

**BYLAWS OF THE
SHASTA-TRINITY SCHOOLS INSURANCE
GROUP JOINT POWERS AUTHORITY**

ARTICLE I: PURPOSE, POWERS AND FUNCTIONS

1.1 General Purpose. The Shasta-Trinity Schools Insurance Group ("Authority" or "STSIG") is established under the California Joint Exercise of Powers Act, Government Code Sections 6500, et seq., to provide the services and other items necessary and appropriate for the establishment, operation, and maintenance of insurance programs for its members. The purposes and powers of the Authority are more fully set forth in the Joint Powers Agreement executed by the Authority's member agencies.

1.2 Powers and Functions. The powers and functions of the Authority further include:

- a. To enter into contracts.
- b. To establish and collect member contributions for each program.
- c. To purchase insurance coverage deemed necessary by the Board of Directors for various insurance programs.
- d. To acquire, hold and dispose of property, real and personal, all for the purpose of providing the membership with the necessary education, study, development and implementation of group purchasing of fully-insured and/or self-insurance programs including, but not limited to, the acquisition of facilities and equipment necessary, the employment of personnel, and the operation and maintenance of a system for the handling of the group purchased fully-insured and/or self-insurance programs.
- e. To incur debts, liabilities, and obligations necessary to accomplish the purposes of the Authority.
- f. To receive gifts, contributions, and donations of property, funds, services, or other forms of assistance from persons, firms, and corporations, associations, and any governmental entity.
- g. To invest surplus reserve funds as deemed appropriate by the Board of Directors.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

- h. To provide a forum for discussion, study, development, and implementation of any form of insurance.
- i. To sue and be sued in the name of the Authority.
- j. To adopt such rules and regulations as necessary to operate the Authority.
- k. To manage the Authority's finances, including Workers' Compensation, Health & Welfare and Administrative funds within the Authority's adopted budget.
- l. To perform such other functions as may be necessary or appropriate to carry out the purposes of the Authority, so long as such other functions so performed are not prohibited by any provision of law.

1.3 Limitation on Exercise of Powers. Pursuant to Section 6509 of the California Government Code and Section 3 of the Joint Powers Agreement, the exercise of the powers of the Authority shall be subject to the restrictions upon the manner of exercising such powers by the Shasta County Office of Education.

ARTICLE II: AUTHORITY MEMBERSHIP AND PROGRAM ENROLLMENT

2.0 Membership Eligibility. All public educational agencies are eligible to apply for membership in the Authority.

2.1 Membership Application Process. Public educational agencies may become members of the Authority, as provided in the Joint Powers Agreement and herein:

- a. Upon completion of an application for membership,
- b. Upon submission of the application to the Authority's Executive Director,
- c. Upon the Executive Committee's review of the application,
- d. Upon submission of evidence of insurability or other information as may be required by the Authority,
- e. Upon the Executive Committee's recommendation to the Board of Directors, and
- f. Upon approval of the Board of Directors.

2.2 Program Enrollment Process. Members may enroll in Authority Health & Welfare and/or Workers' Compensation programs:

- a. Upon completion of a program application,
- b. Upon submission of the application to the Executive Director,
- c. Upon the Executive Committee's review of the application,
- d. Upon submission of evidence of insurability or other information as may be required by the Authority, and
- e. Upon approval of the Executive Committee.

2.3 Successors-in-Interest. Should any member agency reorganize in accordance with state statutes, the successor(s)-in-interest to the obligations of any such member may be eligible for membership.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

2.4 Involuntary Termination.

- a. An agency's membership in the Authority, or enrollment in specific Authority programs, may be subject to involuntary termination on grounds including, but not limited to, the following:
 1. Failure or refusal to abide by the Joint Powers Agreement, these Bylaws or other Authority policies;
 2. Failure or refusal to pay contributions to the Authority as required; or
 3. Persistent failure or refusal to follow positive risk management practices.
- b. A member shall be involuntarily terminated from the Authority, or enrollment in any Authority program(s), upon a vote of the Board of Directors. Involuntary termination shall have the effect of eliminating the party as a signatory to the Joint Powers Agreement and as a member of the Authority, or eliminating the party from a single program of the Authority.
- c. An involuntary termination shall be effective as of the date specified by the Board of Directors, with no less than ninety (90) days' written notice. Such written notice should include the reason(s) for termination and shall be sent by registered mail to the terminated member of the Authority (to the District Chief Administrator or to the County Superintendent of Schools, as is applicable).
- d. Members who have been involuntarily terminated shall have the right to appeal their termination to the Board of Directors via a request for reconsideration.
- e. If an agency's membership in the Authority has been involuntarily terminated, the agency shall not be eligible for re-entry or re-enrollment for a period of up to three (3) years from the date of involuntary termination, at the discretion of the Board of Directors.

2.5 Voluntary Withdrawal.

- a. A party to this Agreement may withdraw as a member of the Authority, or may terminate enrollment in any of the programs offered by the Authority, in the manner herein provided.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

- b. No party to this Agreement may withdraw from any Authority program (including as a result of complete withdrawal from the Authority) until it has been a participant of such program for at least twelve (12) consecutive months.
- c. To effect such voluntary withdrawal, the governing board of the withdrawing agency shall adopt a resolution of intention to withdraw from one or more programs, effective the following program year (October 1 for Health & Welfare programs; July 1 for the Workers' Compensation program). Such resolution shall be submitted to the Executive Director no later than June 15 for the Health & Welfare program, or April 1 for the Workers' Compensation program. Notice of withdrawal will be deemed permanent and irrevocable.
- d. If an agency voluntarily withdraws as a member of the Authority or as a participant in any one of the programs offered by the Authority, the agency shall not be eligible for re-entry or re-enrollment for a period of twelve (12) months from the date of withdrawal. Re-entry or re-enrollment will not be automatic and shall be at the sole discretion of the Board of Directors.

2.6 Financial Arrangements in Case of Termination or Withdrawal.

- a. Within one hundred and fifty (150) days after the close of the program year during which, or at the end of which, a withdrawal or termination takes effect, the Board shall determine, using generally accepted accounting and actuarial principles:
 - 1. The amount of reserves needed to pay remaining the unpaid claims, program expenses, contracted services, and operations cost incurred on behalf of all members while the withdrawing or terminating member's coverage was still in effect.
 - 2. The amount of contributions already paid for the closed fiscal year by all members, including the withdrawing or terminating member.
 - 3. The ratio which the withdrawing or terminating member's contribution bears to the total contributions of all members for the closed fiscal year. This ratio shall be used to determine the member's proportional share of payments and disbursements hereunder and may be different for the Health & Welfare and Workers' Compensation Programs.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

- b. If the contributions exceed the estimated needed reserves and Program costs for all remaining members, and a dividend is declared prior to the member's adoption of a resolution indicating its intent to withdraw from an Authority Program, or prior to the Authority informing the member of the Authority's decision to terminate the subject agency's participation in an Authority Program, the Authority will pay the proportional share of excess to the withdrawing or terminating member according to a schedule established by the Board of Directors as a matter of Authority policy.
- c. If the estimated needed reserves exceed the contributions for all members, the withdrawing or terminating member shall pay its proportional share of the accumulated deficit to the Authority according to a schedule established by the Board of Directors as a matter of Authority policy.
- d. A withdrawing or terminating member shall be responsible for any claims incurred after the effective date of termination or withdrawal, notwithstanding any other provision of these Bylaws.

ARTICLE III: BOARD OF DIRECTORS

3.1 **Board Functions.** A Board of Directors shall direct and control the Authority as further set forth in Article VII.

- a. The Board of Directors may establish rules governing its own conduct and procedure, and have such expressed or implied authority as is not inconsistent with or contrary to the laws of the State of California, these Bylaws, or the Joint Powers Agreement.
- b. The Board of Directors shall elect an Executive Committee as hereinafter provided by these Bylaws.
- c. The Board of Directors shall review the recommendations of its Committees and, where said recommendations, in the Board's judgment, are legal and in the best interest of the Authority, implement the recommendations.

3.2 **Board Membership.** Each member of the Authority shall be entitled to appoint to the Board of Directors one Representative and one Alternate, each of which shall be designated in writing. Individuals may be appointed to serve as Representatives and/or Alternates by one or more Authority members. Representatives and Alternates must be employees of an Authority member, and shall serve at the pleasure of their appointing member(s). All Representatives and Alternates shall be invited to attend all meetings of the Board of Directors. Representatives and Alternates may invite members of their represented agencies' staffs and/or consultants to attend meetings of the Board of Directors and Committees thereof in an advisory capacity only.

3.3 **Board Meetings.**

- a. **Minimum Frequency.** The Board of Directors must hold at least one regular meeting annually.
- b. **Open Meetings.** All meetings of the Board of Directors and any Committees thereof shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Public Meetings Act (Government Code Sections 54950, et seq.), as it may be amended from time to time. The Board of Directors and any Committees shall cause to be kept minutes of its meetings, which shall be proposed for adoption at the next subsequent Board meeting.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

- c. Agenda. An agenda for each Board and Committee meeting, not necessarily including ad hoc committee meetings, shall be prepared by the Executive Director. Items of business may be placed on an agenda by the President for Board and Executive Committee meetings, or the Committee Chair for other Committee Meetings. Any Representative or Alternate may request that the President or Chair place an item on the agenda. The request shall be submitted to the President or Chair, in writing, fourteen (14) days prior to the meeting at which the item will be discussed.
- d. Notices. Agenda notices shall be issued in compliance with applicable Brown Act provisions.
- e. Minutes. The Executive Director or his/her designee shall keep or cause to be kept written minutes of Board and Committee proceedings, except closed sessions.
- f. Quorum. A quorum for the transaction of business by the Board of Directors shall consist of the *lesser* of either (i) Representatives (or Alternates, in case of absence of a members' Representatives) of fifteen of the then-current members of the Authority, or (ii) Representatives (or Alternates, in case of Representatives' absence) of 50% plus one of the then-current members.
- g. Official Action of the Board of Directors. The Board of Directors shall take official action by ordinance, resolution or motion. Each member agency shall have one vote, which may be cast only by the member's Representative or, in the Representative's absence, by the Alternate. No proxy votes shall be permitted. Voting on motions shall be by voice, provided that any Director may request that a roll call vote be taken. Voting on ordinances and resolutions shall be by roll call. Except as otherwise provided in these Bylaws, action taken shall be determined by a majority vote of the Authority members represented at a meeting, consisting in each case of no less than eleven (11) affirmative votes.

3.4 Compensation. No Representative or Alternate shall receive any salary from the Authority.

3.5 Indemnification. The Authority hereby agrees to indemnify and hold the Representatives and Alternates, and each of them harmless against and free from all third-party claims, expenses, demands, penalties, fines, forfeitures, judgments, settlements, attorney fees, and any other

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

amount whatsoever actually and reasonably incurred or threatened by reason of, or as a result of, their official participation and actions to administer the Authority, including but not limited to amounts arising out of or by any judicial or quasi-judicial action or proceeding, whether civil, criminal, administrative or investigative, on condition that it appears to the satisfaction of the Board of Directors that the indemnitee acted in good faith and in a manner reasonably believed by him or her to be in the best interest of the Authority, and that such a person had no reasonable cause to believe that his or her conduct under the circumstances was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or plea of *nolo contendere* or its equivalent shall not for purposes of these Bylaws create any presumption that the indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in the best interest of the Authority, nor any presumption that such a person had reasonable cause to believe that his or her conduct under the circumstances was unlawful. This indemnification shall not be construed to obligate the Authority to pay any liability, including but not limited to, punitive damages, which by law would be contrary to public policy or itself unlawful. The Board of Directors, at its discretion, may self-fund or provide for errors and omissions insurance policy coverage or fiduciary liability insurance policy coverage for the Representatives, Alternates, officers and employees of the Authority, at the expense of the Authority.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

ARTICLE IV: OFFICERS

4.1 Officers. The principal Officers of the Authority shall be a President, a Vice President, a Secretary, and a Treasurer. The President, Vice President and Treasurer shall be elected in accordance with Article IV of these Bylaws. The Executive Director of the Authority shall serve as Secretary of the Authority. The Officers of the Authority shall also serve as the Officers of the Executive Committee.

4.2 President. The President shall be responsible for the direction of the business of the Authority, shall see that all orders and resolutions of the Board of Directors are carried into effect, and shall appoint and may be a member of all Board Committees. The President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

4.3 Vice President. The Vice President shall have such powers and perform such duties as may be prescribed from time to time by the Board of Directors or the President. In the absence or disability of the President, the Vice President shall be vested with all the powers, and be authorized to perform all the duties, of the President.

4.4 Treasurer. Pursuant to Government Code Section 6505.6, the chief financial officer of the Authority shall be the Treasurer, who shall assume, or delegate and oversee where legally permissible, the duties described in Government Code Section 6505.5, as it may be amended from time to time, including but not limited to:

- a. Receive and receipt for all monies of the Authority and place them in the Authority's Treasury, which shall be a commercial bank(s) authorized by the Executive Committee or Board of Directors, to the credit of the Authority.
- b. Be responsible for the safekeeping and disbursement of all monies of the Authority held by him/her.
- c. Verify and report quarterly to the Board of Directors all assets, liabilities, amounts received, and amounts paid out for all funds held by the Authority.
- d. Cause to be conducted an independent financial audit annually as required by Government Code Section 6505.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

The Treasurer shall also serve as Chair of the Finance/Audit Committee, and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or the President.

ARTICLE V: BOARD COMMITTEES

5.1 Standing Committees. The Board shall have at least four Standing Committees: the Executive Committee, the Finance/Audit Committee, the Health & Welfare Committee, and the Workers' Compensation Committee. The Board may create additional Committees as it deems appropriate.

5.2 Executive Committee. The Executive Committee is a working committee of the Board of Directors. The Executive Committee shall be responsible for the ongoing operation of the Authority as set forth in Article VII, and is hereby empowered to implement and enforce rules, regulations, and procedures as the Board of Directors may adopt. Where the Executive Committee is not empowered to act as under these Bylaws and Authority Policy, the Executive Committee shall make recommendations to the Board regarding the operations of the Authority.

a. The Executive Committee shall be comprised of nine (9) members as follows:

2 members: County Offices of Education

1 member: Community College District

1 member: High School District

1 member: Unified School District

1 member: Elementary School District with under 300 ADA

1 member: Elementary School District with between 301 and 900 ADA

1 member: Elementary School District with above 900 ADA

1 member: At Large

b. Members of the Executive Committee representing elementary school districts will retain their positions even if the districts they represent experience enrollment changes sufficient to move their districts out of the category they were elected to represent (e.g., if a member is elected to represent districts with under 300 ADA and his or her district grows to over 301 ADA, the Executive Committee member will keep his or her position on the Committee until the end of the term).

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

- c. When two or more County Offices of Education are Authority members, the two Executive Committee members representing County Offices of Education must represent two different County Offices.

5.3 Finance/Audit Committee. The Finance/Audit Committee shall consist of Treasurer and two to six additional other members, all of which must be Regular or Alternate members of the Board, as selected by the President. The Treasurer shall serve as the Chair. The President selects the Vice-chair. The functions of the Finance/Audit Committee include but are not limited to the following:

- a. Establish and recommend an annual Budget;
- b. Review all matters substantially affecting the fiscal operation of the Authority, including revenues, expenditures, investments and related fiscal matters;
- c. Review and monitor the Authority's financial reports, auditing reports and accounting practices;
- d. Review, analyze and assess the results of health and welfare claims audits conducted at least every three years;
- e. In cooperation with the Workers' Compensation Committee, review, analyze and assess the results of workers' compensation claims audits conducted at least every three years;
- f. Review, analyze and assess the results the Authority's annual financial audit;
- g. Provide general stewardship of the Authority's funds;
- h. Review all matters affecting the Authority's own insurance coverage program (as opposed to insurance programs made available to Authority members);
- i. Submit recommendations concerning these matters for further consideration and action by the Executive Committee and/or Board of Directors.

5.4 Health and Welfare Committee. The Health and Welfare Committee shall consist of five to eleven voting members and unlimited additional advisory members, all as selected by the President. At least five voting members must be Regular or Alternate members of the Board whereas the remaining Committee members need not be Regular or Alternate members of the

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

Board. The President selects the Committee Chair, who must be a member of the Executive Committee, and the Vice-chair. The functions of the Health and Welfare Committee include but are not limited to the following:

- a. Review all matters affecting the Health and Welfare Program available to members of the Authority;
- b. Submit recommendations concerning these matters for further consideration to, and action by, the Executive Committee and/or Board of Directors.

5.5 Workers' Compensation Committee. The Workers' Compensation Committee shall consist of two to five members selected by the President. All members of this Committee must be Regular or Alternate members of the Board. The President shall select the Committee Chair and Vice-chair. The functions of the Workers' Compensation Committee include but are not limited to the following:

- a. Review all matters affecting the Workers' Compensation Program available to members of the Authority;
- b. Review, analyze and assess, in conjunction with the Executive Director, Workers' Compensation coverage appeals and/or claims arising from an insurance provider's decision not to cover a particular loss with a value above the settlement authority granted to the Executive Director by Authority Policy;
- c. In cooperation with the Finance/Audit Committee, review, analyze and assess the results of workers' compensation claims audits conducted at least every three years;
- d. Develop workers' compensation loss control and risk management policies for Board consideration and adoption;
- e. Submit recommendations concerning these matters for further consideration to, and action by, the Executive Committee and/or Board of Directors.

5.6 Meetings of Standing Committees.

- a. Meetings. The Executive Committee must hold at least four meetings each calendar year.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

- b. Official Action of the Standing Committees. All Standing Committees shall take official action by motion.
- c. Quorum. A quorum for the transaction of business by the Executive Committee shall consist of five (5) members of the Committee. A quorum of all other Standing Committees shall consist of a majority of its voting members.
- d. Voting. Each Committee member shall have one vote. No proxy votes shall be permitted. Voting shall be by voice, provided that any Committee member may request that a roll call vote be taken. A vote of five (5) members of the Executive Committee shall be necessary to constitute action and to transact business. Other Standing Committees may take action and transact business by majority vote of the members present.
- e. Committee of the Whole. To allow full participation by Board members at meetings of Standing Committees, each Committee meeting shall also be noticed as a "Committee of the Whole." In the event that a quorum of the Board is present at such a noticed meeting, the Standing Committee will automatically convert into a Committee of the Whole. Thereafter, if there is no longer a quorum of the Board present at such meeting, the Committee of the Whole will automatically convert back into a Standing Committee. The Chair of the Standing Committee will serve as the chair of the Committee of the Whole.
- f. Committee Action. Except as otherwise set forth in these Bylaws or Authority Policy, any item acted upon by a Standing Committee or Committee of the Whole will require consideration and action by the full Board as a prerequisite to its legal enactment. Even if convened as a Committee of the Whole, only Executive Committee members will be permitted to vote on those actions on which the Executive Committee is empowered to act on the Authority's behalf.

ARTICLE VI: EXECUTIVE COMMITTEE AND OFFICER ELECTIONS

6.1 Election of Executive Committee.

- a. Frequency. Members of the Executive Committee shall be elected in every odd-numbered year, by majority vote of the agencies represented at the Board meeting when an election occurs.
- b. Nominations.
 1. Prior to March 1 of each election year, the Authority's Executive Director will send forms to all members seeking nominations for the Executive Committee.
 2. Incumbents, with their concurrence, are automatically included as candidates unless they ask to be removed from the ballot. Other candidates shall be listed on the ballot based upon the number of nominations each receives.
 3. Nominations must be received by April 1 of the election year.
- c. Elections. Elections shall be held at the first Board of Directors meeting held after nominations are due.
- d. Vacancies. All vacancies however arising may be filled by appointment of the President if there is less than one year remaining in the term of the vacating member. Vacancies in seats with more than one year remaining in the term shall be filled by election at the next regular or special meeting of the full Board of Directors.

6.2 Election of Officers.

- a. Frequency. Officers (other than Secretary) shall be elected every two (2) years, by majority vote of the agencies represented at the Board meeting when an election occurs, at the same meeting at which the Executive Committee is elected.
- b. Qualification. Only members of the Executive Committee may be nominated and elected to be Officers of the Authority.
- c. Special Elections. All vacancies however arising may be filled by appointment of the President if there is less than one year remaining in the term of the vacating member.

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

Vacancies in offices with more than one year remaining in the term shall be filled by election at the next regular or special meeting of the full Board of Directors.

ARTICLE VII: ADMINISTRATION & RESPONSIBILITIES

7.1. Board of Directors

- a. The Board of Directors shall have the authority to carry out all functions of the Authority, including, but not limited to, functions listed in Article I of these Bylaws, and to maintain at all times a complete and accurate system of accounting for Authority funds.
- b. The Board of Directors shall establish policies and procedures as necessary for administering the Authority and its insurance programs.
- c. All expenditures of funds (other than payment of claims) shall be authorized by the Board of Directors or Executive Committee, or delegees thereof as set forth in Authority Policy.
- d. The Board of Directors shall provide, or cause to be provided, each member with an annual report of the financial condition of the Authority.
- e. The Board of Directors shall annually adopt a budget showing each of the purposes for which the Authority will need monies and the estimated amount of monies that will be needed for each such purpose for the ensuing fiscal year. A copy of the budget shall be transmitted to each of the participating members.
- f. The Board of Directors shall determine contribution rates and the method by which contributions will be paid to the appropriate fund. The Board of Directors shall also provide for additional assessments during the year, if necessary or appropriate, to allow for increased costs and expenses as may occur. The Board of Directors shall ensure that a complete and accurate system of accounting of the funds shall be maintained at all times consistent with established auditing standards and accounting procedures.
- g. The Board of Directors, upon determination of the Executive Director and approval of the Executive Committee may, from time to time, refund to the certified eligible members in the form of a dividend any available funds which are determined by the Executive Committee to be unnecessary for purposes of the Authority.
- h. The Board of Directors shall have the power to invest, or cause to be invested, in compliance with Section 6509.5 of the California Government Code and the Authority's Investment Policy, such reserve surplus funds as are not necessary for the immediate operation of the

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

authority. The level of cash to be retained for the actual operation of the Authority shall be determined by the Board of Directors.

- i. The Board of Directors of the Authority shall develop suggested guidelines of risk management practices. Each of the members hereby agrees to consider the implementation in its agency of the guideline of risk management practices developed by the Board of Directors.

7.2 Executive Committee

- a. The Executive Committee shall have the power and authority to receive, accept, and utilize the services of personnel offered by any of the parties to this Agreement, or their representatives or agents; to receive, accept, and utilize property, real or personal, from any of the parties to this Agreement, or their agents or representatives; and to receive, accept, and expend and disburse funds by contract or otherwise, for the purposes consistent with the provisions of this Agreement, which funds may be provided by any of the parties to this Agreement or their agents or representatives.
- b. The Executive Committee shall designate a commercial bank(s) to serve as depository of the Authority.
- c. Review, analyze and assess, in conjunction with the Executive Director, Health and Welfare coverage appeals and/or claims arising from an insurance provider's decision not to cover a particular loss with a value above the settlement authority granted to the Executive Director by Authority Policy.

7.3 Executive Director

- a. The Board of Directors shall employ an Executive Director to administer the Programs and Operations of the Authority. The Executive Director shall be the Chief Executive Officer and shall have general supervision and direction of the Authority's business subject to oversight by the Executive Committee and the Board of Directors.
- b. The Executive Director shall be the Board of Directors' designee as Secretary at all meetings. In that capacity, the Executive Director shall record all votes and the minutes of all proceedings in a book to be kept for that purpose; shall give, or cause to be given, notice

SHASTA-TRINITY SCHOOL INSURANCE GROUP JOINT POWERS AUTHORITY

BY-LAWS

APPROVED BY THE BOARD ON OCTOBER 11, 2013

LAST AMENDED BY THE BOARD ON OCTOBER 2, 2015

of all meetings of the Board of Directors and of the Executive Committee, as required by law; and shall do such other duties as may be prescribed from time to time by the Board of Directors, the Executive Committee, or the President of the Authority.

- c. The Executive Director, on behalf of the Authority, shall comply with the provisions of Sections 6503.5 and 53051 of the Government Code requiring the filing of statements with the Secretary of State and with the County Clerk.

7.4 Claims

- a. The Board of Directors shall approve the settlement of claims against the Authority, including but not limited to claims arising under the Authority's Health & Welfare and Workers' Compensation programs.
- b. Notwithstanding section (a), the Board of Directors may adopt Policies to delegate settlement authority for claims at levels specified by Board policy to: the Executive Director, the Executive Committee or the Workers' Compensation Committee

7.5 Acceptance of Communications and Service of Process. The Authority will receive notices, correspondence, and other communications at its office located at 350 Hartnell, Suite D, Redding, CA, 96002. The Executive Director is authorized to receive service on behalf of the Authority and on behalf of the Board of Directors.

ARTICLE VIII: DISSOLUTION OF AUTHORITY

8.1 Dissolution.

- a. The governing bodies of the members of the Authority may determine that the public interest is no longer being served by the continuance of the Authority. If 90% or more of the then-current members of the Authority vote in favor of dissolution of the Authority, the Authority shall be dissolved effective at the end of the fiscal year specified by such parties at the time of voting. The Board of Directors shall provide for the continued administration of the Authority's business during a subsequent period of up to ten (10) years.
- b. In the event of the dissolution of the Authority, the complete rescission, or other final termination of Joint Powers Agreement by all members or other public educational agencies then a party to the agreement, any property interest remaining in the Authority following a discharge of all obligations shall be disposed of as the Board of Directors shall then determine, with the objective of returning to each member or other agency which is then or was theretofore a party during the six (6) month period immediately preceding the termination of the Agreement, a proportionate return on the contributions made to such properties by such parties.

8.2 Return of Funds. Upon dissolution of the Authority, the then-current fair value of Authority property shall be determined by the Board of Directors. If any present member disagrees with the current fair value of Authority properties, as determined by the Board of Directors, the current fair value of said properties shall be determined by an independent appraiser selected by the Board of Directors.

ARTICLE IX: AMENDMENT

- 9.1 Amendment Proposal Process. Amendments to these Bylaws may be proposed by any Representative of an Authority member. Proposed amendments shall be referred to the Executive Committee for consideration. A copy of any proposed amendment, with the Executive Committee's recommendations and reasons therefor, shall be forwarded to the Board of Directors, with the Committee's recommendation.
- 9.2 Amendments for Compliance with Laws. Any Amendment required by a change in federal, State or local law may be adopted by a majority vote of the Executive Committee, subject to ratification or rejection by the Board of Directors at its next meeting.
- 9.3 Amendment Adoption. All amendments to these Bylaws must be approved by a majority vote of the members of the Authority, through their Representatives or Alternates. All amendments shall be binding upon all members of the Authority. The effective date of any amendment will be the July 1st following adoption, unless otherwise provided by the Board of Directors' action.

ARTICLE X: SEVERABILITY

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

Signed and Executed by:

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Adam Hillman, President, STSIG