

**JOINT POWERS
AGREEMENT**

FOR

SELF INSURANCE
AND RELATED PROGRAMS

FOR

THE REDWOOD EMPIRE

SCHOOLS' INSURANCE

GROUP

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JOINT EXERCISE OF POWERS AGREEMENT AMONG

Those Public Educational Agencies signatory to this Agreement for the purpose of establishing, operating, and maintaining risk pooling/group self-insurance and/or group insurance programs and related loss-control programs and services to protect against the risks of loss from workers' compensation claims, property damage, public liability claims, dental benefits claims, health benefits claims, and other risks for which the Board of Directors may hereafter agree to provide coverage;

WHEREAS, this Agreement is entered into pursuant to the provisions of California Government Code section 6500, *et seq.*, relating to the joint exercise of powers; Government Code Section 989 *et seq.* relating to the powers of local public entities to self-insure, purchase insurance and reinsurance, and form pools and groups for those purposes; Education Code Sections 17567 and 81603, relating to joint exercises of powers between the County Superintendent of Schools, School Districts, and Community College Districts signatory hereto, and also those which may hereafter become signatory hereto, and other provisions of law, for the purpose of operating a program known and designated as the Redwood Empire Schools' Insurance Group (RESIG), hereinafter designated as RESIG or the Group; and

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 (hereinafter Joint Powers Agreement or JPA) to accomplish the purposes hereinafter set forth; and

WHEREAS, the development, organization, and implementation of such a program is of such magnitude that it is desirable for the aforesaid parties to join

together in this Joint Powers Agreement in order to accomplish the purposes hereinafter set forth; and

WHEREAS, the signatories hereto have determined that there is a need by Public Educational Agencies for risk-pooling/group self-insurance and/or group insurance systems for workers' compensation, property damage, public liability, dental benefits, health benefits, and other types of insurance or risk-pooling/group self-insurance and related services which school districts and community college districts are either required, or believe to be in their best interests, to have; and

WHEREAS, since various dates following its formation on July 1, 1979, RESIG has successfully operated risk-pooling/group self-insurance, group insurance, and partially self-funded and partially insured loss-control Programs for workers' compensation, property damage, public liability, dental benefits, health benefits, and other risks of loss faced by RESIG's members; and

WHEREAS, Section 6502 of the Government Code of the State of California authorizes joint exercises by two or more Public Agencies of any power common to them; and

WHEREAS, each of the signatories possesses the power to provide such risk-pooling/self-insurance or insurance and related services; and

WHEREAS, it is the desire of the signatories hereto to jointly provide for a risk-pooling/group self-insurance and/or group insurance system for workers' compensation, property damage, public liability, dental benefits, health benefits, and other types of self-insurance or insurance and related services, for their mutual advantage and concern;

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 EDUCATIONAL AGENCIES, EACH OF THE PARTIES HERETO DOES HEREBY AGREE AS FOLLOWS:

I. CREATION OF THE REDWOOD EMPIRE SCHOOLS' INSURANCE GROUP (RESIG)

Pursuant to Title I, Division 7, Chapter 5, of the California Government Code (Section 6500 *et seq.*), there is hereby created a public entity, separate and apart from the parties hereto, to be known as the Redwood Empire Schools' Insurance Group, hereinafter designated as RESIG or the Group. Pursuant to Government Code section 6508.1, the debts, liabilities, or obligations of RESIG do not constitute debts, liabilities, or obligations of any party to this Agreement.

RESIG shall have the powers common to districts related to providing risk pooling/group self-insurance or insurance of various kinds required of them, and related risk-control, claims-handling, and other services, and RESIG 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: to make and enter into contracts; to incur debts, liabilities, or obligations; to acquire, hold or dispose of property, both real and personal; to receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity; to sue and be sued in its own name; and to exercise all powers that are necessary and proper to carry out the terms of this Agreement, or are otherwise authorized by law. Said powers shall be exercised in the manner provided in the law and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon districts in the exercise of similar powers.

This Agreement, and all other RESIG governing documents, memoranda of coverage, or other Program documents (other than insurance policies written by

insurance carriers and purchased by or through RESIG in the insurance marketplace) shall be interpreted according to principles of ordinary contract law of the State of California, and not according to principles of California insurance common law or statutory law. In addition, since this Agreement and the other RESIG documents referenced above are the product of mutual drafting by all of RESIG's member agencies, no party shall be entitled to rely on any principle of law that would require any ambiguity in a contract to be construed against the party that created it.

II. PURPOSE

The purpose of RESIG shall be to provide its members the capabilities of risk-pooling / group self-insurance, pooling and joint purchase of insurance; establishment and maintenance of funds to pay for pooled losses and for desired insurance coverages; claims adjustment and administration; safety engineering and other risk management services; and in particular, to provide pooled group self-insurance, group insurance, or partially self-funded and partially insured plans and systems for workers' compensation claims against members, public liability claims against members, property damage sustained by members, dental benefits claims against members, health benefits claims against members, and any other types of claims or losses for which the Board of Directors may hereafter agree to provide coverage or related services; and as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering and other risk management services, and other development as necessary for the payment and handling of: (A.) All workers' compensation claims against members as required by state law; (B.) Such public liability claims, dental benefits claims, health benefits claims, and other claims against members as the Board of Directors presently has agreed, or hereafter agrees, that RESIG will cover; and (C.) Such claims of members for loss or damage to members' property, as the Board of Directors presently has agreed, or hereafter agrees, that RESIG will cover. Said

payment and handling for any member shall be for claims filed under the laws of the State of California arising out of facts occurring during the period of the member's membership in RESIG. Unless otherwise expressly agreed in a separate writing signed by RESIG and the RESIG member, RESIG shall not pay, or handle for any member, any workers' compensation claims, public liability claims, dental benefits claims, health benefits claims, first-party property loss or property damage claims, or other types of claims. which arise out of facts occurring before the member's membership in RESIG commences or after the member's membership in RESIG terminates.

III. MEMBERSHIP

Each party to this Agreement must be eligible for membership in RESIG as defined in the Bylaws, and is entitled to the rights and privileges, and is subject to the obligations, of membership, all as provided in this Agreement, in the Bylaws, and in any other of RESIG's governing documents, all as in effect from time to time.

IV. WITHDRAWAL FROM, OR TERMINATION OF, MEMBERSHIP

A member may terminate its membership or be involuntarily terminated from membership as set forth in the Bylaws and/or in any other of RESIG's governing documents in effect at the time of such withdrawal or involuntary termination. A member's voluntary withdrawal or involuntary termination shall not be construed as a completion of the purpose of this Agreement, and shall not require the return, to any party, of any part of any contribution(s), payment(s), or advance(s) made by any party. A member's voluntary withdrawal or involuntary termination shall not affect the member's obligation to pay its appropriate share of any assessment for additional contributions of funds to RESIG or to any RESIG Program.

V. DISSOLUTION OF RESIG

If RESIG's members determine that the purpose of this Agreement has been completed and that RESIG shall therefore be dissolved, RESIG may be dissolved upon the consent of two-thirds (2/3) of the members who are parties to this Agreement at the time of dissolution. However, RESIG shall continue to be responsible for all existing assets and liabilities. No assets may be divided or returned until all outstanding obligations of RESIG have been resolved or a paid up contract has been obtained which will remove any further obligation from RESIG. Said contract may be one in which the members agree to accept responsibility for any outstanding claims. Disposition of assets will be made in proportion to the contributions of the then-participating members. Upon disposition of the assets, RESIG will thereupon be terminated and dissolved.

VI. BYLAWS

RESIG shall be governed pursuant to Bylaws adopted by the Board of Directors, as said Bylaws may be amended from time to time. Each party to this Agreement approves said Bylaws and agrees to comply with and be bound by their provisions, and further agrees that RESIG shall be operated pursuant to this Agreement, said Bylaws, and such policies and procedures as RESIG may adopt from time to time.

VII. BOARD OF DIRECTORS, OFFICERS, AND EXECUTIVE COMMITTEE

RESIG shall be governed by a Board of Directors consisting of an employee from each member agency that has not given notice of intent to withdraw from RESIG. Each such member agency shall also appoint one alternate. The alternate appointed by a member agency shall have the authority to attend, participate in, and vote at, any meeting of the Board of Directors when the regular Board member for whom he or she is an alternate is absent from said meeting. Each member agency shall have one vote on each matter on which the

Bylaws authorize that member agency to vote. A vote of the majority of those members present at a meeting shall be sufficient to constitute action, provided that a quorum is present.

The Board of Directors shall elect a President, a Vice President, and a Secretary/Treasurer/Auditor of RESIG, and an Executive Committee consisting of fewer members than the Board, all as set forth from time to time in the Bylaws. The duties of the President, Vice President, and Secretary/Treasurer/Auditor, and the duties and powers of the Executive Committee, shall be as set forth in the Bylaws from time to time.

VIII. AFFIRMATIVE ACTION POLICY STATEMENT

It shall be RESIG's policy to practice fair and impartial practices in employment and administration, recognizing applicants, employees, and contractors on the basis of personal and professional merit, and claimants on the basis of merit, thereby reaffirming the dignity of individuals without regard to race, color, religious creed, national origin, ancestry, age, sex, sexual orientation, marital status, mental disability, medical condition, or physical disability.

IX. POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall, either directly or through its Executive Committee, or other duly-appointed committee, or by contract, perform any or all of the following acts:

- A. Establish and maintain funds to pay self-insured losses, which shall include the power to levy assessments for additional contributions of funds against, and the power to collect payment of such assessments from, both current and former RESIG members and RESIG Program participants when, in the sole discretion of the RESIG Board, such

additional funds are needed in order to maintain or restore the financial integrity of any fund established for this purpose.

- B. Establish and maintain funds to pay for desired insurance coverages.
- C. Perform, or contract for the performance of, the financial administration, claim service, legal representation, safety services and other services as necessary for the payment and handling of claims against members.
- D. Make and enter into contracts.
- E. Pursue the member's right of subrogation against a third party when appropriate, as set forth in the Bylaws.
- F. Acquire, hold and dispose of property, real and personal, including but not limited to, the acquisition of facilities and equipment.
- G. Employ agents and employees for the operation and maintenance of RESIG's Programs.
- H. Incur debts, liabilities and obligations necessary to accomplish the purposes of this Agreement.
- I. Receive gifts, contributions, and donations of property, funds, services and other forms of assistance from persons, firms, corporations, associations, and any governmental entity.
- J. Invest funds in accordance with policies and procedures as approved by the RESIG Board of Directors, and as subject to law.
- K. Sue and be sued in RESIG's name.
- L. Join other joint powers authorities to provide services and coverages to RESIG.
- M. Provide or contract for educational workshops on related insurance and risk-control topics.
- N. Perform any and all functions as, in the Board's sole discretion, may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.

O. The Board may establish committees, and may otherwise delegate authority, as provided in the Bylaws, to the fullest extent permitted by California law.

X. FINANCE

RESIG shall be 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 RESIG. Each Program offered by RESIG shall be legally separate from every other RESIG Program, and shall stand fully on its own financially. No debts or liabilities of, or charges against, one RESIG Program shall be considered debts of, liabilities of, or charges against, any other RESIG Program. RESIG's Bylaws may authorize loans of funds from one RESIG Program to another RESIG Program.

XI. AMENDMENT

This Joint Powers Agreement may be amended at any duly-noticed meeting of the RESIG Board of Directors, by an affirmative vote of two-thirds (2/3) of the Directors (or, as appropriate, their alternates) who are present at the meeting, provided that a quorum is present at the meeting.

THIS AGREEMENT EXECUTED THIS _____ DAY OF _____, 20_____
BY THE FOLLOWING SIGNATORY PUBLIC EDUCATIONAL AGENCY.

Public Educational Agency (District)

President of its Governing Board