



CIVIC CENTER

City of Port Hueneme

250 North Ventura Road • Port Hueneme, California 93041 • Phone (805) 488-3625

February 8, 1980

TO: CITY COUNCIL

THRU: CITY MANAGER

FROM: FINANCE DEPT.

SUBJ: Southern California Joint Powers Insurance Authority

Date on Agenda 2-13-80
Action by Council Approve
Recommendation 1884
Minute Book _____ Page _____

As a result of Port Hueneme's earlier interest to seek admission to the Southern California Joint Powers Insurance Authority (Authority), the Authority has accepted Port Hueneme for membership effective April 1, 1980. The City's current liability insurance policy expires March 31, 1980. Staff has reviewed all materials which the JPA has presented and the following is a summary of the program:

The Authority is currently comprised of 33 member cities and is organized under a Joint Powers Agreement (Agreement) effective June 29, 1977, pursuant to the California Government Code. The purpose of the Authority is to provide and administer a joint liability protection program for the pooling of self-insured losses and to purchase excess insurance coverage. The liability insurance coverage provided by the Authority for the member cities includes protection for personal injury, errors and omissions, contractual liability and comprehensive liability.

The deposit premium paid by each member city (Port Hueneme's will be \$75,866) is subject to final retrospective adjustment in order to produce a premium for each policy year equal to the sum of the following:

1. The member city's losses up to \$10,000 for each occurrence.
2. The member city's share of pooled losses above \$10,000 but less than \$100,000 for each occurrence.
3. The member city's share of all other expenses of the Authority and losses above \$100,000 but less than \$500,000 for each occurrence.
4. The maximum retention on any one loss occurrence if \$500,000.

The Authority carries excess insurance to cover losses in excess of \$500,000 up to \$10 million for each loss occurrence.

The Agreement contains provisions which prohibit any member city from withdrawing as a party to the Agreement for a period of three years commencing April 1, 1978. Thereafter, a member city may withdraw at the end of any fiscal year except for liabilities from claims and losses incurred prior to withdrawal with a twelve month notice. In addition the Authority has the right to cancel a member city's participation with the approval of 75% of the Board of Directors.

Based upon calendar year information, the City's 1979 premium would have been approximately \$50,000 with the JPA as compared to approximately \$95,000 paid to Doud & Associates. Projecting these numbers forward, the JPA premium could be as low as \$42,000 to as much as \$151,732 for next year. However, based upon average loss information for the last five years, it would appear that the cost to the JPA should run in the \$45,000 to \$55,000 range. Staff expects to have a quote for next year's insurance premium from Doud & Associates prior to the meeting in order to give you a comparison.

RECOMMENDATION:

Staff recommends that the City Council authorize the City to join the Joint Powers Insurance Authority and execute the attached resolution and direct staff to see that it is presented to the JPA by February 15, 1980 along with an initial premium deposit of \$75,866.

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| <ol style="list-style-type: none">1. Cost of City's insurance could be reduced as much as 50%.2. Increase in maximum coverage from \$5 million per occurrence to \$10 million.3. Authority will supply monthly city loss control records and quarterly Authority loss control records.4. Insurance premium will be determined by actual loss records and cost of Authority.5. Authority has retained a loss control consultant who will be available to review City's program.6. Better claims control and analysis is necessary to program which should have a beneficial effect for the City.7. City will become eligible to join Authority's worker's comp. program after one year in the program.8. ---9. ---10. ---11. --- | <ol style="list-style-type: none">1. Cost could be greater if the City should experience an increase in losses.2. Current coverage is \$5 million3. Presently the City does not receive this type of records relating to our program.4. Insurance premium with current carrier is all that City will pay for that year.5. Insurance carrier could supply this type of service if requested by City.6. This will take more staff time or City will have to contract for risk management administrative help.7. ---8. City is tied to Authority for a minimum of three years.9. If Jarvis II should pass in June, 1980, the effects that this could have on cities is now unknown.10. This is another JPA forming in the San Luis Obispo-Santa Barbara area which may be more representative of our City.11. Insurance rates this year have shown a reduction in first dollar coverage but as with all coverage, this could change next year. |
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(As Amended to and
Including 1/10/79)

JOINT POWERS AGREEMENT:
CREATING THE SOUTHERN CALIFORNIA
JOINT POWERS INSURANCE AUTHORITY
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JOINT POWERS AGREEMENT:
CREATING THE SOUTHERN CALIFORNIA
JOINT POWERS INSURANCE AUTHORITY

THIS AGREEMENT is made and entered into in the County of Los Angeles, State of California, by and among the municipal corporations organized and existing under the Constitution or laws of the State of California, hereinafter collectively referred to as "Member Cities or Cities," and individually as "Member City" or "City" which are parties signatory to this Agreement and listed in Appendix "A", which is attached hereto and made a part hereof. Said Cities are sometimes referred to herein as "parties".

RECITALS:

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

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

WHEREAS, California Government Code Section 990.8 provides that two or more local public entities may, 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

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a joint protection program for said parties; and

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

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

ARTICLE 1

DEFINITIONS

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

(a) "Authority" shall mean the Southern California Joint Powers Insurance Authority created by this Agreement.

(b) "Board of Directors" or "Board" shall mean the governing body of the Authority.

(c) "City Managers' Committee" shall mean the committee of the Authority composed of the City Managers, City Administrators, or Administrative Officers of Cities.

(d) "Claims" shall mean demands made against the Authority arising out of occurrences which are within the Authority's joint protection program as developed by the Board of Directors.

(e) "Excess Insurance" shall mean that insurance purchased on behalf of the Authority to protect the funds of the Authority against catastrophes or an unusual frequency of losses during a single year.

(f) "Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

(g) "Secretary" shall mean the Executive Director of the California Contract Cities Association, or such other person as the Board of Directors may appoint.

(h) "Finance Officers' Committee" shall mean the committee of the Authority composed of the Finance Officers of Cities.

(i) "Fiscal Year" shall mean that period of twelve months which is established as the fiscal year of the Authority.

(j) "Insurance" shall mean and include self-insurance through a funded program and/or any commercial insurance contract.

GRW14-6A

(k) "Insurance Manager" shall mean that employee of the Authority who is appointed by the Executive Committee subject to the approval of the Board of Directors, and responsible for the management and administration of the joint protection program of the Authority.

ARTICLE 2

PURPOSES

This agreement is entered into by Cities pursuant to the provisions of California Government Code Sections 990, 990.4, 990.8, and 6500 et seq. in order to provide more comprehensive and economical liability coverage, to reduce the amount and frequency of Cities' losses, and to decrease the cost incurred by Cities in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of Cities jointly in the creation of a separate entity, the Southern California Joint Powers Insurance Authority (the Authority), to administer a joint protection program wherein Cities will pool their losses and claims, jointly purchase excess insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional municipal corporations

organized and existing under the Constitution or laws of the State of California as may desire to become parties to this Agreement and members of the Authority, subject to approval by the Board of Directors.

ARTICLE 3

PARTIES TO AGREEMENT

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories 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 22. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 23 and 24 shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 4

TERM OF AGREEMENT

This Agreement shall be effective on the date of execution hereof by the last of thirty (30) Cities, and shall continue until and unless terminated as hereinafter provided.

ARTICLE 5

CREATION OF AUTHORITY

Pursuant to Section 6500 et seq. of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Southern California Joint Powers Insurance Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement.

ARTICLE 6

POWERS OF AUTHORITY

(a) The Authority shall have the powers common to Cities and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

1. To make and enter into contracts;
2. To incur debts, liabilities or obligations;
3. To acquire, hold or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
4. To sue and be sued in its own name; and

GRW14-3A

5. To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

(b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 7

BOARD OF DIRECTORS

(a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one representative from each Member City, who shall be a City Councilmember selected by the City Council of that City. Each City Council, in addition to appointing its member of the Board, shall appoint at least one alternate who shall be an officer or employee of that City. The alternate appointed by a City shall have the authority to attend, participate in and vote at any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.

(b) Each member or alternate of the Board shall be appointed for a one year term and until a successor is appointed. Each member or alternate shall serve at the pleasure of the City by which he or she has been appointed.

(c) Each member of the Board shall have one vote.

ARTICLE 8

POWERS OF THE BOARD OF DIRECTORS

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

(a) The Board shall elect from its members pursuant to Article 10 of this Agreement an Executive Committee to which it may give authority to make and implement any decisions, including those involving the administration of the Authority, except those decisions that would require an amendment of this Agreement, under Article 29 herein.

(b) The Board may review all acts of the Executive Committee, and shall have the power to modify and/or override any decision or action of the Executive Committee upon a majority vote of the entire Board of Directors.

(c) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority, prepared by the Executive Committee pursuant to Article 11(d).

(d) The Board shall receive and review periodic accountings of all funds under Articles 17 and 18 of this Agreement.

(e) The Board shall have the power to conduct on behalf of the Authority all business of the Authority, including that assigned to the Executive Committee, which

the Authority may conduct under the provisions hereof and pursuant to law.

(f) The Board shall have such other powers and functions as are provided for in this Agreement.

ARTICLE 9

MEETINGS OF THE BOARD OF DIRECTORS

(a) Meetings. The Board shall provide for its regular, adjourned regular and special meetings; provided, however, that it shall hold at least one regular meeting annually each July.

(b) Minutes. The Secretary of the Authority shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to each City.

(c) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. A vote of the majority of those members present at a meeting shall be sufficient to constitute action by the Board.

(d) Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called,

noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 et seq.

ARTICLE 10

EXECUTIVE COMMITTEE

There shall be an Executive Committee of the Board of Directors which shall consist of an odd number of not less than five nor more than nine members, as determined by the Board of Directors. Two of the members of the Executive Committee shall be the President and Vice President of the Board of Directors. The other members of the Executive Committee shall be elected by the Board of Directors at the Annual Meetings for the terms provided in the By-Laws. The President of the Authority, or the Vice President in his or her absence, shall serve as the Chairperson of the Executive Committee.

ARTICLE 11

POWERS OF THE EXECUTIVE COMMITTEE

The Executive Committee of the Board of Directors shall have the following powers:

(a) The Executive Committee shall determine and select a joint protection program for the Authority.

(b) The Executive Committee shall determine and select all necessary insurance, including excess insurance, necessary to carry out the protection program of Authority.

(c) The Executive Committee shall have authority to contract for or develop various services for the Authority, including, but not limited to, claims adjusting, loss control and risk management consulting services.

(d) The Executive Committee shall cause to be prepared the operating budget of the Authority for each fiscal year, subject to review, modification and approval by the Board, as provided for in Article 8(c).

(e) The Executive Committee shall receive and act upon reports of the City Managers' Committee, Finance Officers' Committee, and Insurance Manager.

(f) The Executive Committee shall appoint the Treasurer and Insurance Manager of the Authority.

(g) The Executive Committee shall have the power to hire such persons as the Executive Committee deems necessary for the administration of the Authority, including the "borrowing" of management-level employees from one or more of the Member Cities to assist in the development phase of the joint protection program of Authority, subject to the approval of the Member City. Any Member City whose employee is so "borrowed" according to this provision shall be reimbursed by the Authority

for that employee's time spent or services rendered on behalf of the Authority.

(h) The Executive Committee shall have the general supervisory and policy control over the day-to-day decisions and administrative activities of the Insurance Manager and Secretary of the Authority.

(i) The Executive Committee shall have such other powers and functions as are provided for in this Agreement.

ARTICLE 12

MEETINGS OF THE EXECUTIVE COMMITTEE

The meetings of the Executive Committee shall be held and conducted in the same manner as the meetings of the Board of Directors, provided for in Article 9 of this Agreement. In addition, the Committee shall make periodic reports to the Board of Directors, advising the Board of its decisions and activities concerning the implementation of the joint liability program of the Authority.

ARTICLE 13

OFFICERS OF THE AUTHORITY

(a) President and Vice President. The Board shall elect a President and Vice President of the Authority, each to hold office for a term provided in the By-Laws and until a successor is elected. In the event the President or

Vice President so elected ceases to be a member of the Board, the resulting vacancy in the office of President or Vice President shall be filled at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board.

(b) Insurance Manager. The Insurance Manager shall have the general administrative responsibility for the activities of the joint protection program and shall appoint all necessary employees thereof.

(c) Secretary. The Secretary shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as may be assigned by the Executive Committee.

(d) Treasurer. The duties of the Treasurer are set forth in Articles 17 and 18 of this Agreement.

(e) Attorney. The Executive Committee shall select an attorney for the Authority who may be a City Attorney from a Member City or, in the event such attorney is precluded from acting because of a conflict of interest or legal impediment, or for other good reason, the Committee may employ independent counsel as the attorney for the Authority. The attorney shall serve at the pleasure of the Executive Committee.

(f) The Executive Committee shall have the power to appoint such other officers as may be necessary in order to carry out the purposes of this Agreement.

ARTICLE 14

COMMITTEE OF CITY MANAGERS AND
COMMITTEE OF FINANCE OFFICERS

(a) There shall be established a Committee of City Managers composed of the City Managers, City Administrators and Administrative Officers of the Member Cities of the Authority and a Committee of Finance Officers composed of the Finance Officers of the Member Cities of the Authority. Such Committees shall meet from time to time as deemed necessary by them, and shall make recommendations to the Executive Committee based upon their expertise.

(b) Each of these Committees may appoint from its members one person to serve in an Ex Officio capacity on the Executive Committee.

(c) The meetings of these Committees shall be held and conducted in the same manner as the meetings of the Board of Directors, provided for in Article 9 of this Agreement.

ARTICLE 15

INSURANCE COVERAGE

(a) The liability insurance coverage provided for Member Cities by the Authority shall include protection for Personal Injury, Errors and Omissions, Contractual Liability, Comprehensive Liability, and such other areas of coverage as the Executive Committee may determine.

(b) The Authority shall maintain an insurance limit for Member Cities determined by the Board of Directors to be adequate. The Executive Committee may arrange for a group policy to be issued for Member Cities interested in obtaining additional coverage above this limit, at an additional cost to those participating Cities.

(c) The Executive Committee shall arrange for the purchase of insurance necessary to protect the funds of the Authority against catastrophes. The Executive Committee shall have the authority to discontinue purchase of this excess insurance, if at a future time it is no longer needed to protect the Authority's funds.

ARTICLE 16

DEVELOPMENT OF THE JOINT PROTECTION PROGRAM

(a) As soon as practicable after the effective date of this Agreement, but prior to the effective date of the joint protection program, the Board of Directors shall adopt the

Authority's joint protection program, including the insurance coverage provided for in Article 15, the amount of initial premiums, the precise cost allocation plan and formula, the pro forma financial statement of the Authority, and the amount and type of excess insurance to be procured.

(b) The joint protection program provided by the Authority shall extend to agencies or authorities existing within Member Cities created pursuant to Health & Safety Code Sections 33000 et seq. and Sections 34200 et seq., agencies within Member Cities the governing board of which is the City Council or is appointed by the City Council of the City, and such other agencies as the Authority may determine.

(c) ~~The initial premium for each City shall be determined by the Board on the basis of the City's payroll, as compared to the total payroll of all Member Cities,~~ excluding such portion of a City's payroll as may be attributable to operations not covered by the joint protection program. The total initial premium for a Member City in the first year of operation of the joint protection program shall not exceed the total premium paid by such City for the preceding year, except that if during that preceding year a City was partially self-insured, that City's initial premium shall take into account the City's loss experience under said self-insurance program.

Initial 1979-80 Prem. * 94,832
 Initial Prem. 80% . 75,864

(d) The cost allocation plan and formula adopted by the Board shall provide for an adjustment in the Member Cities' premiums at the end of the first year of operation, and annually thereafter, in order to produce a premium for each year for each City that is equal to the sum of the following three items:

~~1. That amount of losses borne individually by the City, each of which losses is less than an amount determined by the Executive Committee; and~~

~~2. The City's share of pooled losses and other expenses, as determined by the Executive Committee; and~~

~~3. The City's contribution to a catastrophe fund and reserves for incurred-but-not-reported losses.~~

The Executive Committee may make such premium adjustments retrospective to the prior year and each Member City shall pay any additional premium required by such retrospective adjustment.

(e) The Executive Committee shall develop criteria for determining each City's annual share of pooled losses and expenses and contribution to a catastrophe fund which may include the City's payroll as compared to the total payroll of all Member Cities, the City's individual loss experience, and such other criteria as the Executive Committee may determine to be relevant.

(f) The annual readjustment of the amount of premium shall be made and notices for readjusted premium amounts and the next year's premiums shall be distributed at least sixty (60) days prior to the close of each fiscal year. This premium amount, together with any readjusted amount due under paragraph (d) above, shall be due and payable within thirty days of receipt of such notices.

(g) Inasmuch as some Member Cities may experience an unusual frequency of losses during a single fiscal year, which could increase their final premium substantially above the prepaid premium for that year and cause budgetary problems, the Executive Committee may provide for payment of a portion of such additional premium to be made over a period of time, not to exceed five years, plus reasonable interest.

(h) In no event shall an individual Member City's annual premium, including any readjusted amount, during the first three years of the joint protection program following its effective date exceed an amount equal to five times its prepaid premium for the first year. Thereafter an individual Member City's annual premium including any readjusted amount for that year shall not in any event exceed five times its average annual premium, including readjusted amount, for the last preceding three years.

(i) The Board of Directors may expand the Authority's joint protection program to make available to member cities protection in addition to that which is provided for in this agreement.

ARTICLE 17

ACCOUNTS AND RECORDS

(a) Annual Budget. The Authority shall annually adopt an operating budget, pursuant to Article 8(c) of this Agreement.

(b) Funds and Accounts. The Treasurer of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Executive Committee. Books and records of the Authority in the hands of the Treasurer shall be open to any inspection at all reasonable times by representatives of Member Cities.

(c) Treasurer's Report. The Treasurer, within One Hundred and Twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member City.

(d) Annual Audit. The Executive Committee shall provide for a certified, annual audit of the accounts and records of the Authority which audit shall conform to

generally accepted auditing standards. When such an audit of the accounts and records is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Member Cities. Such report shall be filed within six months of the end of the year under examination.

(e) Costs. Any costs of the audit, including contracts with, or employment of, Certified Public Accountants, in making an audit pursuant to this Article, shall be borne by the Authority and shall be considered included within the term "administrative costs."

ARTICLE 18

RESPONSIBILITY FOR MONIES

(a) The Treasurer of Authority shall have the custody of and disburse the Authority's funds. He or she shall have the authority to delegate the signatory function of Treasurer to such persons as are authorized by the Executive Committee.

(b) A bond in the amount determined by the Executive Committee to be adequate shall be required of all officers and personnel authorized to disburse funds of the Authority, such bond to be paid for by the Authority.

(c) The Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5, including:

1. Receive and receipt for all money of the Authority and place it in the treasury of the Treasurer to the credit of the Authority;

2. Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;

3. Pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority;

4. Pay any other sums due from the Authority only upon warrants signed by the public officer performing the functions of Controller; and

5. Verify and report in writing on the first day of July, October, January and April of each year to the Authority and to Member Cities the amount of money held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

ARTICLE 19

RESPONSIBILITIES OF THE AUTHORITY

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

(a) Provide insurance coverage as necessary, including but not limited to a self-insurance fund and

commercial insurance, as well as excess coverage and umbrella insurance, by negotiation or bid, and purchase, as necessary.

(b) Assist Cities in obtaining insurance coverage for risks not included within the basic coverage of the Authority, such as bus and dial-a-ride services and aviation exposure.

(c) Assist each City's assigned risk manager with the implementation of that function within the City.

(d) Provide loss prevention and safety and consulting services to Cities as required.

(e) Provide claims adjusting and subrogation services for claims covered by the Authority's joint protection program.

(f) Provide loss analysis control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.

(g) Provide for Cities when requested a review of their contracts to determine sufficiency of indemnity and insurance provisions.

(h) Conduct risk management audits to review the participation of each City in the program. The audit team shall include a representative from the Authority, the City involved and at least one other City.

(i) The Authority shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 20

RESPONSIBILITIES OF MEMBER CITIES

Member Cities shall have the following responsibilities:

(a) The City Council of each City shall appoint a representative and at least one alternate representative to the Board of Directors, pursuant to Article 7 of this Agreement.

(b) Each City shall appoint an employee of the City to be responsible for the risk management function within that City, and to serve as a liaison between the City and the Authority as to risk management.

(c) Each City shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices.

(d) Each City shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Authority's loss reporting system.

(e) Each City shall pay its premium and any readjusted amount promptly to the Authority when due. After withdrawal or termination, each City shall pay promptly to the Authority its share of any additional premium, when and

if required of it by the Executive Committee under Article 25 or 26 of this Agreement.

(f) Each City shall 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.

(g) Each City shall in any and all ways cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement and covered losses, and will comply with all by-laws, rules and regulations adopted by the Board of Directors and Executive Committee.

ARTICLE 21

INTERIM PERIOD AND EFFECTIVE DATE OF PROGRAM

(a) Interim Period. After this Agreement becomes effective, the Authority, assisted by an insurance consultant, shall develop the details of the joint protection program as more fully described in Articles 15 and 16 of this Agreement. Estimated premiums for the Cities shall be developed by the consultant and presented to each City by written notice. Each City shall have 30 days from the date of such notice to consent in writing to enter the joint protection program.

At the end of this 30-day period and when the last of thirty (30) Cities has consented in writing to enter the program, the actual first year premiums shall be determined.

Each City which consented in writing to enter the program shall be bound thereby unless the actual premium for the first year exceeds the estimated premium in the written notice. If the actual premium exceeds such estimate, a Member City may, nevertheless, elect to proceed with its participation in the joint protection program by informing the Authority, in writing, of its decision to that effect.

(b) Effective Date. When, after the actual first year premiums have been determined, the last of thirty (30) Cities remains bound or has elected to proceed with its participation in the program pursuant to paragraph (a) above, written notice to that effect shall immediately be given to all Cities; the joint protection program shall become effective thirty (30) days from the date of such notice. During this thirty (30) days, additional Member Cities may join the program, as allowed by the Board of Directors.

ARTICLE 22

NEW MEMBERS

After the effective date of the joint protection program is established by the Authority, according to the provisions of Article 21, additional cities shall not be permitted to become signatories to this Agreement, or to enter the joint protection program, during the first year of

operation. Following the first year of operation, the Authority shall allow entry into the program of new members approved by the Board only at the end of the fiscal year. Cities entering under this Article will 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.

ARTICLE 23

WITHDRAWAL

(a) ~~A Member City may withdraw as a party to this~~ Agreement any time prior to its consenting in writing to enter the joint protection program pursuant to Article 21.

(b) A Member City that does not consent in writing to enter the joint protection program must withdraw as a party to this Agreement prior to the effective date of the program, or it will be considered to have voluntarily withdrawn upon such effective date.

(c) A Member City which enters the joint protection program may not withdraw as a party to this Agreement and as a member of the Authority for a three-year period commencing on the effective date of the joint protection program, as determined by Article 21.

(d) After the initial three-year noncancellable commitment to the program, a Member City may withdraw only at

the end of any fiscal year, provided it has given the Authority a twelve-month written notice of its intent to withdraw from this Agreement and the joint protection program.

ARTICLE 24

CANCELLATION

The Authority shall have the right to cancel any Member City's participation in the joint protection program upon a three-quarters vote of the entire Board of Directors. Any City so cancelled shall on the effective date of the cancellation be treated the same as if the City had voluntarily withdrawn from this program.

ARTICLE 25

EFFECT OF WITHDRAWAL

(a) The withdrawal of any City from this Agreement shall not terminate the same and no City by withdrawing shall be entitled to payment or return of any premium, consideration or property paid, or donated by the City to the Authority, or to any distribution of assets.

(b) The withdrawal of any City after the effective date of the joint protection program shall not terminate its responsibility to contribute its share of premium or funds to any fund or insurance program created by the

Authority until all claims, or other unpaid liabilities, covering the period the City was signatory hereto have been finally resolved and a determination of the final amount of payments due by the City or credits to the City for the period of its membership has been made by the Executive Committee. In connection with this determination, the Executive Committee may exercise similar powers to those provided for in Article 26(c) of this Agreement.

ARTICLE 26

TERMINATION AND DISTRIBUTION

(a) This Agreement may be terminated any time during the first three noncancellable years by the written consent of all Member Cities, and thereafter by the written consent of three-fourths of the Member Cities; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority.

(b) Upon termination of this Agreement all assets of the Authority shall be distributed only among the parties that have been Members of the joint protection program, including any of those parties which previously withdrew pursuant to Article 23(d) or 24 of this Agreement, in accordance with and proportionate to their cash (including

premium) payments and property (at market value when received) val
contributions made during the term of this Agreement. The
Executive Committee shall determine such distribution within
six months after the last pending claim or loss covered by
this Agreement has been finally disposed of.

(c) The Executive Committee is vested with all
powers of the Authority for the purpose of winding up and
dissolving the business affairs of the Authority. These
powers shall include the power to require Member Cities,
including those which were Member Cities at the time the
claim arose or at the time the loss was incurred, to pay
their share of any additional amount of premium deemed
necessary by the Executive Committee for final disposition
of all claims and losses covered by this Agreement. A
City's share of such additional premium shall be determined
on the same basis as that provided for annual premiums in
Article 16 of this Agreement, and shall be treated as if it
were the next year's annual premium for that City, subject
to the limits described in Article 16(h) of this Agreement.

(d) In the absence of an Executive Committee, the
Secretary shall exercise all powers and authority under this
Article. The decision of the Executive Committee or Secretary
under this Article shall be final.

ARTICLE 27

PROVISION FOR BY-LAWS AND MANUAL

As soon as practicable after the first meeting of the Board of Directors, and within the first twelve months of the Authority's existence, the Board shall cause to be developed Authority By-laws and Policy and a Procedure Manual to govern the day-to-day operations of the Authority. Each Member City shall receive a copy of any By-laws, Policy Statement or Manual developed under this Article.

ARTICLE 28

NOTICES

Notices to Member Cities hereunder shall be sufficient if delivered to the office of the City Clerk of the respective Member City.

ARTICLE 29

AMENDMENT

This Agreement may be amended at any time by the written approval of all City Councils of Cities signatory to it, or by an amendment adopted in the manner provided for in the By-laws.

ARTICLE 30

PROHIBITION AGAINST ASSIGNMENT

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

ARTICLE 31

AGREEMENT COMPLETE

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

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

Date: February 13, 1980

CITY OF PORT HUENEME

By: *David Bryant*

Date: _____

CITY OF _____

By: _____

[Signatures continued.]



SOUTHERN CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

January 10, 1980

EXECUTIVE COMMITTEE

PRESIDENT

James M. Patronite
Pico Rivera

VICE PRESIDENT

James Ramsey
Lawndale

SECRETARY

Armando Mora
Santa Fe Springs

MEMBERS

Alex Bealum
Cerritos

G.C. DeBaun
Lakewood

Fred Knechel
Calexico

Leonard Loy
Lomita

Jack Myers
Hawaiian Gardens

Frank Palacio
La Puente

INSURANCE MANAGER

James G. Moore

LEGAL COUNSEL

John S. Todd

ADMINISTRATIVE OFFICES

3662 Katella Avenue
Suite 107
Los Alamitos, California 90720
(213) 594-9751

John Velthoen, City Manager
City of Port Hueneme
250 North Ventura Road
Port Hueneme, CA 93041

Dear Mr. Velthoen:

On behalf of the Board of Directors, I am pleased to welcome you to the Southern California Joint Powers Insurance Authority. As of January 8, 1980, your City received affirmative votes from over three-fourths of the Authority's membership regarding the acceptance of your membership application.

Enclosed is a sample resolution which authorizes your City to join our Joint Protection Program. A certified copy of a fully executed resolution should be returned to this office by February 15, 1980, so that we may make arrangements to provide general and automobile public liability and property damage coverage for your City effective on April 1, 1980. You will be billed for your initial deposit premium sometime in the near future.

Also enclosed are copies of the Joint Powers Agreement and By-Laws. Pursuant to Article 7 of the Agreement, it will be necessary for your City Council to appoint a delegate and alternate to the Board of Directors. Further, Article 20 of the Agreement requires each City to appoint an employee to be responsible for the risk management function within that City. Please provide us with the names and titles of the above persons as soon as possible.

Under separate cover, I am sending you a copy of our Accounting Policy and Procedures Manual, the key to our computer printout codes, the procedures to be followed in reporting claims and claim forms. After reviewing the above material, please call me if you have any questions.

Very truly yours,


JAMES G. MOORE
Insurance Manager

JGM:pls

Enclosures

RECEIVED

JAN 17 1980

CITY OF PORT HUENEME



SOUTHERN CALIFORNIA
JOINT POWERS INSURANCE AUTHORITY

January 10, 1980

John Velthoen, City Manager
City of Port Hueneme
250 North Ventura Road
Port Hueneme, CA 93041

Dear Mr. Velthoen:

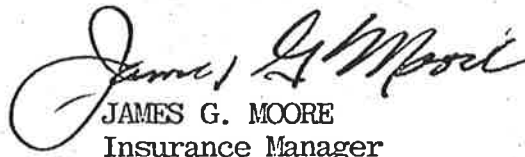
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Very truly yours,


JAMES G. MOORE
Insurance Manager

JGM:pls

Enclosures

RECEIVED

JAN 17 1980

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La Puente

INSURANCE MANAGER

James G. Moore

LEGAL COUNSEL

John S. Todd

ADMINISTRATIVE OFFICES

3662 Katella Avenue
Suite 107
Los Alamitos, California 90720
(213) 594-9751

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME JOINING THE JOINT PROTECTION PROGRAM OF THE SOUTHERN CALIFORNIA JOINT POWERS INSURANCE AUTHORITY.

The City Council of the City of Port Hueneme does hereby find, determine, and resolve as follows:

Whereas, pursuant to the provisions of Section 990, 990.4, 990.8, and 6500 of the Government Code, the Southern California Joint Powers Insurance Authority ("the Authority") has been created by a Joint Powers Agreement, and

Whereas a joint protection program has been developed by said Authority pursuant to the provisions of said Agreement, which program became effective April 1, 1978, pursuant to the terms of Article 21(b) of said Agreement, and

Whereas Article 22 of said Agreement provides for the entry of new Member Cities into said joint protection program following the first year of operation, and

Whereas the City has paid its proportionate share of organizational expenses, including those necessary to analyze its loss data and determine its initial premium, and

Whereas the joint protection program of the Authority offers significant advantages to the City in terms of cost, liability protection, and services, and entering such program would be and is in the best interest of this City,

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Mayor of this City is hereby authorized and directed to execute that certain agreement entitled: Joint Powers Agreement: Creating the Southern California Joint Powers Insurance Authority on behalf of the City, binding the City to the terms and covenants of said Agreement.

Section 2. That this City hereby joins the joint protection program of the Southern California Joint Powers Insurance Authority for a period of not less than three years, provided that this City may withdraw therefrom if the total premiums of all participating cities should become less than one million dollars (\$1,000,000) per year.

Section 3. That the initial premium to be paid by the City, in the sum of \$75,866.00, as determined by the Authority, subject to adjustment at the end of this City's first year of participation as provided for in Article 16 of said Agreement, is hereby approved, and the appropriate officers of the City are authorized and directed to cause said initial premium to be paid to the Authority on or before April 1, 1980.

Section 4. That the City Clerk of the City is directed to certify a copy of this resolution and forward same promptly by mail to the Southern California Joint Powers Insurance Authority, 3662 Katella Avenue, Suite 107, Los Alamitos, CA 90720.

Section 5. This resolution shall be effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 1980.

Mayor

ATTEST:

City Clerk
City of Port Hueneme

(As Amended to and
Including 1/10/79)

BY-LAWS

OF

THE SOUTHERN CALIFORNIA JOINT
POWERS INSURANCE AUTHORITY

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BY-LAWS

For the Regulation, Except as Otherwise
Provided by Statute or the Agreement
Creating the Authority, of The Southern
California Joint Powers Insurance Authority

ARTICLE I

Offices

Section 1. Principal Executive Office. The principal executive office for the transaction of the business of the Authority is hereby fixed and located at 2468 Huntington Drive, San Marino, California 91108. The Executive Committee of the Authority shall have the authority to change the location of the principal executive office from time to time. Any such change shall be noted on the by-laws by the Secretary, opposite this section, or this section may be amended to state the new location.

Section 2. Other Offices. Other business offices may at any time be established by the Executive Committee at any place or places where the Authority is qualified to do business.

ARTICLE II

Board of Directors

Section 1. Composition and Selection. The Board of Directors shall be composed of one representative from each Member City of the Authority, who shall be a City

Council member selected by the City Council of that City, as provided for in the Agreement creating the Authority. Each City Council shall also appoint at least one alternate, who shall be an officer, city council member or employee of that City. The alternate may attend meetings and vote in the absence of the regular representative. "Absence", as the term is used in this section, includes "vacancy" as defined in Section 2 of this Article II.

If a City's membership in the Authority is terminated for whatever reason and by whatever method, that City shall no longer have a representative on the Board of Directors, Executive Committee, or any other Committee of the Authority.

Section 2. Vacancies. A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of death, resignation, expiration of term, removal by the City that made the appointment, or when the representative ceases to be a member of the City Council of the appointing City. Vacancies in the positions of representative or alternate or alternates shall be filled in the manner provided for regular appointment of such persons in the Agreement creating the Authority and the by-laws.

Section 3. Annual Meeting.

(a) Time Held and Business to be Transacted.

The annual meeting of the Board of Directors shall be held on the 15th of July of each year or on

such other day as may be designated by the Executive Committee at 7:30 o'clock p.m.; provided, however, that should that day fall upon a legal holiday then such annual meeting of the Board shall be held at the same time and place on the next day thereafter ensuing which is a full business day. At such meeting the President and Vice-President of the Authority and other members of the Executive Committee shall be elected as provided in Article III, reports of the affairs of the Authority shall be considered, and any other business may be transacted which is within the powers of the Board of Directors.

(b) Notice.

Written notice of each annual meeting shall be given to each Member City of the Authority by mail or other means of written communication, in the manner provided by the Ralph M. Brown Act, California Government Code Section 54950, et seq. Such notice shall specify:

- (1) the place, the date, and the hour of such meeting;
- (2) those matters which are intended to be presented for action by the Board of Directors;
- (3) if officers and members of the Executive Committee are to be elected, the names of nominees intended at the time of the notice to be presented for election;

(4) the general nature of any proposal to be presented for action with respect to approval of, (i) a new Member City, (ii) a contract or other transaction of the Authority with an interested Member City, (iii) amendment of the Agreement creating the Authority, (iv) the cancellation of a Member City's participation in the joint protection program, (v) voluntary termination of the Agreement creating the Authority, or (vi) a distribution in termination; and

(5) such other matters, if any, as may be expressly required by statute or by the Agreement creating the Authority.

Section 4. Special Meetings. Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement creating the Authority, may be called at any time by the President, or by the Vice-President in the absence or disability of the President, or by the Executive Committee of the Authority or by not less than ten (10) Member Cities. Upon request in writing that a special meeting of the Board of Directors be called for any proper purpose, directed to the President, Vice-President, or Secretary of the Authority, by any person or persons entitled to call a special meeting of the Board of Directors, the officer receiving such request forthwith shall cause notice to be given to the Member Cities that a

meeting will be held at a time requested by the person or persons calling the meeting, not less than fifteen (15) nor more than sixty (60) days after receipt of the request. Notice of any special meeting shall be given in compliance with the Ralph M. Brown Act, California Government Code Section 54950, et seq. Such notice shall specify the place, date and hour of such meeting, and, if applicable, the names of nominees for officers or members of the Executive Committee intended at the time of the notice to be presented for election and the nature of the business to be transacted. No business other than that specified in the notice of a special meeting may be transacted at that meeting.

Section 5. Place of Meetings. All annual or other meetings of the Board of Directors shall be held at a place within the County of Los Angeles, State of California designated by the Executive Committee or approved by the written consent, given either before or after the meeting and filed with the Secretary of the Authority, of all Member Cities not present thereat.

Section 6. Quorum. At any meeting, the presence in person by the representative or alternate of a majority of the Member Cities shall constitute a quorum for the transaction of business. The Member Cities present at a duly called or held meeting at which a quorum is present may

continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Member Cities to leave less than a quorum, if any action taken (other than adjournment) is approved by a number of Member Cities at least equal to a majority of the Member Cities required to constitute a quorum.

Section 7. Adjourned Meetings.

(a) Adjournment.

Any Board of Directors' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Member Cities present, but in the absence of a quorum no other business may be transacted at such meeting, except as provided in Section 6 of this Article II.

(b) Notice.

When any Board of Directors' meeting, either annual or special, is adjourned for forty-five (45) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as specifically provided herein, or by the Ralph M. Brown Act, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken.

Section 8. Voting. Unless a record date for voting purposes be fixed by the Executive Committee, Member Cities which are members on the day of the meeting of the Board of Directors shall be entitled to vote at such meeting. Such vote may be viva voce or by ballot; provided, however, that all elections for officers or members of the Executive Committee must be by ballot upon demand made by a Member City at any election and before the voting begins. If a quorum is present, the affirmative vote of the majority of the Member Cities represented at the meeting shall be the act of the Board, unless the vote of a greater number is required by the Agreement creating the Authority or by statute. Every Member City shall have one vote.

Section 9. Inspectors of Election.

(a) Appointment.

In advance of any meeting of the Board of Directors, the Executive Committee may appoint any persons, other than nominees for office, as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election be not so appointed, the President, or Vice-President in his or her absence, may, and on the request of any Member City's representative or alternate, shall make such appointment at the meeting. The number of inspectors shall be either one (1) or three (3), at least one of whom shall be a member of the Board of Directors. In case any

person appointed as inspector fails to appear or fails or refuses to act, the vacancy may, and on the request of any Member City, shall be filled by appointment by the Executive Committee in advance of the meeting, or at the meeting by the President, or the Vice-President in his or her absence.

(b) Duties.

The duties of such inspectors shall include: Determining the current number of Member Cities, the Member Cities represented at the meeting, and the existence of a quorum; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all Member Cities.

(c) Procedure.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. The decision, act or certificate of a majority of the inspectors shall be effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III

Executive Committee

Section 1. Number of Members. The authorized number of members of the Executive Committee shall be nine (9), until and unless changed by a by-law amending this Section, duly adopted by the vote or written consent of a majority of the Board of Directors, and subject to the limitations in the Agreement creating the Authority.

Section 2. Composition, Selection and Term of Office. The Executive Committee shall consist of the President, Vice-President and seven other members elected by the Board of Directors from the members of the Board.

If the immediate past President of the Authority is a current member of the Board of Directors at the time of election of Executive Committee Members he or she shall be elected to the Executive Committee for the next term.

At the January, 1979 meeting of the Board of Directors at which the President and Vice-President are elected, the seven other members of the Executive Committee shall also be elected. Immediately upon their election to the Executive Committee and during the course of the Board of Directors meeting at which said members are elected three of said seven members shall be chosen by lot and shall

serve one and one-half year terms expiring in July, 1980 and the other four shall serve one-half year terms expiring in July, 1979. Their successors shall be elected for two year terms, and thereafter the terms of office of the Executive Committee members shall be two years, except that the terms of office of the President, Vice-President and immediate past President as Executive Committee members shall be concurrent with their tenure in said offices or positions.

Members of the Executive Committee shall hold office until their successors are elected.

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

Section 3. Vacancies.

(a) Creation of Vacancies.

A vacancy or vacancies in the Executive Committee shall be deemed to exist in case of the death, resignation, expiration of term, termination of membership on the Board of Directors, removal of any member by the Board of Directors, declaration of unsound mind by order of court, conviction of a felony, increase in the authorized number of members by amendment of the Agreement creating the Authority, or if the Board of Directors fail, at any annual or special meeting of the Board at which any members of the Executive Committee are elected, to elect the full

authorized number of members to be voted for at that meeting. A vacancy in the Executive Committee may further be created by removal of any member by the Executive Committee when such member has been absent from two or more regular meetings of the Executive Committee without advance excuse approved by the Executive Committee during any one year (from July 15 to July 14), and the Executive Committee determines, after reviewing the circumstances of said absences, that such member should be removed.

(b) Vacancies Filled by Executive Committee.

Vacancies in the Executive Committee, except for a vacancy created by the removal of a member, may be filled on an interim basis by a majority of the remaining members of the Executive Committee, though less than a quorum, or by a sole remaining member of the Executive Committee, and each member so elected shall hold office until his or her successor is elected at an annual or a special meeting of the Board of Directors.

(c) Vacancies Filled by Board of Directors.

The Board of Directors may elect a member of the Executive Committee at any time to fill any vacancy or vacancies or seat filled on an interim basis by the Executive Committee. A vacancy in the Executive Committee created by the removal of a member by the Board of Directors may be filled only by the vote of a majority of the Board of

Directors at a duly held meeting at which a quorum is present.

Section 4. Resignation. Any Executive Committee member may resign effective upon giving written notice to the President, the Vice-President, the Secretary or the Board of Directors of the Authority, unless the notice specifies a later time for the effectiveness of such resignation. If the Executive Committee receives the resignation of one of its members, tendered to take effect at a future time, the Board of Directors shall have the power to elect a successor to take office when the resignation becomes effective, or the Executive Committee may do so on an interim basis pending such Board Action.

Section 5. Removal of Executive Committee or its Individual Members by Board of Directors. The entire Executive Committee or any of its individual members may be removed from office by a two thirds vote of the Member Cities at a duly called meeting of the Board of Directors.

Section 6. Regular Meetings.

(a) Regular Meetings.

The Executive Committee shall hold its regular meetings on the last Wednesday of each month at the place fixed by the Committee for the transaction of business.

(b) Call and Notice.

No further call or notice of regular meetings need be given, except as is required to comply with the

Ralph M. Brown Act, California Government Code Section 54950
et seq.

Section 7. Special Meetings.

(a) Call.

Special meetings of the Executive Committee for any purpose or purposes may be called at any time by the Chairperson of the Committee, the Vice-Chairperson, the Secretary or by any two members of the Committee.

(b) Notice.

Notice of the time and place of special meetings shall be given in writing to the members of the Executive Committee, delivered personally or by mail to each member at least 24 hours before the time of such meeting. Such notice shall specify the business to be transacted at the meeting and no business other than that specified in the notice shall be transacted at that meeting. Said notice shall be given in compliance with the Ralph M. Brown Act, Government Code Section 54950 et seq.

Section 8. Action at Meetings: Quorum and Required Vote. The President, or in his or her absence, the Vice-President shall serve as the Chairperson of the Executive Committee. The presence of a majority of the authorized number of Committee members at a meeting constitutes a quorum for the transaction of business, except as hereinafter provided. Members of the Committee not required to be

present to constitute a quorum may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another; such participation in a meeting constitutes presence in person at such meeting, except for determining the presence of a quorum. Every act or decision done or made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Executive Committee, unless a greater number is required by law, by the Agreement creating the Authority, or by these by-laws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, provided that any action taken is approved by a number of members at least equal to a majority of the number required for a quorum for such meeting.

Alternates to the members of the Board of Directors who serve on the Executive Committee may attend meetings of the Executive Committee, and in the absence of the member may participate in the business of the Executive Committee and vote in like manner as a member of the Executive Committee.

Section 9. Adjourned Meetings.

(a) Adjournment.

A quorum of the members may adjourn any Executive Committee meeting to a stated day, hour and place; provided,

however, that in the absence of a quorum a majority of the Committee members present at any meeting, either regular or special, may adjourn from time to time to a time not later than the time fixed for the next regular meeting of the Committee.

(b) Notice of Adjournment.

If a meeting is adjourned for more than 24 hours, at least 24 hours written notice of such adjournment to another time or place shall be given prior to the time of the adjourned meeting to the members who were not present at the time of adjournment. Otherwise, notice of the time and place of holding an adjourned meeting need not be given if the time and place are fixed at the time of adjournment, except that the provisions of the Ralph M. Brown Act (Government Code Sections 54950 et seq.) shall be complied with.

ARTICLE IV

Other Committees

Section 1. City Managers' Committee. Pursuant to the Agreement creating the Authority, the Committee of City Managers of the Authority shall be composed of one representative from each Member City, who shall be the City Manager, City Administrator or the Administrative Officer of that Member City. An alternate may be designated to serve in place of and may vote for that representative in his or her

absence, or vacancy caused by death, resignation, or removal from the City's employment in that position.

Section 2. Finance Officers' Committee. Pursuant to the Agreement creating the Authority, the Committee of Finance Officers shall be composed of one representative from each Member City, who shall be the Finance Officer of that Member City. An alternate may be sent in place of and may vote for that representative in his or her absence, or vacancy caused by death, resignation, or removal from that City's employment in that position.

Section 3. Meetings. Such Committees shall meet from time to time and shall elect their respective Chairpersons, Vice-Chairpersons and other officers as deemed necessary by them. All meetings shall be noticed in compliance with the Ralph M. Brown Act, California Government Code Section 54950, et seq. At any meeting, the presence in person, by representative or alternate, of twenty-five per cent (25%) of the Member Cities shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as the act of that Committee.

The Chairperson, or in the event of inability to attend, the Vice-Chairperson, may attend meetings of the Executive Committee and participate in discussion, but shall not vote.

ARTICLE V

Officers and Employees

Section 1. Officers. The officers of the Authority shall be a President, a Vice-President, a Secretary, a Treasurer, an Assistant Treasurer, and Controller. The Executive Committee may, in addition, provide for other officers as it deems necessary for the performance of the business of the Authority.

Section 2. Election and Term of Office. The President and Vice-President of the Authority shall be elected by the Board of Directors at its annual meeting, and each shall hold office for a term of one year or until he or she resigns or is removed or otherwise disqualified to serve, and until his or her successor is elected, except that officers elected in January, 1979 shall hold office until the July, 1980 annual meeting of the Board of Directors.

Section 3. Other Officers and Employees. The Executive Committee shall appoint, or may empower the President to appoint, subject to ratification by the Executive Committee, all officers other than the President and Vice-President. Except as may otherwise be provided in the Agreement creating the Authority or the by-laws, such officers shall hold office for a term of one year, except that the terms of office for officers appointed prior to July of 1979 shall expire July 15, 1980. The Executive Committee shall also appoint an Insurance Manager and

Authority Attorney who shall serve at the pleasure of the Executive Committee or for such term as the Executive Committee may provide by agreement. All officers and employees shall have such authority and perform such duties as are provided in the Agreement creating the Authority, or the by-laws or as the Executive Committee may from time to time determine. The Executive Committee may provide for the payment of compensation to officers or employees for their services to the Authority.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, expiration of term, or any other cause shall be filled in the manner prescribed in the Agreement creating the Authority and the by-laws for regular appointments to such office.

Section 5. Removal and Resignation.

(a) Removal.

The President, Vice-President or any Executive Committee member may be removed, without cause, by the Board of Directors, at any regular or special meeting thereof. An officer chosen by the Executive Committee may be removed, without cause, by that Committee or by any officer upon whom such power of removal may be conferred by the Committee, (subject, in each case, to the rights, if any, of an officer under any contract of employment).

(b) Resignation.

Any officer may resign at any time by giving written notice to the Executive Committee or to the President,

or to the Secretary of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. President. The President shall be the chief executive officer of the Authority and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Authority. He shall preside at all meetings of the Board of Directors and Executive Committee. He shall be ex-officio a member of all the standing committees, including the City Managers' Committee and Finance Officers' Committee, and shall have the general powers and duties of management usually vested in the office of president, and shall have such other powers and duties as may be prescribed by the Board of Directors, the Agreement creating the Authority, or the by-laws.

Section 7. Vice-President. In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice-President shall

have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the by-laws.

Section 8. Secretary. The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office or such other place as the Executive Committee may order, a book of minutes of actions taken at all meetings of the Board of Directors and Executive Committee, whether regular or special, (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof.

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

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

Section 9. Treasurer and Assistant Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority, including accounts of its assets, liabilities,

receipts, and disbursements, and shall have such other duties as are provided for in the Agreement creating the Authority. The Assistant Treasurer shall have such duties as are delegated to him or her by the Executive Committee or Treasurer.

Section 10. Controller. The Controller shall perform those duties required pursuant to California Government Code Section 6505, including the following:

(a) Make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority as such audit is provided for in the Agreement creating the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller in Section 26909 of the California Government Code; and

(b) Draw warrants to pay demands against the agency or entity when the demands have been approved by the Executive Committee or such person to whom the Executive Committee has delegated such approval power.

The Controller shall have such other duties as may be provided by the Executive Committee or by-laws.

Section 11. Insurance Manager. The Insurance Manager shall have the duty of administering the joint protection program of the Authority, as provided for in the Agreement creating the Authority, and shall have such other

and related duties as may be prescribed by the Executive Committee or the by-laws.

ARTICLE VI

Miscellaneous

Section 1. Rules and Regulations of Joint Protection Program.

As soon as practicable after development of the details of the joint protection program of the Authority, the specific rules and regulations for the implementation of the program shall be adopted by the Executive Committee, which shall cause them to be set forth in written form and a copy thereof distributed to each Member City. Such rules and regulations may be included in any procedure manual prepared by the Authority for the Member Cities.

Section 2. Annual Report.

The Board of Directors of the Authority shall cause an annual report to be sent to the Member Cities not later than 120 days after the close of each fiscal year. Such report shall contain a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year, and shall be accompanied by the annual audit report thereon and such other information as may be required by law.

Section 3. Defense of Agents of the Authority.

(a) For the purposes of this Article, "agent" means any person who is or was an officer, employee or other agent of the Authority.

(b) The Authority shall provide for the defense of any civil action or proceeding brought against any such agent of the Authority in his or her official or individual capacity or both, on account of an act or omission within the scope of his or her agency as an agent of the Authority, and to the extent of such defense as is provided for in California Government Code Section 995 et seq.

Section 4. Inspection of Authority Records.

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

Section 5. Checks and Drafts. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Authority, shall be signed or endorsed by the President and Treasurer or by such person or persons and in such manner

as, from time to time, shall be determined by the Executive Committee.

Section 6. Register of Demands. A register of all demands shall be submitted to the Executive Committee prior to payment, and shall have attached thereto the affidavit or declaration of the Insurance Manager certifying as to the accuracy of the demands and the availability of funds for payment thereof. The Executive Committee shall not hear, consider, allow or approve any bill or demand against the Authority unless the same be itemized giving names, dates, and particular services rendered, character of process served and upon whom, distance traveled, character of work done, and number of hours or days engaged, materials or supplies furnished, quantity furnished, price per unit, and any other pertinent details as the case may be. Demands for salaries and wages of officers and employees of the Authority may, but need not be, presented to the Executive Committee prior to payment but shall appear on the next register of demands for approval.

After approval of the register of demands by the Executive Committee, the public officer performing the function of Controller shall sign the warrant authorizing payment of the demands so approved.

Section 7. Execution of Contracts. The Executive Committee may authorize any officer or officers, agent or

agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances. Unless so authorized by the Executive Committee, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 8. Rules of Procedure for Meetings.

All meetings of the Board of Directors, Executive Committee and any other Committees of the Authority shall be conducted in accordance with Robert's Rules of Order, except where such are in conflict with California law, the Agreement creating California law, the Agreement creating the Authority, or the by-laws, whereupon the latter three shall govern over said Rules of Order.

ARTICLE VII

Amendments

Section 1. Power of Board of Directors. New by-laws may be adopted or these by-laws may be amended or repealed by the affirmative vote of a majority of the entire Board of Directors, except as otherwise provided by the Agreement creating the Authority.

Section 2. Power of Executive Committee. Subject to the right of the Board of Directors as provided in Section 1 of this Article VI to adopt or amend by-laws, by-laws other than a by-law or amendment thereof changing the authorized number of members of the Executive Committee may be adopted or amended by the Executive Committee. Any amendment by the Executive Committee shall be on the agenda of the next meeting of the Board of Directors for ratification.

Section 3. Amendment of Agreement. The Joint Powers Agreement Creating the Southern California Joint Powers Insurance Authority executed by the Member Cities may be amended by vote or written consent of three-fourths of the entire membership of the Board of Directors.