the pleasure of the Board.

Subject:

3.2 Approval of Minutes

Action Requested:

None

Previous Staff/Board Action, Background Information and/or Statement of Need:

The minutes prior meetings are inspected, corrected if needed, and approved. This is a routine monthly process for the Board. The minutes are attached.

Fiscal Implications:

None

Contact Person/s: Shari Lovett, Lynda Speck

Agenda Item 3.

CONSENT AGENDA

A trustee can have an item removed from the Consent Agenda and given individual consideration for action as a regular agenda item. An administrator or a member of the public may request that an item be removed from the Consent Agenda and given individual consideration for action as a regular agenda item at the pleasure of the Board.

Subject:

3.3 Resignations, Hires and Leaves

Action Requested:

None

Previous Staff/Board Action, Background Information and/or Statement of Need:

None

Fiscal Implications:

None

Contact Person/s: Shari Lovett

Agenda Item 4.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Subject:

4.1 Comments by the Public

Action Requested:

None

Previous Staff/Board Action, Background Information and/or Statement of Need:

Board members or staff may choose to respond briefly to Public Comments.

Fiscal Implications:

None

Contact Person/s: Shari Lovett, Jere Cox