

Resolution No. 2009-10-05

A RESOLUTION OF THE GOVERNING BOARD OF THE  
WILLOWS UNIFIED SCHOOL

\_\_\_\_\_ DISTRICT

GLENN COUNTY, CALIFORNIA

APPROVING THE AMENDED JOINT EXERCISE OF POWERS AGREEMENT OF THE  
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Pursuant to Article 29 of the Joint Exercise of Powers Agreement, as previously amended, and GOOD CAUSE APPEARING THEREFOR,

IT IS RESOLVED THAT:

1. The Amended Joint Exercise of Powers Agreement of the Golden State Risk Management Authority, as highly recommended by the Governing Board of the Golden State Risk Management Authority on September 16, 2009 is hereby approved.

2. Said Amended Joint Exercise of Powers Agreement is hereby approved to take effect on July 1, 2009.

APPROVED, PASSED and ADOPTED by the Governing Board of the

Willows Unified School District

this 10th day of December 2009 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
President, Governing Board of Willows Unified District

Attest:

\_\_\_\_\_  
Clerk, Governing Board of Willows Unified District



# GOLDEN STATE

RISK MANAGEMENT AUTHORITY

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12/02/2009

Governing Board of Directors  
Willows Unified School District  
Steve Olmos  
823 W. Laurel Street  
Willows, CA 95988

Dear Steve:

In its continued effort to be the premiere risk-sharing insurance pool for public entities in California, the Board of Directors of Golden State Risk Management Authority (GSRMA) and the undersigned Risk Manager sought the assistance of legal counsel, David Lane and Emmanuel Salazar of Farmer Smith & Lane, LLP, to restructure GSRMA's Joint Powers Authority (JPA) Agreement and Bylaws, with the intent to make the governing documents more reader-friendly. The revisions are also intended to make the JPA Agreement more static and less prone to changes. Thus, most provisions dealing with the Authority's operational daily activities were transferred from the JPA Agreement to the Bylaws. Overall, the proposed JPA Agreement and Bylaws have limited substantive changes. Substantive additions relate to sufficiency of notice to Member Agencies and authorization of the Board to adopt late-payment policies. Said revisions are described in more detail below. GSRMA intends to have the provisions apply retroactively to the beginning of the current Fiscal Year, i.e., July 1, 2009.

Revisions to the JPA Agreement and Bylaws generally include clustering related provisions, creating new subheadings for relevant/unique language, deleting redundant terms, and correcting typographical errors. The goal is to maximally permit a reader to locate provisions relating to a certain topic in a specific, discrete portion of the JPA Agreement or Bylaws. Previously, certain provisions dealing with one topic were located in different parts of the Agreement and of the Bylaws. Readers may miss an important provision if they do not read both documents in their entirety. For example, board meeting procedures were located in Article 8 of the original Agreement, and in Article III and Article VII.3 of the original Bylaws. With the revisions, board meeting procedures are all located in Article VI of the proposed Bylaws.

Further, revisions generally include updated statutory citations, creation of a factual recital regarding "Glenn County Joint Powers Authority" and deletion of references to Glenn County JPA in all other parts of the document, and deletion of provisions that have not been implemented or are not required for California Association of Joint Powers Association (CAJPA) accreditation. Also, terms such as "Member Agencies", "Basic Risk Coverages", and "Fiscal Year" as used in both documents were consistently capitalized; ordinary words that do not have special definitions in the Bylaws, such as "treasurer", "risk manager", et cetera, were not.

As to the JPA Agreement, revisions generally included refinement of serial terms, substitution of redundant words, and clarification of provisions relating to subrogation, Claims, powers of the Authority and responsibilities of Member Agencies. Revisions in the JPA Agreement clarified that any subrogation recovery first applies to the Authority. Conversely as to the Bylaws, to avoid overlapping, revisions also included clarification of the definitions of "Claims", "City", "County", "PCA", and "Special District". The term "contribution" replaced "premium". Provisions relating to the calculation of a new Member Agency's first three-year membership for purposes of the initial contribution rates were also clarified. For consistency, references to "Board Member" were changed to "Member". Since the pagination changed and new terms were created, the Table of Contents for the JPA Agreement was updated, and a new Table was created for the Bylaws. Specific references to the JPA Agreement or Bylaws in the Memorandums and Certificates of Coverage were also updated.

The only substantive additions to the JPA Agreement and Bylaws relate to sufficiency of notice to Member Agencies (Bylaws, Article IX.A) and authorization of the Board to adopt late-payment policies that would affect all Member Agencies, regardless of membership status (Bylaws, Article X.E). With respect to sufficiency of notice, GSRMA intends to afford sufficient notice to Member Agencies more via electronic means, i.e., through the GSRMA website and electronic mail. Thus, Article IX.A of the proposed Bylaws express, "Notice to a Member Agency under this Agreement and Bylaws shall be sufficient if made available online in the Authority's website accessible through the Member Agency's online account, or electronically mailed to the Member Agency's designated primary contact, or mailed to the office of the Governing Board of the Member Agency."

As to authorization of the Board to adopt a late-payment policy, GSRMA seeks authority to adopt a fiscal policy that would impose a penalty against a Member Agency for late payment. Under the proposed Bylaws, to enforce such policy, at least thirty (30) days prior to a bill's payment due date, GSRMA must have provided notice of the adopted penalty policy to the Member Agency. Moreover, any penalty policy adopted by the Board may be applied against a Member Agency, whether active, terminated, or withdrawn. Finally, the proposed Bylaws provide that attorney fees and costs incurred by GSRMA in the collection of any financial obligation of a Member Agency would be recoverable by GSRMA.

Pursuant to the provisions of the existing JPA Agreement, a majority of Member Agencies is required to amend the JPA Agreement. Thus, GSRMA seeks your Board's approval of the proposed amended JPA Agreement. Please review the enclosed proposed JPA Agreement and Bylaws. Please have GSRMA's proposed JPA Agreement and Bylaws revisions placed in the agenda of your Board's next meeting, and upon consideration and approval of your Board, please have a duly authorized agent complete the enclosed resolution approving the amended Joint Exercise of Powers Agreement of GSRMA. **As soon as possible and by December 31, 2009, please mail the original of the completed resolution form to GSRMA, P.O. Box 706, Willows, CA 95988.** For any questions or concerns, please feel free to contact the undersigned.

Very truly yours,

  
Scott Schimke  
Risk Manager

Enclosures

# GOLDEN STATE

## RISK MANAGEMENT AUTHORITY

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### **GSRMA Joint Powers Agreement (JPA)/Bylaws Summary**

(The following is a short summary of the pending JPA/Bylaws Revision as presented by GSRMA Risk Manager Scott Schimke.)

I will break my summary down into two parts. The first part deals with making the existing JPA and Bylaws more reader friendly. The second part will address the substantive additions to the JPA and Bylaws.

The original JPA and Bylaws were drafted in 1979. Over the course of the last 30 years the legal world of risk sharing pools (such as GSRMA) has evolved. This evolution is the driving force behind the majority of the rewriting process. Specifically, we moved items contained in the JPA to the Bylaws and vice versa. This allows the proposed JPA to be a much more static document and relegate operational duties to the Bylaws. In addition we "cleaned up" or standardized terms within both documents, removed provisions or requirements that were no longer relevant to the overall operation, clarified the definitions of the words "claims", "city", "county", "PCA" and "special districts" and improved the overall grammar of both documents.

Basically, we made the proposed documents much easier to read and understand.

In regards to actual additions, the proposed documents will now allow the GSRMA Board to adopt a late payment policy (including the ability to add a finance charge to members who pay late) and to clarify that notice to members can now also be electronic (i.e. E-mail, website) as well as a written hard copy.

In summary, the proposed documents are more standardized, efficient and easier to understand. This will allow us to be more efficient in our service to our members.

Sincerely



Scott Schimke, ARM  
Risk Manager