

Meeting of the Board of Directors

Location: Rancho Cordova Council Chambers
2927 Prospect Park Drive
Rancho Cordova, CA

Date: Friday, January 25, 2008, 8:30 a.m. – 10 a.m.

Roll Call: Directors Budge, Dupray, Hume, King, Nottoli

Members of the public may comment on any item on the agenda at the time that it is taken up by the Board. We ask that members of the public complete a request to speak form, submit it to the Clerk of the Board, and keep their remarks brief. If several persons wish to address the board on a single item, the chair may impose a time limit on individual remarks at the beginning of the discussion.

Public Communications: Any person wishing to address the Board on any item not on the agenda may do so at this time. After ten minutes of testimony, any additional testimony will be heard following the New Business/Action Items.

Action Items

1. CLOSED SESSION:

CONFERENCE WITH LABOR NEGOTIATIONS

Agency Designated Representatives: Mr. Trost and Chair Budge

Unrepresented employee: Executive Director (Candidate)

PUBLIC EMPLOYEE APPOINTMENT

Title: Executive Director

Report Action in Closed Session, if any.

2. Resolution: Approve Agreement for Retention of Executive Director Services and Establish Salary and Benefits for Executive Director (Mr. Trost)
- Attachments to be distributed at meeting.
3. Resolution: Adopt Terms and Conditions of Appointment to the Office of Executive Director (Mr. Trost)
- Attachments to be distributed at meeting.
4. Motion: Approve Minutes of the December 14, 2007, Meeting
5. Resolution: Adopt Conflict of Interest Code for Submission to the FPPC (Mr. Trost)
 - a. Attachment – Staff Report
 - b. Attachment – Resolution
6. Resolution: Join Golden State Risk Management Authority to Receive General Liability Insurance (Mr. Trost)
 - a. Attachment – Staff Report
 - b. Attachment – Resolution

7. Motion: Authorize Negotiations for Contract with Environmental Consultant or Authorize the Reissuance of the RFP (Mr. Trost)
 - a. Attachment – Staff Report
8. Presentation: Connector-Related Project Profiles (Mr. Lagomarsino, Ms. Nguyen, Mr. Shoeman)
9. Adjournment

The Board may take action on any matter, however listed on this Agenda, and whether or not listed on this Agenda, to the extent permitted by applicable law. Staff Reports are subject to change without prior notice.

If requested, this agenda can be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Interim Board Secretary for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting, should telephone or otherwise contact the Board Secretary as soon as possible. The Interim Board Secretary may be reached at 428 J Street, Suite 400, Sacramento, California 95814, or by telephone at (916) 447-7933.



Action Minutes of the December 14, 2007, Meeting

The Elk Grove-Rancho Cordova-El Dorado Connector Authority's Board of Directors met in regular session on December 14, 2007, in the Rancho Cordova Council Chambers, located at 2729 Prospect Park Drive, Rancho Cordova, CA, at 8:30 a.m.

Call to Order: Chair Linda Budge called the meeting to order at 8:33 a.m.

Roll Call: Present: Directors Budge, Dupray, Hume*, King, Nottoli

*Arrived after Roll Call, as noted below.

Public Communications: No one appeared to speak during the opportunity to comment on matters not on the agenda.

Meeting Minutes: It was moved by Director Nottoli, seconded by Director King, and passed by unanimous vote that:

**THE ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR BOARD OF DIRECTORS
APPROVES THE MINUTES OF THE OCTOBER 26, 2007, MEETING**

Interim Project Manager's Report: Mr. Bob Schaevitz, the Interim Project Manager for the Authority, provided an update on the business of the authority since the last meeting, including the status of the proposed conflict of interest code.

Director Hume arrived at 8:50 a.m. during the following item:

New Business Items:

Authorize Negotiations for Contract with Environmental Consultant or Authorize the Reissuance of the RFP: Ms. Gore presented the report, stating that staff was confident that the RFP Process had been competitive, despite the fact that URS has submitted the only proposal to serve as the environmental consultant for the Tier 1 EIR/EIS. Though the Agency Staff Advisory Committee was unable to settle on a single recommendation to the Board, staff was available to address the Board's questions and Gwen Owens, of Interwest Consulting, was available to provide information regarding the RFP process. Ms. Owens reported that the RFP was sent to more than 80 firms, 20 of which could have served as the lead consultant. After much discussion of the options presented to the Board, it was moved by Director King, seconded by Director Hume, and passed by unanimous vote that:

**THE ELK GROVE-RANCHO CORDOVA-EL DORADO CONNECTOR BOARD OF DIRECTORS
CONTINUED THE ITEM TO THE JANUARY 2008 BOARD MEETING TO RECEIVE INPUT
FROM THE NEW EXECUTIVE DIRECTOR.**

CLOSED SESSION PUBLIC EMPLOYMENT: The Board moved into closed session at 9:14 a.m. to conduct Executive Director Interviews. The Board reconvened into open session at 1:46 p.m. No reportable action from Closed Session.

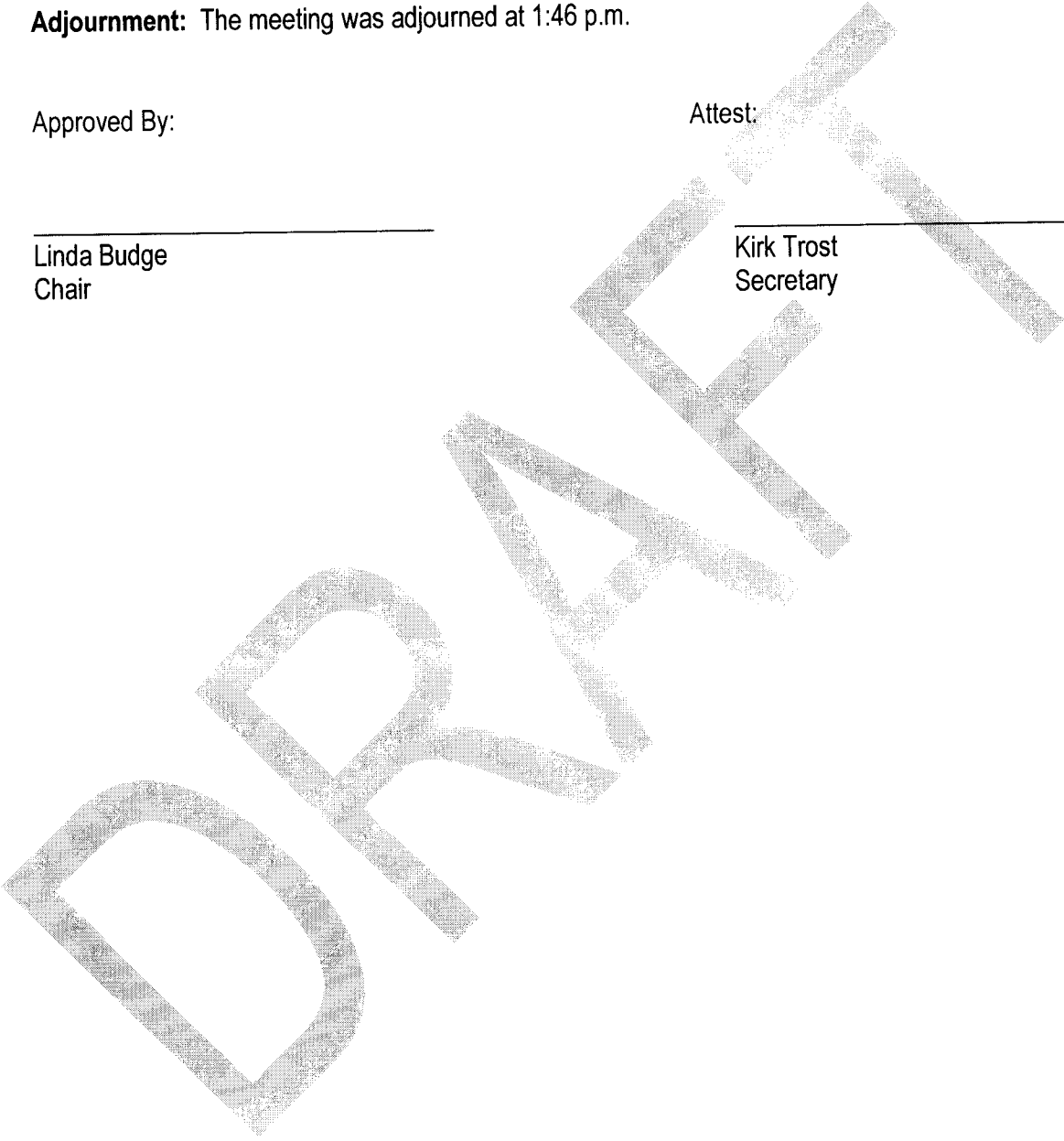
Adjournment: The meeting was adjourned at 1:46 p.m.

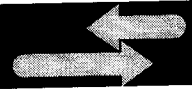
Approved By:

Attest:

Linda Budge
Chair

Kirk Trost
Secretary





Elk Grove-Rancho Cordova-El Dorado Connector Board of Directors

**Item # 5
Resolution**

January 25, 2008

Adopt the Proposed Conflict of Interest Code for Submission to the Fair Political Practices Commission for Final Approval

Issue: To adopt the proposed Conflict of Interest Code for submission to the Fair Political Practices Commission ("FPPC") for final approval.

Recommendation: Staff recommends that the Board approve the proposed Conflict of Interest Code presented at this meeting for submission to the FPPC for final approval.

Discussion: The California Political Reform Act requires all local public agencies to adopt a conflict of interest code requiring certain financial disclosures from its "designated employees." The FPPC has adopted a regulation, section 18730, title 2, of the California Code of Regulations, which contains the terms of a standard conflict of interest code. This regulation may be amended by the FPPC after public notice and hearing to conform to amendments in the Political Reform Act.

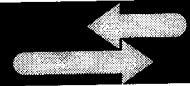
The proposed Conflict of Interest Code for the Elk Grove – Rancho Cordova – El Dorado Connector Authority, attached hereto, incorporates the terms of the FPPC's Regulations, thereby assuring that all subsequent amendments to those regulations by the FPPC will be incorporated without action by the Board. The proposed Conflict of Interest Code also includes an appendix designating the employees that must complete a form 700 and identifying the financial interests that each employee must disclose. The employees designated to complete a form 700 are required to do so due to their anticipated role in voting on matters, negotiating contracts, recommending purchases, and making other recommendations influencing the substantive decisions of the Authority.

As required by the FPPC's regulations, the proposed Conflict of Interest Code and a Notice of Intention to Adopt the Proposed Code were published on the Authority's website in November, 2007. A forty-five day written comment period was established from November 29, 2007 to January 14, 2008. During that period, any interested person had the opportunity to send a written comment on the proposed Code to the Interim Board Secretary. Any interested person, or his or her authorized representative, also had the opportunity to request a public hearing on the proposed Code. During this time, no comments were received, and no one requested a public hearing on the proposed Code.

Should the Board approve the proposed Conflict of Interest Code, staff will submit the proposed Code, along with other necessary documentation, to the FPPC for approval.

Prepared by:

Interim Legal Counsel



RESOLUTION NO. 2008-03

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ELK GROVE – RANCHO CORDOVA – EL DORADO CONNECTOR
ADOPTING THE PROPOSED CONFLICT OF INTEREST CODE
FOR SUBMISSION TO THE FPPC**

BE IT RESOLVED by the Board of Directors (“Board”) of the Elk Grove – Rancho Cordova –El Dorado Connector Authority that the proposed Conflict of Interest Code for the Authority, presented to the Board at this meeting, is hereby adopted in substantially the same form as attached hereto, and shall be submitted to the FPPC for final approval.

This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

PASSED AND ADOPTED this 25th day of January, 2008, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson

ATTEST:

Secretary

**CONFLICT OF INTEREST CODE FOR THE
ELK GROVE – RANCHO CORDOVA – EL DORADO CONNECTOR AUTHORITY**

The Political Reform Act, Government Code section 81000 *et seq.*, requires state and local governmental agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, Calif. Code of Regs, title 2, section 18730, containing the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to any amendments to the Political Reform Act. Therefore, the terms of Calif. Code of Regs, title 2, section 18730, attached hereto, and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which members and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the conflict of interest code of the Elk Grove – Rancho Cordova – El Dorado Connector Authority (the “Authority”).

Designated Employees shall file statements of economic interests with the Authority, which will make the statements available for public inspection and reproduction. (Gov. Code § 81008.) Upon receipt of the statements for the Board of Directors, Alternates, Secretary, and Executive Officer, the Authority shall make and retain copies and forward the originals to the Fair Political Practices Commission. Statements for all other designated employees will be retained by the Authority.

AUTHORITY: Government Code sections 87300 and 87306.

REFERENCE: Government Code sections 87300, 87302, and 87306.

APPENDIX

DESIGNATED POSITIONS

	<u>Disclosure Categories</u>
1. Board of Directors, Alternates	1, 2, 3
2. Executive Director	1, 2, 3
3. Deputy Executive Director, if any	1, 2, 3
4. Secretary	1, 2, 3
5. Auditor/Treasurer	1, 2, 3
6. Staff Advisory Committee Members	1, 2, 3
7. Consultants	1, 2, 3

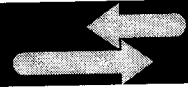
Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code, subject to the following limitation: The Chairperson of the Board of Directors ("Chairperson"), or the Executive Director may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such a determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. This determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

DISCLOSURE CATEGORIES

CATEGORY 1: Persons designated in this category shall disclose all interests in real property, as well as any sources of income from, investments in, or business positions held in, any business entity that engages in land development, construction, or the acquisition or sale of real property.

CATEGORY 2: Persons designated in this category shall disclose any sources of income, including gifts, loans, or travel expenses, from investments in, or business positions held in, any business entity that provides services, supplies, materials, or equipment of the type utilized by the Authority. Types of sources for which disclosure is required include, but are not limited to, the following: information technology firms, environmental consulting firms, design firms, transit or transportation consulting firms, administrative or accounting firms, construction management or consulting firms, or construction equipment suppliers.

CATEGORY 3: Persons designated in this category shall disclose any sources of income from, investments in, or business positions held in, any business entity that provides services, supplies, materials, machinery, or equipment to any of the Authority's member agencies.



Elk Grove-Rancho Cordova-El Dorado Connector Board of Directors

**Item # 6
Resolution**

January 25, 2008

Join Golden State Risk Management Authority to Receive General Liability Insurance

Issue: To join Golden State Risk Management Authority to obtain General Liability and Property Insurance.

Recommendation: Staff recommends that the Board approve the proposed resolution presented at this meeting to join Golden State Risk Management Authority to obtain General Liability and Property Insurance.

Discussion: Staff requested quotes for General Liability Insurance from three entities, including the Special Liability Insurance Program (SLIP), the Special District Risk Management Authority (SDRMA), and Golden State Risk Management Authority (GSRMA). SLIP declined to provide the Authority with a quote because the Authority's Joint Exercise of Powers Agreement contemplates that the JPA may be involved in transportation and transit-related activities. SDRMA offered the Authority general liability coverage with a \$2,500,000 limit. The annual premium for SDRMA's coverage would be \$25,000.

GSRMA has offered the Authority general liability and property coverage for an annual premium of \$7,500. The general liability coverage includes a \$35,000,000 per occurrence limit, and the property coverage includes a limit of up to \$600,000,000 per loss. The general liability policy has no deductible and includes bodily injury and property damage, public officials' errors and omissions, and contractual liability. The policy also includes crime-bond coverage with a \$2,500 deductible and a \$10,000,000 per occurrence limit.

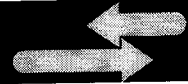
The property coverage included has a \$1,000 per occurrence deductible. As is typical of such policies, it excludes liability for eminent domain and inverse condemnation actions, and has limited coverage for flooding or property pollution.

Should the Authority join GSRMA to receive its coverage, the Authority will be required to participate in the program for a minimum of three years, and would be required to provide twelve months' advance notice to withdraw. GSRMA also requires that its members participate in all applicable programs, meaning that if the Authority were to directly hire employees during the next three years, it would be required to purchase workers' compensation and employers' liability insurance through GSRMA at that time.

As a risk management authority, GSRMA also has the ability to assess its members in the event that it has not adequately reserved funds to cover the claims it receives. Such an assessment seems unlikely, however, based on the fact that GSRMA has not assessed members since its inception in 1979. GSRMA has been accredited since 1992 by the California Association of Joint Powers Authorities which has stringent standards and highly scrutinizes program funding. It also has net assets of more than \$4 million.

Staff feels that GSRMA is offering excellent coverage at a very affordable rate. In light of the responses received from SLIP and SDRMA, staff feels it is unlikely that the Authority will find more affordable coverage through another insurer, and recommends that the Authority join GSRMA.

Prepared by:
Interim Legal Counsel



**Item # 6
Attachment**

RESOLUTION NO. 2008-04

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ELK GROVE – RANCHO CORDOVA – EL DORADO CONNECTOR
TO JOIN GOLDEN STATE RISK MANAGEMENT AUTHORITY TO
RECEIVE GENERAL LIABILITY INSURANCE**

BE IT RESOLVED by the Board of Directors (“Board”) of the Elk Grove – Rancho Cordova –El Dorado Connector Authority that the Authority wishes to be admitted as a member of the Golden State Risk Management Authority. The Authority accepts and agrees to abide by the Golden State Risk Management Authority’s Joint Exercise of Powers Agreement and the Golden State Risk Management Authority By-Laws, attached hereto, and to comply with all the provisions contained therein. The Chairperson of the Board is hereby authorized and directed to execute and deliver the standard agreement for admission of a new member, in substantially the same form as attached.

This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

PASSED AND ADOPTED this 25th day of January, 2008, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson

ATTEST:

Secretary

**AGREEMENT FOR ADMISSION OF NEW MEMBER
TO THE GOLDEN STATE RISK MANAGEMENT AUTHORITY**

- Exhibits: (A) Golden State Risk Management Authority Joint Exercise of Powers Agreement;
 (B) Golden State Risk Management Authority Bylaws.

RECITALS

1. The Elk Grove – Rancho Cordova – El Dorado Connector Authority (“Connector Authority”), a public agency within Sacramento and El Dorado Counties, has applied for membership in the Golden State Risk Management Authority.
2. Said membership is contingent upon the acceptance of, and agreement to abide by, the Golden State Risk Management Authority Joint Exercise of Powers Agreement (Ex. A), and the Golden State Risk Management Authority By-Laws (Ex. B).

AGREEMENT

Therefore, the Connector Authority, a public agency, has applied for membership in the Golden State Risk Management Authority. It hereby accepts and agrees to all provisions of the Joint Exercise of Powers Agreement (Ex. A) and the ByLaws of the Golden State Risk Management Authority (Ex. B), and agrees to abide by and comply with all the provisions contained therein.

Upon entering this Agreement, the Connector Authority, is accepted as a new member. Membership is effective as of the date of the prior conditional approval by the Board of Directors of the Golden State Risk Management Authority.

Dated: _____

Chairperson, Linda Budge

Dated: _____

President, Golden State Risk
Management Authority

Approved as to form:

Leonard G. Krup, Counsel

Reviewed and Approved:

Scott Schimke, Risk Manager
Golden State Risk Management
Authority

Adopted: April 10, 1979
Amended: April 27, 1992
Amended: June 11, 1997
Amended: July 1, 2000
Amended: July 14, 2004

JOINT EXERCISE OF POWERS AGREEMENT
FOR PROVIDING PROPERTY, WORKERS'
COMPENSATION, PUBLIC LIABILITY
AND OTHER INSURANCE COVERAGES

ENTERED INTO BY

PUBLIC AGENCIES WITHIN AND WITHOUT
THE STATE OF CALIFORNIA

EXHIBIT "A"

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JOINT EXERCISE OF POWERS AGREEMENT FOR PROVIDING PROPERTY, WORKERS' COMPENSATION, PUBLIC LIABILITY, AND OTHER INSURANCE COVERAGES

* * *

THIS AGREEMENT is dated, for convenience, July 1, 1979, as the date the Agreement was initially entered into between certain of the PUBLIC AGENCIES within the County of Glenn. Thereafter, this Agreement has been amended to include Public Agencies within or without the State of California. These public agencies are hereafter referred to as "Member Agencies" and listed in Appendix "A", which may be amended from time to time.

RECITALS

This agreement is predicated upon the following facts:

1. WHEREAS the Member Agencies are public agencies organized and operating under the laws of the State of California or other states of the United States;
2. WHEREAS, the following California state laws, among others, authorize the Member Agencies to enter into this agreement:
 - a. Labor Code Section 3700(c) allowing a local public entity to fund its own worker's compensation claims;
 - b. Government Code Sections 989 and 990, et. seq. and Education Code Sections 17566 and 17567 permitting a local public entity to insure itself against liability and other losses;
 - c. Government Code Section 990.4 permitting a local public entity to provide insurance and self-insurance in any desired combination;
 - d. Government Code Section 990.8 permitting two or more local public entities to enter into an agreement to jointly fund such expenditures under the authority of Government Code Sections 6500 et. seq.;
 - e. Government Code Sections 6500, et. seq. permitting two or more local public entities (including public agencies located outside the State of California) to jointly exercise under an agreement any power which is common to each of them.

3. WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of developing an effective risk management program to reduce the amount and frequency of their losses, pooling their self-insured losses, and jointly purchasing excess insurance and administrative services in connection with a joint program for said parties; and

4. WHEREAS, a feasibility study has shown that it is 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

PURPOSES

This Agreement is entered into by Member Agencies pursuant to the provisions of California Government Code Section 990, 990.4, 990.8 and 6500 et seq. in order to develop an effective risk management program: (a) to reduce the amount and frequency of their losses, (b) pool their self-insured losses, and (c) jointly purchase excess insurance and administrative services in connection with a joint protection program for said parties.

This purpose shall be accomplished through the exercise of the powers of Member Agencies jointly in the creation of a separate entity, originally known as the "Glenn County Joint Powers Authority and now known as the "Golden State Risk Management Authority", to administer a joint protection program wherein Member Agencies will pool their losses and claims, jointly purchase excess insurance and administrative and other services, including claims adjusting, data processing, risk management, loss prevention, legal and related service.

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 public agencies 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.

It is also the purpose of this Agreement to provide for the removal of participating agencies for cause, or upon request.

ARTICLE 2

Definitions: Unless the context otherwise requires:

(1) "Authority" originally meant the Glenn County Joint Powers Authority created by this Agreement, and presently means the Golden State Risk Management Authority.

(2) "Basic Risk Coverages" are property, worker's compensation, and liability coverages subject to such exclusions as may be determined by the Board from time to time;

(3) "Board of Directors" or "Board" shall mean the governing board of the Authority;

(4) "Broker" is the insurance broker designated and authorized by the Board to acquire insurance coverage;

(5) "Certificate of Coverage (C.O.C.)" is the document issued by the Authority to Member Agencies specifying the scope and amount of pooled protection provided to each Member Agency by the Authority;

(6) "City shall mean a municipal corporation; [Deletion]"

(7) "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;

(8) "Claims Adjuster" is the claims adjuster hired by the Board to determine losses and make or recommend payments from the appropriate central loss funds;

(9) "County" shall mean a political subdivision of the State of California or any other State of the United States of America;

(10) "Covered Losses" are those losses resulting from claims against Member Agencies which are in excess of the Member Agency's deductible, and are insured by the Authority;

(11) "Excess Insurance" shall mean that insurance purchased by the Authority to cover losses in excess of the Authority's self-insured retention.

(12) "Incurred Loss" is the sum of moneys paid and reserved by the Authority that is necessary to investigate and defend a Claim and to satisfy a covered loss sustained by a Member Agency;

(13) "Joint Protection Program" or "Program" shall mean the operation of the Authority under which the member agencies are protected against designated losses, either through joint purchase of excess insurance, pooling of self-insured claims or losses, purchased insurance or any combination as determined by the Board;

(14) "Member" means a member of the Board;

(15) "Member Agency" means any of the public agencies, which are a party to this Agreement;

(16) "Memorandum of Coverage (M.O.C.)" is the document issued by the Authority to member agencies specifying the limits of liability of the coverage provided to each member agency, including the authority's retention amount and excess insurance limits.

(17) "Risk Manager" is the person or firm appointed by the Board to be its Secretary and the Chief Administrative Officer of the Authority;

(18) "Special District" shall mean special districts created pursuant to the law of the State of California or any other state which provide governmental service. Special Districts shall be treated as member agencies except that Special Districts governed through the Board of Supervisors of a County shall be represented on the Board by that County in accordance with Article 7 hereof.

ARTICLE 3

Rules of Construction:

- (1) The present tense includes the past or future tense; the future tense includes the present tense.
- (2) The singular includes the plural and the plural includes the singular.
- (3) Shall is mandatory and may is permissive.
- (4) The masculine gender includes the feminine and neuter.

ARTICLE 4

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 26. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Article 22 or 23, shall not affect this Agreement nor the remaining parties' intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 5

CREATION OF AUTHORITY: Pursuant to Section 6500 et. seq. of the Government Code, there is hereby created the Authority, a public entity, separate and apart from the parties to this Agreement. The creation of a separate public entity is intended by this Agreement pursuant to Government Code Section 6507. The Authority was originally known as the Glenn County Joint Powers Authority and is now known as the Golden State Risk Management Authority.

ARTICLE 6

TERM OF AGREEMENT: This Agreement becomes effective July 1, 1979, and continues until terminated as hereafter provided.

ARTICLE 7

GOVERNING BOARD: The Authority shall be governed by a Board composed of **seven (7)** members, all of whom shall be elected or appointed members of the governing boards of member agencies. The members of the Board shall be composed of: (1) two members from the Boards of Supervisors of county member agencies; (2) **one member from the City Councils of City member agencies.** (3) **one member from the Boards of Trustees of school district member agencies;** (4) **one member from the Boards of Directors of cemetery districts within the Public Cemetery Alliance;** (5) **one member from the Boards of Directors of Fire Protection Districts;** and (6) **one member from the Boards of Directors of all remaining special districts.**

COMPOSITION OF BOARD: The composition of members of the Board and the selection procedure hereinafter described shall be implemented as follows:

(1) The two directors from the County Boards of Supervisors shall be determined as follows:

(a) If there is only one county member agency, that member agency shall appoint both directors;

(b) If there are two county member agencies, each County shall appoint one director;

(c) If there are more than two county member agencies, then the particular counties to appoint directors shall first be determined by lot. Each selected County shall then have the authority and duty to appoint one director for a term of two years. The appointment may be of any supervisor from any of the County Member Agencies;

(2) The specific city, school district, **cemetery district (PCA), fire protection district,** and special district that will have the authority to appoint their respective

representatives to the Authority Governing Board shall be first determined by lot. Each selected city, school district, **cemetery district (PCA), fire protection district,** and special district shall then have **the** authority to appoint.

(a) Each selected city, school district, **cemetery district (PCA), fire protection district,** and special district shall then appoint to the Authority Governing Board as follows:

1. The selected city may appoint any City Councilman from any of the City member agencies;

2. The selected school district may appoint any school district Trustee from any of the school district member agencies.

3. **The selected cemetery district (PCA) may appoint any cemetery district director from any of the cemetery district (PCA) member agencies.**

4. **The selected fire protection district may appoint any fire protection district director from any of the fire protection district member agencies.**

5. The selected special district may appoint any special district director from any of the special district member agencies.

TERMS OF OFFICE: At the commencement of the Authority in 1979, the initial terms of office were as follows: County directors two (2) years, school district director one (1) year, special district director two (2) years, and city director three (3) years. Thereafter, the terms for the board members were and are two (2) years.

The initial term of the cemetery district director (PCA) shall be three (3) years. The initial term of the fire protection district director shall be two (2) years. Upon completion of the initial terms of these new directors, the terms for all board members shall be two (2) years.

Each director serves at the pleasure of his respective appointing governing body and may be replaced at any time. The County directors shall also represent all special districts that are governed by County Boards of Supervisors. No person shall be appointed to serve on the Board of the Authority who is an employee of any member agency.

VOTING AND COMPENSATION: Each member of the Board has one vote. Board members shall be entitled to compensation as provided in the By-Laws.

ERRORS AND OMISSIONS COVERAGE: The Authority shall investigate and defend actions against, and pay on behalf of the Board of Directors and the individual members of the Board of Directors of the Golden State Risk Management Authority, and the officers of Member Agencies assigned duties pursuant to Article 9, paragraph (6), subject to a limit of liability of \$500,000.00, sums that they become legally obligated to pay as damages because of any act or omission in the performance of their respective duties as provided in the Joint Exercise of Powers Agreement. This coverage shall not apply to intentionally dishonest or fraudulent acts, nor to punitive damages, penalties or sanctions. The Risk Manager shall contract for all necessary investigation and shall select defense counsel. In the alternative, the Authority may purchase insurance coverage for this exposure.

ARTICLE 8

BOARD MEETINGS AND RECORDS

(1) **REGULAR MEETINGS:** The Board shall hold at least one regular meeting each year. The Board shall provide for such other regular meetings and for such special meetings as it deems necessary.

(2) **RALPH M. BROWN ACT:** Each meeting of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held, and conducted in accordance with the Ralph M. Brown Act (Section 54950 et. seq. of the Government Code).

(3) **MINUTES:** The Risk Manager shall have minutes of all regular, adjourned regular and special meetings kept. Within **sixty (60)** days after each meeting, he shall have a copy of the minutes forwarded to each member of the Board and to each Member Agency.

(4) **BY-LAWS AND REGULATIONS:** As soon as practicable after the first meeting of the Board, and within the first twelve months of the Authority's existence, the Board shall cause to be developed Authority By-laws, and a Policy and Procedure Manual, to govern the day-to-day operations of the Authority, which are not inconsistent either with applicable law or with this Agreement. Each Board Member and each Member Agency shall receive a copy of any By-laws, Policy Statement, or Manual developed under this Article. Thereafter, the Board may adopt additional by-laws and regulations, which are not inconsistent either with applicable law or with this Agreement. The Risk Manager shall send to each Board Member and to each Member Agency each by-law and regulation and amendment promptly after its adoption by the Board.

(5) **QUORUM:** No business may be transacted without a quorum of the members of the Board being present. A quorum shall

consist of **four (4)** members of the entire Board. **Four** of the members must vote in favor of a motion to approve it. The Board shall adopt appropriate rules, not inconsistent herewith, for the orderly transaction of its business.

(6) **EXECUTIVE COMMITTEE:** The Board may establish an executive committee and delegate to it functions not otherwise reserved to the entire Board.

ARTICLE 9

OFFICERS

(1) The Board shall elect a president and vice-president from among its members at its first meeting each calendar year. Thereafter, at its first meeting in each succeeding calendar year, the Board shall elect a president and vice-president. Each officer shall assume the duties of his office upon election. If either the president or vice-president ceases to be a member, the resulting vacancy shall be filled at the next regular meeting of the Board which is held after the vacancy occurs. The president shall preside at and conduct all meetings of the Board. In the absence or inability of the president to act, the vice-president acts as president. In the absence of both the President and Vice-President, the Risk Manager shall preside at and conduct meetings of the Board.

(2) The Risk Manager shall be the Secretary and Chief Administrative Officer of the Authority.

(3) **The Board shall appoint one of the Authority's officers or employees to serve in the position of either treasurer or auditor, or both of such positions. These offices may be held by separate officers or employees or combined and held by one officer or employee. Such person or persons appointed shall have the powers, duties, and responsibilities as set forth in Government Code Sections 6505, 6505.5 and 6505.6, including the duty to cause an independent annual audit to be made in compliance with Government Code Section 6505.**

(4) The Board shall require the Risk Manager, Treasurer, and Auditor to cause to be filed with the Authority an official bond in an amount to be fixed by the Board, but not less than \$500,000. The Authority shall pay the cost of the premiums for each bond required by it. In the alternative, the Authority may utilize and participate in bond coverage by means of a master bond jointly purchased by public agencies.

(5) The Board may contract with consultants and other professional persons or firms, as it considers necessary to carry out the purposes of this Agreement.

ARTICLE 10

POWERS OF AUTHORITY: The Authority is authorized, in its own name, to do all acts necessary for the exercise of those powers referred to in recital 2 including, but not limited to each of the following:

- (1) Make and enter into contracts;
- (2) Incur debts, liabilities, and obligations; but no debt, liability, or obligation of the Authority is a debt, liability, or obligation of any agency which is a party to this Agreement, except as otherwise provided by Articles 26 and 27;
- (3) Acquire, hold or dispose of real and personal property;
- (4) Receive contributions and donations of property, funds, services, and other forms of assistance from any source;
- (5) Sue and be sued in its own name;
- (6) Employ agents and employees;
- (7) Acquire, construct, manage, and maintain buildings;
- (8) Lease real or personal property including that of a Member Agency;
- (9) Receive, collect, invest, and disburse moneys; and
- (10) All other powers described in Government Code Sections 6508 and 6509.5 which is incorporated by reference.

These powers shall be exercised in the manner provided by law, and, except as expressly set forth in this Agreement, subject only to those restrictions upon the manner of exercising the powers which are imposed upon municipalities in the exercise of similar powers.

ARTICLE 11

SETTLEMENT AUTHORITY: The Authority shall have the power and authority to negotiate the settlement of any covered Claim or action against a member agency involving public entity liability or workers' compensation without the consent of the member agency, except that consent shall be necessary only if the settlement amount will exceed the Authority's limit of liability.

Affected member agencies shall have the right to provide the Board with any input or information desired on any pending Claim or action at any time. The Board shall consider this input in making its decisions on settlements.

The Risk Manager may be authorized to settle claims or actions without prior authorization in sums up to an amount established by the Board.

ARTICLE 12

FISCAL YEAR: The "Fiscal Year" of the Authority is the period from the first day of July of each year to and including the thirtieth day of June of the following year.

ARTICLE 13

ESTABLISHMENT AND ADMINISTRATION OF FUNDS

(1) The Authority shall establish such funds and accounts as required for efficient operation of the Authority and good accounting practices:

(2) The Treasurer shall have the custody of and disburse the Authority's funds. He shall invest and reinvest said funds in accordance with state law.

(3) The Auditor shall draw warrants to pay demands against the Authority. **The warrants drawn by the Auditor shall be reviewed by the Board and approved and ratified at the first meeting of the Board following the draft of the warrants.**

ARTICLE 14

BUDGET: The Authority shall adopt an annual budget not later than the first day of its fiscal year.

ARTICLE 15

PREMIUM CHARGES FOR BASIC RISK COVERAGES: During each of the first three years of membership in the Authority, each Member Agency shall pay to the Authority as its annual premium charge for the basic risk coverages available through the Authority, the amount equal to the annual premiums incurred by each Member Agency for property, worker's compensation, and liability insurance coverages for the twelve months period immediately preceding the beginning of the Authority's fiscal year in which the Agency becomes a member of the Authority, modified by whatever surcharge or credit that may be specified by the Board.

Thereafter, the Risk Manager shall calculate annually the amount of the premium payments for each Member Agency's basic risk coverage. The Risk Manager shall make estimated calculations, obtain approval of the Board, and shall distribute the bills at least 30 days before the end of the fiscal year preceding the year for which the charges apply. The bill for basic risk coverage is due and payable on or by July 15 of the fiscal year for which the Authority is providing risk coverage. Failure of a Member Agency to pay its bill in full by this date shall constitute sufficient grounds for the Board to immediately cancel the Member Agency's certificate of protection, unless the Board has authorized installment payments.

The annual premium charge to each Member Agency for each basic risk coverage shall consist of each Member Agency's prorated share of:

- (1) Excess insurance premium;
- (2) Charge for pooled risk, recognizing the deductible selected;
- (3) Claims adjusting and legal cost, and;
- (4) Administrative costs and other costs to operate the Authority.

The Risk Manager shall also consider each member's loss history and loss exposure together with the performance of each program (coverage) in making his calculations for the proposed premiums for each member agency.

The Board shall have the authority to rebate any excess funds to the member agencies. The Board may require that any such rebates be applied in reduction of subsequent premiums.

If the Authority experiences an unusually large number of losses during a policy year, such that the Authority funds may be exhausted before the next annual premiums are due, or that the Authority funds may be insufficient to pay losses or to fund estimated losses, the Board may impose premium surcharges on member agencies.

ARTICLE 16

RISK COVERAGE AND DEDUCTIBLES

(1) **BASIC RISK COVERAGE:** The basic risk coverage premium charge referred to in Article 15 is payment for the coverage provided by the Authority to each Member Agency for the basic risk coverage specified in the Memorandum of Coverage and Certificate of Coverage. The Board may, but is not required to, use standard form policies. The scope of property, liability, and workers' compensation coverages in the pool shall be determined by the Board.

In case of property coverage, such as fire, the policy limits shall be at or greater than the amount of the insurable replacement value of all the property of each of the Member Agencies which the Member Agencies and Authority agree to be covered. It shall be updated annually according to the revised values to be furnished by each Member Agency which have been obtained as prescribed in Article 21 (8). Each Member Agency by the act of paying the risk coverage charge accepts the basic risk coverage provided by the policy.

(2) **EFFECTIVE DATE:** Pursuant to the payment of premiums by each Member Agency to the Authority, the Authority shall issue to each Member Agency a certificate of coverage and memorandum of coverage, indicating the coverage provided to the Member Agency by the Authority. The coverage provided by the policy begins for each Member Agency on such date as set forth in the policy and shall expire at the end of each fiscal year of the Authority.

(3) **SUBROGATION:** The Authority shall retain all subrogation recoveries. Each subrogation action shall be brought on behalf of both the Member Agency and the Authority.

(4) **SPECIAL COVERAGES:** **The Board may, from time to time, establish special changes covering additional or lesser risks. A reasonable surcharge may be imposed when the activities of a member agency increases the risk to the membership pool. A special change could also be made by the Board upon the request of a member agency or agencies for additional coverage with the cost of such additional coverage to be paid by the requesting member agencies.**

(5) **WORKERS' COMPENSATION PENALTIES:** Any and all penalties assessed against the Authority by the Office of Benefit Assistance Enforcement (O.B.A.E.), Workers' Compensation Appeals Board shall be paid as follows:

a. Penalties assessed due to the failure of a member agency (Employer) to comply with the time requirements or reporting requirements as stated in the Workers' Compensation law shall be paid by the member agency-employer.

b. Penalties assessed due to the failure of the Authority (Insurer) to comply with the time requirements or reporting requirements as stated in the Workers' Compensation law shall be paid by the Authority.

ARTICLE 17

ACCOUNTS, RECORDS, AND AUDITS

(1) ACCOUNTS AND RECORDS: The Auditor shall establish and maintain the funds and accounts in accordance with acceptable accounting practices and shall maintain such other records as the Board requires. Books and records of the Authority in the possession of the Auditor shall be open to inspection at all reasonable times by designated representatives of the Member Agencies. Within 120 days after the close of each fiscal year, the Auditor shall give a complete written report of all financial activities for that fiscal year to the Authority for the annual audit by a Certified Public Accountant.

(2) AUDITS: The Authority shall contract with a certified public accountant for an annual audit of the accounts and records of the Authority at the end of each fiscal year. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted auditing standards. When an audit is completed, the Authority shall have a copy of the audit report filed as a public record with each Member Agency. The audit report shall be filed within 6 months of the end of the fiscal year under examination. The Authority shall bear the costs of the audit. These costs are a charge against the operating funds of the Authority.

ARTICLE 18

RESPONSIBILITY FOR MONEYS: The Treasurer of the Authority shall have the custody of and the Auditor shall disburse Authority funds as directed by the Board, and as provided by accounting procedures developed in accordance with this Agreement, and as nearly as possible in accordance with generally accepted accounting principles.

ARTICLE 19

LOSS RECORDS: The Authority shall maintain or have maintained accurate loss records for all covered risks, for all claims paid, and for such other losses as it requires or directs be maintained.

ARTICLE 20

AUTHORITY FUNCTIONS AND RESPONSIBILITIES: The Authority shall

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

- (1) Assist Member Agencies in developing their risk management statements;
- (2) Assist each Member Agency's assigned risk manager with the implementation of the Member Agency's risk management program;
- (3) Provide advice and assistance to each Member Agency's risk management advisory committee;
- (4) Provide coverage, as authorized by the Board, through, but not limited to, a self-insurance fund and commercial insurance, as well as excess coverage and umbrella insurance, by negotiation, bid, or purchase;
- (5) Provide loss prevention, safety, and security advice;
- (6) Provide claims management services for covered risks;
- (7) Provide claims recovery and subrogation services to investigate, pursue, and collect for damages caused by the acts of others;
- (8) Assist in providing rehabilitation services under worker's compensation to reduce industrial disability retirement liabilities;
- (9) Establish actuarial services to distribute costs and generate revenues in accordance with the provisions of Article 15 herein;
- (10) Provide loss analysis control by use of statistical analysis, data processing, record and file keeping services in order to help identify high exposure operations and evaluate proper levels of self-retention and possible deductibles;
- (11) Assist Member Agencies in maintaining current, complete, and accurate building and contents values by location for insured properties by helping them to obtain the services of a competent property appraisal firm;
- (12) Conduct risk management audits to review the participation of each Member Agency in the program. The Audit Team shall be comprised of the Risk Manager, a representative from the Member Agency being audited, and other necessary persons;
- (13) Select legal counsel and claims legal defense counsel;
- (14) Perform other functions as required by the Board for the purpose of

accomplishing the goals of this Agreement.

ARTICLE 21

MEMBER AGENCY RESPONSIBILITIES: Each Member Agency has the following responsibilities:

- (1) Appoint its representative to the Authority Board pursuant to the selection procedure contained in the provisions of Article 7 herein;
- (2) Appoint an employee of the Member Agency to be responsible for the risk management function within that Member Agency, and to serve as a liaison between the Member Agency and the Authority regarding risk management matters;
- (3) Adopt a risk management statement;
- (4) Adopt and implement a risk management program which can reasonable be expected to reduce, or minimize, the Member Agency's losses;
- (5) Establish a risk management advisory committee to work with the risk manager of the Authority;
- (6) Establish and maintain an active safety committee;
- (7) Report to the Authority's Risk Manager during the development stage, the addition of new programs, and the significant reduction or expansion of existing programs;
- (8) Annually provide the Authority with current, complete, and accurate information for an appraisal for the insurable replacement cost values of buildings and contents covered by the Authority (property coverage shall not be made available to a Member Agency until such time as the Member Agency has made available to the Authority the above-described appraisal information);
- (9) Cooperate fully with the Authority in determining the cause of losses and in the settlement of losses;
- (10) Cooperate fully with assigned litigation defense counsel;
- (11) Comply with the risk management requirements established by the Authority pursuant to this Agreement;
- (12) Pay its premiums, and any adjustments thereto, promptly to the Authority

when due. After withdrawal or termination, such agency will pay promptly to the Authority its share of any additional premium, when and if required of it by the Board under Article 24 or 25 of this Agreement;

(13) 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 and in litigation defense;

(14) Cooperate with and assist the Authority, and any insurer, claims adjuster, or legal counsel, of the Authority, in all matters relating to this Agreement, covered losses and litigation defense, and comply with all by-laws, policies, rules, and regulations adopted by the Board.

ARTICLE 22

CANCELLATION: The Authority shall have the right to cancel any Member Agency's participation in the joint protection program upon two-thirds vote of the entire Board. Any Member Agency so canceled shall, on the effective date of the cancellation, be treated the same as if the Member Agency had voluntarily withdrawn from this program.

ARTICLE 23

WITHDRAWAL

(1) After the initial three-year noncancellable commitment to the program, a Member Agency may withdraw only at the end of a fiscal year of the Authority, provided it has given the Authority a twelve-month written notice of its intent to withdraw from this Agreement and the joint protection program, except as otherwise permitted by the Board.

(2) A new member shall not withdraw as a party to this Agreement and as a member of the Authority for a three-year period commencing on July 1 of the first fiscal year as a member agency.

(3) Any Member Agency **that** withdraws as a party to this Agreement pursuant to this Article shall not be reconsidered for new membership until the expiration of five years from the Member Agency's withdrawal.

ARTICLE 24

EFFECT OF WITHDRAWAL

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

(2) The withdrawal of any Member Agency after the effective date of the joint protection program shall not terminate its responsibility to contribute its share of premiums to the program until all claims, or other unpaid liabilities, covering the period the Member Agency was signatory hereto have been finally resolved and a determination of the final amount of payments due by the Member Agency or credits to the Member Agency for the period of its membership has been made by the Board. In connection with this determination, the Board may exercise similar powers to those provided for in Article 25 (3) and 25 (4) of this Agreement.

ARTICLE 25

TERMINATION AND DISTRIBUTION

(1) This Agreement may be terminated at any time by the written consent of three-fourths of the Member Agencies, 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.

(2) 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 22 or 23 of this Agreement, in accordance with and proportionate to their premium payments made during the term of this Agreement. The Board shall determine such distribution within six months after the last pending Claim or loss covered by this Agreement has been finally disposed of.

(3) The Board is vested with all powers for the purpose of concluding and dissolving the business affairs of the Authority. These powers shall include the power to assess current and former Member Agencies (Member Agencies at the time existing unpaid claims arose or losses incurred), to pay any additional amounts necessary for the final disposition of all claims and losses covered by this Agreement. A Member Agency's share of such additional premium shall be determined on the same basis as that provided for in Paragraph (2) of this Article.

(4) The decision of the Board under this Article shall be final.

ARTICLE 26

NEW MEMBERS

(1) Except as provided by Article 23 (3), public entities that have applied for membership may be approved by the Board and may be admitted to the program at any time. The Board of Directors shall have the sole discretion to admit or reject new members. In and through their application for, and acceptance of membership, new members shall agree to accept, comply with, and be bound by all the provisions of the Joint Exercise of Powers Agreement and the Bylaws.

(2) The agency requesting membership shall supply all loss experience and risk exposure data together with any other relevant information desired by the Risk Manager.

(3) Determination of the initial premium charges for new members shall be pursuant to Article 15. In the alternative, for agencies with no prior premium history, the initial premium shall be established using the data supplied by the new member.

(4) The initial premium for new members shall remain the same for the first three years of membership, except for any necessary increases due to adverse loss history as a member. For a new member admitted at any time other than at the beginning of the Authority's fiscal year, the "first three years of membership" (referred to in Article 15) shall commence at the beginning of the next fiscal year of the Authority.

ARTICLE 27

NOTICES: Notices to Member Agencies under this Agreement shall be sufficient if mailed to the office of the Governing Board of the respective Member Agencies. Notices to the Authority shall be sufficient if delivered to the office of the Risk Manager.

ARTICLE 28

PROHIBITION AGAINST ASSIGNMENT: No Member Agency may assign any right, Claim, or interest it may have under this Agreement, and no creditor, assignee, or their party beneficiary of any Member Agency shall have any right, Claim, or title to any part, share, interest, fund, premium, or asset of the Authority.

ARTICLE 29

AMENDMENTS: This Agreement may be amended from time to time by an affirmative vote of 51% of the member agencies.

ARTICLE 30

ADDITIONAL INSURANCE COVERAGES: The Authority shall have the power and authority to establish and offer to all member agencies, programs consisting of additional insurance coverages. Said programs of additional insurance coverages may involve fringe benefit plans for the employees of member agencies. Participation in any proffered program of additional insurance coverage shall be voluntary on the part of any member agency and shall not affect their participation in the basic risk coverages already provided. Selection of particular programs or plans to be offered to member agencies shall be made by the Authority Board. The Board shall establish the premium charges including administration costs, method of payments of premiums, and manner and method of administering each such plan or program.

ARTICLE 31

ENFORCEMENT: The Authority is hereby granted the authority to enforce this Agreement. In the event any action is instituted **concerning a dispute involving any provision of this Agreement, the prevailing party in said action shall be entitled to such sums as the court may fix as attorneys fees and costs.**

ARTICLE 32

COUNTERPARTS: This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

ARTICLE 33

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.

SIGNATURE PAGES

The original signatures for the Member Agencies are set forth in the original Joint Powers Agreement.

The necessary signatures for Amendments to this Agreement are set forth with each Amended Agreement.

APPENDIX A

JOINT POWERS AGREEMENT

MEMBER AGENCIES (AS OF JULY 1, 2004)

Anderson Cemetery District	Gridley-Biggs Cemetery District	Orland Unified School District
Atascadero Cemetery District	Halcumb Cemetery District	Oroville Cemetery District
Artois Community Services District	Hamilton City Community Services District	Pajaro Valley Public Cemetery District
Artois Fire District	Hamilton City Fire Protection District	Paradise Cemetery District
Bayliss Fire Protection District	Hamilton Union Elementary School District	Paso Robles Cemetery District
Bear/Indian Valley Fire District	Hamilton Union High School District	Peoria Cemetery District
Berry Creek Community Services District	Happy Homestead Cemetery District	Pine Creek Cemetery District
Burney Cemetery District	Hills Ferry Cemetery District	Plaza Elementary School District
Butte City Community Services District	Jamestown Cemetery District	Plainsburg Cemetery District
Byron-Brentwood-Knightson Union Cemetery District	Kelsey Cemetery District	Princeton Joint Unified School District
Cambria Cemetery District	Kimshew Cemetery District	Quincy-LaPorte Cemetery District
Capay Fire Protection District	Lake Elementary School District	Ramona Cemetery District
Capay Joint Union School District	Levee District #1	Red Bluff Cemetery District
Carters Cemetery District	Levee District #2	Riverview Cemetery District
Cayucos-Morro Bay Cemetery District	Levee District #3	Salsipuedes Sanitary District
Central Valley Cemetery District	Little Valley Community Services District	San Jacinto Cemetery District
City of Orland	Live Oak Cemetery District	Santa Margarita Cemetery District
Clovis Cemetery District	Los Molinos Cemetery District	Santa Maria Cemetery District
Columbia Cemetery District	Lower Lake Cemetery District	Shasta Valley Cemetery District
Colusa Cemetery District	Manton Joint Cemetery District	Shaws Flat-Springfield Cemetery District
Colusa County One-Stop Partnership	Marvin Chapel Cemetery District	Sierra County Cemetery District #5
Corning Cemetery District	Marys Cemetery District	Stony Creek Joint Unified School District
Cottonwood Cemetery District	Maxwell Fire Protection District	Stonyford Cemetery District
County of Glenn	Maxwell Public Utilities District	Storm Drain Maintenance District #1
Elk Creek Cemetery District	Maxwell Recreation & Parks District	Storm Drain Maintenance District #3
Elk Creek Community Services District	Mendocino Fire Protection District	Sutter Cemetery District
Elk Creek Fire District	Mendocino Little River Cemetery District	Sylvan Cemetery District
Elk Grove - Cosumnes Cemetery District	Millville Cemetery District	Tehama Cemetery District
Fair Oaks Cemetery District	Mount Shasta Fire Protection District	Tipton-Pixley Cemetery District
First 5 Glenn County	N. Willows Community Services District	Truckee Cemetery District
Galt-Arno Cemetery District	N.E. Willows Community Services District	Upham Cemetery District
German Cemetery District	Nevada Cemetery District	Upper Lake Cemetery District
Glenn-Codora Fire District	Nevada-Sierra Regional IHSS	Visalia Cemetery District
Glenn-Colusa Fire District	Oak Grove Cemetery District	Williams Cemetery District
Glenn County IHSS Public Authority	Orange County Cemetery District	Williams Fire Protection District
Glenn County Office of Education	Ord Bend Community Services District	Willows Cemetery District
Glenn County Olive Pest Management District	Ord Bend Fire District	Willows Rural Fire District
Glenn County Resource Conservation District	Orland Cemetery District	Willows Unified School District
Glenn County Transit	Orland Rural Fire District	Winton Cemetery District

BYLAWS
OF THE
GOLDEN STATE RISK MANAGEMENT AUTHORITY

PREAMBLE

Golden State Risk Management Authority is established for the purpose of providing services and other items necessary and appropriate for establishment, operation, and maintenance of liability, workers' compensation, property and other risk pooling and insured plans for the **Public Agencies** who are parties thereof, and to provide a forum for discussions, study, development and implementation of recommendations of mutual interest regarding risk pooling and insured programs.

ARTICLE I. DEFINITIONS

The definitions of terms used in these Bylaws shall be the same as are contained in the Agreement creating the Golden State Risk Management Authority (GSRMA), hereinafter called the Agreement, unless otherwise expressly provided.

ARTICLE II. OFFICES

The Authority's principal office for the transaction of business is located at 247 West Sycamore Street, Willows, California. The Board of Directors may change the location of the principal office from time to time.

ARTICLE III. MEETINGS OF THE BOARD OF DIRECTORS

1. Regular Meetings
 - (a) Time Held

The Board of Directors shall hold bi-monthly meetings. Unless otherwise changed by a majority vote of the Board of Directors at a regular meeting, these meetings shall be held at 6:00 p.m. on the second Wednesday of every other month (i.e. July, September, November, January, March, and May). Should any of these days fall upon a legal holiday, the meeting of the Board shall be held on the same day of the following week.

(b) Business to be Transacted

At the May regular meeting, the Board shall review, modify if necessary, and adopt the annual operating budget of the Authority.

At the January regular meeting, the Board shall elect officers as required by the Agreement and these Bylaws.

At the March regular meeting, the Board shall select, by lot, the city, school district, special district, Fire District, or Public Cemetery Alliance that will appoint a new Board member due to the expiration of the term of an existing Board member.

At any meeting, the Board may transact any other business within its powers, and receive reports of the operations and affairs of the Authority.

(c) Notice

Written notice of each regular meeting of the Board shall be delivered to each director and/or alternate director at least seven (7) days in advance of the meeting. The notice shall specify:

- i. The place, date and hour of the meeting.
- ii. Those matters which are intended to be presented for action by the Board.
- iii. The general nature of any proposal for action by the Board concerning a change in the Agreement or these Bylaws, a change in the membership of the Authority, or any other matter substantially affecting the rights and obligations of the member counties.
- iv. If officers are to be elected, the names of the persons nominated for such positions at the time the notice is sent.

2. Special Meetings

A special meeting of the Board of Directors may be called at any time by the President of the Board, or by a majority of the members of the Board or by the Risk Manager subject to the requirements for 24-hour written notice to the members and to requesting representatives of the media provided in Section 54956 of the California Government Code. The notice of a special meeting shall specify the time and place of the meeting and the business to be transacted. No other business shall be considered at the meeting.

3. Place of Meeting

Each regular or special meeting of the Board of Directors shall be held at a place within the State of California designated by the Board at its preceding meeting, or if no such designation is made, as designated by the Risk Manager or the President of the Board.

4. Adjourned Meetings

The Board of Directors may adjourn any regular or special meeting to a time and place specified in the order of adjournment, whether or not a quorum has been established. If a quorum is not established, no business other than adjournment may be.

A copy of the order for adjournment shall be posted as required by Section 54955 of the Government Code. No other notice of an adjourned meeting shall be necessary, unless the transacted adjournment is for a period of 30 days or more, in which case notice of the adjourned meeting shall be given in the same manner as notice of the original meeting.

5. Closed Sessions

(a) Brown Act Compliance

Closed sessions of the Golden State Risk Management Authority Board of Directors shall be in compliance with the Ralph M. Brown Act, Government Code §54950, et. seq.

(b) Closed Session for Pending Litigation

Closed sessions for pending litigation shall not be semi-closed. Interested members of the public shall not be admitted to a closed session. Closed sessions for pending litigation shall only be attended by: Members of the Board of Directors of the Golden State Risk Management Authority, legal counsel to the Board of Directors, and necessary Risk Management Authority staff. Persons without an official role in the meeting shall not be present.

The Risk Manager, or his alternate, shall attend closed sessions as the sole necessary or required member of the Risk Management Authority staff.

ARTICLE IV. BOARD MEMBER COMPENSATION

Each Board member shall be entitled to compensation in an amount up to \$100.00 per meeting of the Board attended. The Board shall establish the actual amount of said compensation up to said maximum. The current amount of compensation is \$60.00 per meeting attended. In addition, Board members shall be entitled to reimbursement for transportation expenses incurred in connection with performance of duties as a Board member pursuant to the IRS's established allowance. The Board may authorize

additional reimbursement for other expenses incurred in connection with duties as a Board member.

ARTICLE V. OFFICERS

1. Duties of the President

The president shall preside at and conduct all meetings of the Board.

2. Duties of Vice President

In the absence of the President, the Vice President shall perform all duties assigned to the President by the Agreement and these Bylaws.

3. Terms of Office

The terms of office of the President and Vice-President shall be for one (1) year.

4. Removal and Vacancies

The Board of Directors may remove an officer at any time. A vacancy in an officer position, because of death, resignation, removal, disqualification, or any other cause, shall be filled by election of the Board.

5. Auditor and Treasurer

The Auditor of the Golden State Risk Management Authority shall be the Risk Manager, effective July 1, 2001.

The Treasurer of the Golden State Risk Management Authority shall be the President of the Board of Directors of the Golden State Risk Management Authority, effective July 1, 2001.

VI. RISK MANAGER

The Risk Manager shall be selected and appointed by the Board. The position includes the functions of Secretary and Chief Administrative Officer of the Authority. The Risk Manager shall be responsible to the Board for the performance of all functions of the Authority as provided in the Agreement and these Bylaws.

The claim settlement authority of the Risk Manager without prior authorization (as described in Article 11 of the Agreement) is a maximum of \$25,000.00 for liability cases and \$25,000.00 for Workers' Compensation cases.

VII. MISCELLANEOUS

1. Execution of Contracts

The Board of Directors may authorize any officer, staff member, or agent of the Authority to execute any contract in the name of and on behalf of the authority, and such authorization may be general or specific in nature. Unless so authorized, no officer, staff member or agent shall have any power to bind the Authority by contract.

2. Authorization of Payments

All invoices, billings, and claims for payment of losses shall be approved and signed by the following before payment by the Treasurer:

- (a) Risk Manager/Secretary/Chief Administrative Office, and
- (b) The President of the Board or,
- (c) The Vice-President, or
- (d) Any Board Member.

3. Rules of Procedure for Meetings

All meetings of the Board of Directors, and any committees of the Authority shall be conducted in accordance with Robert's Rules of Order, provided that in the event of a conflict, such rules shall be superseded by the Agreement, these Bylaws, and California law.

4. Risk Management Associations and Conferences

The Board shall maintain membership in at least one (1) Public Risk Management Association. At least one (1) Board member shall attend an annual Risk Management conference.

5. Dispute Resolution

When a dispute of any type arises between the Authority and a member agency, the following procedure shall be followed:

(a) Risk Manager Resolution

The Risk Manager shall investigate the facts of the dispute and, if necessary, obtain a legal opinion from the GSRMA counsel on any legal issues. The member agency may submit a factual statement and a legal opinion, together with any substantiation thereof, to the Risk Manager. The Risk Manager shall then attempt to negotiate a resolution of the dispute. Any negotiated resolution shall be taken to the Board of Directors for confirmation and approval. If negotiation fails, and the disputed matter is within the authority of the Risk Manager, the Risk Manager shall decide the matter in the best interests of the GSRMA.

(b) Appeal to the Board of Directors

If the member agency is dissatisfied with the decision of the Risk Manager, or if the dispute is unresolved because negotiation failed, the member agency may appeal in writing to the Board of Directors. This appeal shall be requested by the member agency within thirty (30) days of the date of the Risk Manager's decision, or of the date the Risk Manager determined that negotiation had failed. Upon receipt of the appeal, the matter shall be set for hearing by the Board at the next available regular board meeting.

The Risk Manager and the member agency shall each submit in writing, at least 10 days in advance of the board meeting, a description of the dispute and any additional relevant facts, a factual and/or legal argument, and the desired resolution. The Board shall consider all information provided, including any oral presentations, in making its decision. The Board may require either the member agency or the Risk Manager to provide additional information, and as necessary, may continue the hearing. Any board member that is a member of the governing board of the appealing member agency shall be disqualified from participating in the appeal.

The Board shall direct that written notice of its decision be prepared and served by mail on the appealing member agency within 10 (ten) working days.

(c) Reconsideration

Within 10 days after notice of the decision by the Board, the member agency may request a hearing by the Board to reconsider its decision. This request for reconsideration shall be in writing and must be based solely upon newly discovered facts or other information. Both the Risk Manager and the member agency shall submit this newly discovered information in writing for consideration by the Board at its next available Board meeting. The Board may allow oral presentations at the hearing. Any board member that is a member of the governing board of the appealing member agency shall be disqualified from participating in the request for reconsideration.

(d) Arbitration or Mediation

If the member agency is not satisfied with the Board's decision on appeal, it may pursue arbitration or mediation. By means of mutual agreement between the member agency and the Risk Manager, the parties may select binding or non-binding arbitration, mediation, use of counsel in the proceedings, and other procedural matters. The cost of arbitration or mediation shall be borne equally by the member agency and the Authority and each party shall be responsible for their own attorney(s) fees, if attorneys are utilized. Any decision in binding arbitration or in mediation shall be final and complied with by the parties. Should the parties desire to submit the matter to mediation, the mediation shall be conducted as if court-ordered pursuant to California Code of Civil Procedure § 1775, et. seq. (without any monetary limitation). Should the parties desire that the matter be submitted to arbitration, the arbitration shall be conducted pursuant to the rules of the American Arbitration Association.

(e) Litigation

If the member agency is not satisfied with the Board's decision on appeal or in non-binding arbitration or in mediation, and if the Risk Manager is not satisfied with the decision in non-binding arbitration, either party may consider litigation to resolve the dispute. The Risk Manager may not commence litigation without the approval of the Board. Any litigation shall be subject to the applicable claims and limitations requirements of the Tort Claims Act. The prevailing party in any such litigation shall be entitled to their reasonable attorney(s) fees and costs from the losing party. This obligation to pay the attorney(s) fees and costs to the prevailing party shall be a contractual obligation pursuant to Article 8, Paragraph (4) of the Joint Exercise of Powers Agreement.

6. Installment Payment of Premiums

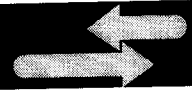
As provided herein, Member Agencies shall be permitted to pay their respective annual premiums in quarterly installments, upon request. In making the request to pay the annual premiums in installments, the requesting Member Agency shall agree to pay consistent with the GSRMA Premium Contribution Finance Charge Policy.

ARTICLE VIII. FISCAL YEAR

The fiscal year of the Authority shall be from July 1 to June 30.

ARTICLE IX. AMENDMENTS

These Bylaws may be amended at any time by a majority vote of the Board of Directors. Following adoption of amendments, the Risk Manager shall prepare and distribute a revision of the Bylaws to all member agencies.



Elk Grove-Rancho Cordova-El Dorado Connector Board of Directors

**Item # 7
Motion**

January 25, 2008

Authorize Negotiations for Contract with Environmental Consultant or Authorize the Reissuance of the RFP

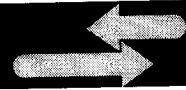
Issue: Whether to authorize the Agency Staff Advisory Committee (ASAC) to initiate contract negotiations with URS, with the assistance of counsel.

Recommendation: That the Board either: (1) authorize the ASAC, with the assistance of counsel, to begin negotiating a contract with URS to be presented to the Board at the January Board meeting; (2) reject all proposals and authorize the reissuance of the RFP either immediately or after the hiring of an Executive Director; or (3) continue this item one more month to enable the Executive Director to provide input.

Discussion: During the December 14, 2007, Board meeting, the Board requested that this item be continued for one month. The Board anticipated that this delay might give the Authority's new Executive Director an opportunity to provide his or her input on this issue. It is unclear at this time whether the Executive Director will be appointed in time to provide such input during the January Board meeting. However, based on the Board's direction at the January meeting, staff has included this item on the agenda for the Board's consideration. The Board may take this opportunity to take action on the item, or continue the item again in anticipation that the Executive Director would be available to provide input by the February meeting. The original staff report presented at the December 2007 meeting is attached hereto for the Board's consideration. Staff will again be available for input during the Board meeting.

Prepared by:

Agency Staff Advisory Committee



Elk Grove-Rancho Cordova-El Dorado Connector Board of Directors

**Item # 3
Motion**

December 14, 2007

Authorize Negotiations for Contract with Environmental Consultant or Authorize the Reissuance of the RFP

Issue: To authorize the Agency Staff Advisory Committee (ASAC) to initiate contract negotiations with URS, with the assistance of counsel.

Recommendation: That the Board either: (1) authorize the ASAC, with the assistance of counsel, to begin negotiating a contract with URS to be presented to the Board at the January Board meeting; or (2) reject all proposals and authorize the reissuance of the RFP either immediately or after the hiring of an Executive Director.

Discussion: On September 24, 2007, the ASAC, with the assistance of Interwest Consulting Group, released a Request for Proposals (RFP) for an environmental consultant to prepare a Tier 1 EIR/EIS for the Connector Project. The RFP was posted on the Authority's website, notice of its release was published in the Sacramento Bee, and an email notification was sent to more than thirty (30) prospective consultants in the greater Sacramento area. Despite this effort, only one proposal was received in response to the RFP. This proposal was submitted by URS, the Authority's current Interim Project Manager.

Following the receipt of URS's proposal, the ASAC reviewed the proposal and met with URS to discuss any unanswered questions. Based on its review of the proposal and its meeting with URS, the ASAC determined that URS is qualified to perform the Tier 1 EIR/EIS. However, despite URS's qualifications, the decision to move forward and request authorization to contract with URS is a difficult one.

Interwest Consulting Group surveyed a number of the consultants who chose not to submit a proposal in response to the RFP to determine why URS was the sole proposer. Some consultants indicated that, for various reasons, they were unable to put together a team with all of the necessary subconsultants. Others stated that, given URS's prior involvement with the Connector under SACOG and its current role as Interim Project Manager, they believed URS had a significant advantage, making it difficult for them to compete. After weighing other opportunities available and URS's perceived advantage, these consultants made a business decision to direct their limited resources toward other projects. While the ASAC and Interim Legal Counsel are satisfied that the process was open and competitive, as required under state and federal contracting guidelines, the ASAC is nonetheless disappointed that only one proposal was received and that other consultants did not feel that they could compete with URS in light of its history with this project.

Because this is a multi-year, multi-million dollar contract, the ASAC believes it is imperative that it hire the best team available for the job. However, since only one proposal was received, the ASAC is unable to compare URS's proposed schedule and process with those of any other consultants. In light of these unforeseen circumstances, the ASAC debated at great length the possibility of rejecting all bids and reissuing the RFP in an effort to solicit additional proposals that might bring a fresh perspective to the project.

One option considered by the ASAC was rejecting all proposals and reissuing the RFP before the end of the year. By reissuing the RFP, the ASAC believes that it might convey that URS's history on this project does not guarantee that it will be awarded the contract, thereby encouraging additional consultants to submit proposals. Reissuing the RFP would also delay the start of this multi-year contract by approximately three months. The due date for proposals would be scheduled to attempt to allow the newly appointed Executive Director to provide input during the consultant selection process.

The ASAC also considered the possibility of reissuing the RFP in January or February of 2008 to allow the Executive Director to be involved in the solicitation process from the outset. This delay, again, would postpone any work on this multi-year contract by approximately four to five months. And because URS's involvement as project manager will be essentially eliminated once an Executive Director is hired, this delay might further signal to other potential consultants that URS's prior involvement with the Project does not guarantee its selection as the environmental consultant.

While both of these alternatives would involve delaying the start, and therefore the completion, of the environmental review process, all parties recognize that the timeline for this project remains uncertain, as it will be significantly influenced by third parties, including federal resource agencies. Because there is currently no firm timeline for this project, it is difficult to know whether the delay at the outset of the project ultimately will prevent a consultant from completing the environmental review process within three to four years.

Notwithstanding the schedule uncertainties, delays do present potential risks, including delays in the ultimate completion of the project and potential lost opportunities for federal funding or opportunities for regional planning and coordination between the Connector and the ongoing projects that member agencies already have initiated near the potential Connector Corridor.

The ASAC also recognizes that, despite the ASAC's sincere hope to receive additional proposals, there is no guarantee that previously reluctant consultants will submit proposals should the RFP be reissued. In light of this uncertainty, and respecting the Board's prior direction to the ASAC that it secure an environmental consultant without waiting for the input of an Executive Director, staff requests that the Board take one of the two following actions: (1) authorize the ASAC, with the assistance of counsel, to begin negotiating a contract with URS to be presented to the Board at the January Board meeting; or (2) if, in light of the current circumstances, the Board finds it appropriate to reissue the RFP in hopes of soliciting more than one proposal, authorize the ASAC to reject all proposals and reissue the RFP either immediately or after the hiring of an Executive Director.

Prepared by:

Agency Staff Advisory Committee