Trindel Insurance Fund
Bylaws

Exhibit: B of Joint Powers Agreement

As Amended Effective November 3, 2011

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BYLAWS
TRINDEL INSURANCE FUND

ARTICLE I
PURPOSES

The Trindel Insurance Fund (Trindel) is a joint powers authority established under the laws of the State of California (Government Code, Section 6500 et seq.) for the purposes set forth in that certain Joint Powers Agreement Creating the Trindel Insurance Fund, effective as of July 1, 1984, as amended most recently as of July 1, 2009 (the "Agreement"). The definition of terms used in these Bylaws shall be the same as contained in the Agreement, unless otherwise expressly provided herein, and if any provision of these Bylaws conflicts with the Agreement, the Agreement shall govern.

ARTICLE II
OFFICE

Trindel's principal office for the transaction of business shall be located as determined by the Board of Directors. The Board of Directors may change the location of the principal and/or subordinate offices from time to time.

The Board may establish one or more subordinate offices at any location where Trindel is qualified to do business.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Powers of Directors

Subject to the powers and limitations as provided by law, the Agreement, or these Bylaws, all powers of Trindel shall be exercised, its property controlled and its affairs conducted by the Board of Directors (the "Board"), as is further specified in the Agreement.

Section 2. Composition of the Board of Directors

The Board shall be composed of one (1) Director representing each Member Entity. The Board of Supervisors of each Member Entity shall appoint one of its elected officials or employees as its representative Director on the Board; each shall also appoint an alternate member who may attend and participate. The Member Entities shall notify the Executive Director of both appointments. Notification shall include the appropriate minute order taken from the Board of Supervisors agenda.

Vacancies in either Director or alternate member shall be filled by the appointing member's governing body.

Directors shall not have fixed terms of office but each shall serve on this Board at the pleasure of the appointing Member Entity's governing body, except as provided herein. Termination of office or

employment of the Director or alternate shall automatically result in termination of membership on the Board.

Section 3. Voting Rights

Directors, or in their absence, alternates shall have one (1) vote each at meetings of the Board. There shall be no voting by proxies.

Section 4. Vacancies

Any vacancy in the office of a Director, or alternate whether because of death, incapacity, resignation, removal or otherwise, shall be filled by the governing body of the respective Member Entity.

Section 5. Resignation

Any Director or alternate may resign at any time by giving written notice of such resignation to the Secretary of Trindel. Such resignation shall be effective at the time specified therefore, and acceptance of such resignation shall not be necessary to make it effective.

Section 6. Removal

A Director or alternate may be removed, with or without cause, by the governing body of the respective Member Entity.

Section 7. Withdrawal/Removal

Directors and alternates who represent Member Entities which withdraw or are removed as parties to the Agreement shall be removed as members of the Board, the Executive Committee and other Committees.

ARTICLE IV
MEETINGS OF THE BOARD

Section 1. Regular Meetings

Regular meetings of the Board shall be held at such day, time, and place as the Board may determine.

Section 2. Annual Meeting

The Board shall hold an annual organizational meeting in May or June of each year for the purpose of the installation of new Directors, the election of officers and Executive Committee, approval of the budget, and the transaction of other business.

Section 3. Quorum

A majority of the Directors holding office shall constitute a quorum for the transaction of business at any meeting. All actions of the Board shall require the affirmative vote of a majority of the members at a meeting duly held at which a quorum is present.

Section 4. Public Meetings

All meetings of the Board shall be conducted in accordance with the applicable provisions of the Brown Act, Government Code Section 54950 et seq.

Section 5. Special Meetings

Special meetings, except for emergency meetings held in compliance with Section 54956.5 of the Government Code, may be called by the President of the Board or by a majority of the members of the Board in accordance with the provisions of Government Code Section 54956.

Section 6. Notice of Meetings

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 and include:

- **i. The place, date, and hour of the meeting.**
- **ii. Those matters which are intended to be present 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 Trindel, or any other matter substantially affecting the rights and obligations of the Member Entities.**
- **iv. Support material.**

Section 7. Adjournment of Meetings

The Board may adjourn any regular, special or adjourned special meeting to a time and place specified in the order of adjournment, provided that the provisions of Section 54955 of the Government Code are complied with.

Section 8. Posting of Agendas

The Board shall post agendas of all regular meetings, containing a brief general description of each item of business to be transacted or discussed at the meeting, at least seventy-two (72) hours before such regular meeting. The agenda shall specify the time and location of the meeting and shall be posted in a location that is freely accessible to members of the public. No action shall be taken on any item not appearing on such posted agendas, except as provided by Section 54954.2 of the Government Code.

Section 9. Opportunity for Public to Address the Board

Each agenda for a regular meeting shall provide an opportunity for members of the public to directly address the Board on any item of interest to the public, provided that such matters are within the subject matter jurisdiction of the Board, and provided that no action shall be taken by the Board on any item not appearing on the agenda. The Board may adopt reasonable regulations, which limit the total amount of time allocated for public testimony and for each individual speaker.

Section 10. Compensation of Directors

Directors, alternates, members of committees and officers shall, with the exception of the Executive Director, receive no compensation for their services. However, they shall be entitled to receive such just and reasonable reimbursement of expenses as may be determined by the Board.

ARTICLE V
OFFICERS

Section 1. Officers

The officers of Trindel shall be President, Vice-President, Secretary, and such other officers as the Board may appoint. Except as hereinafter set forth, officers shall be Directors, and their duties may not be performed by alternates. Alternates may also be officers. The Executive Director is also an officer of Trindel; however, the Executive Director is not a member of the Board of Directors.

Section 2. Election

The Board shall elect the President, Vice-President and Secretary, from among the Directors and Alternates and they shall serve one-year terms (or until removed or replaced). Elections shall be held at the annual meeting of the Board. The Treasurer shall be the Executive Director of Trindel, and shall serve at the pleasure of the Board.

Section 3. Vacancies

In case any office becomes vacant by reason of death, resignation, retirement, disqualification, or any other cause, the President may select a Director to fill such vacancy, and the officer so selected shall hold office and serve until the next meeting of the Board, when such appointment shall be confirmed or terminated by the Board.

Section 4. President

The President shall preside at all meetings of the Board and the Executive Committee, and shall have such other powers and duties as may be designated from time to time by the Board.

Section 5. Vice-President

In the absence or disability of the President, the Vice-President shall perform all the duties of the President and, in so acting shall have all powers of the President. The Vice-President shall have such other powers and perform such other duties as may be designated from time to time by the Board.

Section 6. Secretary

The Secretary shall keep, or cause to be kept, a full and compete record of the proceedings of the Board, of the Executive Committee, and of any other committees, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of Trindel, and shall discharge such other duties as pertain to the office or as are designated by the Board. Minutes of all Board, Executive Committee, and other committee meetings shall be distributed within 10 working days of the meeting.

Section 7. Removal and Resignation

Any officer may be removed, either with or without cause, by a majority vote of the Directors at any duly held regular or special meeting of the Board.

Any officer may resign at any time by giving written notice to the Board, the President, or the Executive Director. Any such resignation shall take effect at the date of the receipt of such notice, or at any later time specified therein and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VI
TREASURER AND SECRETARY

Section 1. Treasurer

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of Trindel, including accounting of its assets, liabilities, receipts, disbursements, gains and losses, and shall perform the duties prescribed by Government Code Section 6505.5 or by the Board. All monies and other valuables shall be deposited, in the name of and to the credit of Trindel, with such depositories as may from time to time be designated by the Executive Committee and ratified by the Board. The funds of Trindel shall be disbursed pursuant to the procedures authorized by the Board. When requested by the President or the Board, the Treasurer shall render an account of the financial condition of Trindel and shall perform all other duties required of him or her by the President, Board and the Committees.

Section 2. Secretary

The Secretary shall be a County auditor of a member, and shall be designated as such by the Board. The Secretary will also be a signatory to the general checking account and to all certificates of deposit in order that funds may be moved in the absence of the Treasurer. The Secretary shall be available to assist the Treasurer at any time requested.

ARTICLE VII
EXECUTIVE COMMITTEE

An Executive Committee shall be formed pursuant to the provisions of the Joint Powers Agreement and shall have the following powers and functions:

- **A. The Executive Committee shall have those powers and functions delegated to it by the Board.**
- **B. The Executive Committee shall review applications for membership and make recommendations to the Board.**
- **C. The Executive Committee shall determine the frequency of risk management audits of the facilities and activities of member entities and monitor compliance with recommendations to correct or eliminate deficiencies noted. Such risk management audits shall be paid for by Trindel and charged back to member entities as part of their annual contributions.**
- **D. The Executive Committee shall recommend to the Board actions to be taken regarding non-compliance with risk management recommendations.**
- **E. The Executive Committee may recommend to the Board removal of a member entity, with or without cause, pursuant to Article XVI of these Bylaws.**
- **F. The Executive Committee shall oversee the activities of the Executive Director and other service providers.**
- **G. The Executive Committee shall review and recommend to the Board any special Assessments necessary to maintain the financial soundness of Trindel's programs.**

ARTICLE VIII
OTHER COMMITTEES

Committees of the Board shall be standing or special. Each committee shall exercise such power and carry out such functions as are designated by these Bylaws or as delegated to it by the Board or the Executive Committee. Except as otherwise provided by the Board, or these Bylaws, such committees shall be advisory only and subject to the control of the Board or the Executive Committee, whichever appoints them.

Except as may otherwise be provided, by the Board or by these Bylaws, any expenditure of funds by a committee shall require prior approval by the Board.

In addition, each Committee shall conduct its business in compliance with the applicable provisions of the Brown Act.

ARTICLE IX
MEMBER OBLIGATIONS

Member Entities shall take appropriate action to prevent claims and to mitigate the costs of such claims which may be covered by Trindel's coverage programs. Such action shall include:

- **A. Cooperation and communication in a timely manner with Trindel, its insurers, adjusters, legal counsel, loss prevention personnel or other service providers;**
- **B. Cooperation with Trindel in the determination and/or clarification of any incidents which might become claims;**
- **C. Compliance with any risk management standards, safety programs, or other policies and procedures required by Trindel;**
- **D. Filing, in a prompt and timely manner, all statewide, county, and locally mandated reports and filings, including but not limited to the Fair Political Practices Commission's Statement of Economic Interest.**

ARTICLE X
PROGRAMS

All Member Entities shall participate in the Property, Liability and Workers' Compensation Programs at whatever self-insured retention or deductible level the Board sets either by program or member. All members shall also participate in all safety and risk management programs, as established by the Board, unless specifically exempted from mandatory participation. The Board shall not exempt a member from any of the programs named in this Article unless requested by a member and then only if the requesting member has a compelling fiscal reason that will cause the requesting member to suffer irreparable fiscal harm. Further the requesting member must present evidence of this fiscal harm and the alternative they propose. For purposes of this Article, "Program" includes the Program of Loss Prevention Evaluation (Loss Prevention Subsidy Program, including the Loss Prevention Specialists), Loss Control Funds Program, Employee Assistance Program. Trindel Safety Officer, Leadership/Supervisor Training Program, Loss Control Subsidy Program and any other programs or services the Board may determine in the future. The Board may, by adoption of a Resolution, add or discontinue a program, as defined in this Article.

ARTICLE XI
COVERAGES & DEDUCTIBLES

Section 1. Insurance Policies, Memorandums of Coverage, Insuring Agreements, etc.

Generally members will secure, in their own name, the types of insurance they deem necessary. Once the member has secured the insurance, Trindel Insurance Fund (Trindel) arranges for the administration of any covered claims and pays all associated covered costs with funds the individual member has on deposit with Trindel. Trindel will only use member funds for costs which are for covered claims. The definition of a covered claim is as defined in the appropriate insuring policy, agreement and/or memorandum of coverage.

- **If the claim is not a covered claim there is no duty on the part of Trindel to pay any claim costs associated with the non-covered claim. (This section only applies to claims, as Trindel operates numerous other programs, as defined in the Bylaws and various Resolutions that make use of the member's funds on deposit with Trindel for costs other than claim costs.)**
- **The decision whether or not a claim is a covered claim, will be made by the issuer of the insuring policy, agreement and/or memorandum of coverage, not by Trindel. Currently there are insuring policies, agreements and/or memorandums of coverage for airport, aircraft, boiler & machinery, crime/bond, liability, medical malpractice, property, pollution, watercraft and workers' compensation programs, all with their own specific definitions of a covered claim, deductible and/or self-insured retention.**
- **If it is unclear whether or not a claim is a covered claim, the Executive Director, at his/her discretion may send a reservation of rights letter to the member. The claim costs may or may not be paid up to the point a determination is made as to whether or not a claim is a covered claim. If it is determined that a claim is not covered the Executive Director shall bill the member for any costs paid on the non-covered claim. If no claim costs have been paid and it is determined to be a covered claim, all claim costs associated with the claim shall be paid.**

<u>Section 2.</u> <u>Deductibles and/or Self-Insured Retentions</u>

Each of the insuring policies, agreements and/or memorandums of coverage has a deductible and/or self-insured retention, meaning the amount that is the responsibility of the insured. Trindel will arrange for the administration of and pay the deductible/self-insured retention for a covered claim from the member's funds.

- **If the claim is not a covered claim under one of the insuring policies, agreements and/or memorandums of coverage, Trindel will not pay for any costs associated with the claim, except as noted in Section 1 above regarding a reservation of rights letter.**

<u>Section 3.</u> <u>Trindel Imposed Deductibles and/or Self-Insured Retentions</u>

Within the member's deductible and/or self-insured retention of any insuring policy, agreement and/or memorandum of coverage, Trindel, by action of the Board of Directors, may impose a deductible and/or self-insured retention on a covered claim up to the point where the actual insuring policy, agreement or memorandum of coverage point begins. (This provision only applies to a covered claim as no payments will be made for non-covered claims, except as noted in Section 1 above regarding a reservation of rights letter.) The imposition of any deductible and/or self-insured retention shall only be done by Resolution of the Board of Directors.

ARTICLE XII
ANNUAL CONTRIBUTIONS & SPECIAL ASESSMENTS

The Board of Directors shall by June 30 distribute to Members contribution amounts required for the following Year. The basis of contributions shall be adopted by the Board of Directors after receiving the advice of a qualified actuary and shall include:

1. **Each member's share of expected claims, excess insurance, and administrative costs;**
2. **Each member's share of all other costs as determined by the Board of Directors.**

Each Year of Trindel shall operate separately from every other Year with regard to its assets and liabilities. All contributions, obligations, expenditures and disbursements of Trindel that can be identified by Year shall be accounted for separately by each Year.

Joint program revenues, liabilities and expenses that cannot be separately and distinctly identified to a specific Year shall be allocated to each Year in a logical and consistent manner, as determined by the Board of Directors.

Should the total costs of a Year exceed the total income of that year, Members may be charged a Special Assessment as determined by an actuary or consultant and approved by the Board of Directors, Late payment of additional contributions are subject to late payment penalties as determined and approved by the Board of Directors.

Should the total asset of a Year exceed liabilities of that year, participating Members may receive a return of contributions as determined by an actuary or consultant and approved by the Board of Directors.

Any subrogation recoveries received by Trindel, or its Members, shall be credited to the amounts paid by Trindel for the Member, with the remainder, if any, remitted to the member and accounted for separately by each Year.

A general fund shall be established and maintained to receive monies, pay operating expenses, hold reserves and pay claims. Trindel shall accept and deposit in the general fund all monies received.

ARTICLE XIII
BUDGET

An annual budget for Trindel shall be prepared and shall separately show the following:

A. **A general and administrative section;**
B. **An interest income section;**
C. **A capital expenditure section; and**
D. **Sections for each coverage layer of each program year of each program specifying:**
    1. **The actuarially estimated claims and allocated claims adjustment costs;**
    2. **An equitable allocation of the general and administrative costs;**
    3. **An equitable allocation of the interest income**

ARTICLE XIV
INVESTMENT AND DISBURSEMENT OF FUNDS

Section 1. Investment

The Treasurer may invest money not required for the immediate necessities of Trindel, as directed by the Board, in the same manner and on the same conditions as local agencies, as provided by Government Code Section 53601.

Section 2. Disbursement

The Administrative Assistant shall draft checks to pay demands against Trindel after such demands have been approved by the Executive Director. A register of all checks issued since the last Board meeting shall be provided at each Board meeting for review and approval by the Board.

ARTICLE XV
ADMINISTRATION

Section 1. Executive Director

The Executive Director shall attend meetings of the Board and of the Executive Committee, but shall have no vote, and shall administer the business and activities of Trindel, including the duties of Treasurer and those specific duties assigned by the Board or the Executive Committee or required by the Agreement.

The Executive Director shall be either an independent contractor or employee of Trindel and shall be responsible for the management of Trindel's business, subject to the review and approval by the Board or the Executive Committee.

Section 2. Duties of Executive Director

Duties of the Executive Director shall include:

- **A. Coordination and carrying out Trindel's purposes and objectives according to Trindel's established policies and procedures, policy directives from the Board or the Executive Committee, and the approved work program;**
- **B. Attending, as a non-voting member, the meetings of the Board, the Executive Committee and other committees;**
- **C. Making recommendations on new Member applications;**
- **D. Representing the Board and Trindel in dealings with the public and other organizations;**
- **E. Reporting Trindel's activities to the Member Entities at such times and in such manner as prescribed by them;**
- **F. Performing such specific duties as are set forth in the Agreement; and**
- **G. Performing such other duties as are determined by the Board or the Executive Committee.**

ARTICLE XVI
REMOVAL

Section 1. Removal for Cause

A Member Entity may be removed upon the recommendation of the Executive Committee. If the Executive Committee makes a recommendation to remove a member the Board shall appoint a hearing officer to conduct a hearing on the matter, and the hearing officer shall be responsible for all notices, procedures and reports in connection with the hearing. Written notice of the date, time and place of the hearing, along with a summary of the reasons supporting the removal for cause shall be delivered to the Member Entity at least fourteen (14) days before the hearing, by certified mail. The notice shall also include any guidelines concerning the procedures to be followed at the hearing. The hearing officer shall preside at the hearings and shall be responsible for the conduct of the hearing and all rulings on procedure, evidence and law during the hearing. Both the Member Entity and Trindel may be represented by legal counsel at the hearing. Both parties may present written and oral evidence. A transcript of the proceedings shall be kept, either by a court reporter or by a good quality tape recorder, a written transcription of which may be prepared at the requesting party expense. Within thirty (30) days after the hearing is declared closed by the hearing officer, he or she shall prepare written findings of fact and law, with a recommendation to the Board, and shall deliver the decision to the Member Entity and Trindel. Within thirty (30) days after receipt of the hearing officer's decision, the Board shall meet and consider and take action on the hearing officer's recommendation. The Board shall permit the Member Entity to present a written response to the hearing officer recommendations no later than 10 days prior to the Board meeting. The Board's decision shall be final.

Section 2. Opportunity to Remedy

When determining whether or not to remove a Member Entity, the Executive Committee shall allow the affected Member Entity a reasonable opportunity to address and remedy the reasons, if any, for the proposed removal. The period of time so allowed shall be within the sole discretion of the Executive Committee. Trindel may require audits to monitor the affected Member Entity's remedial actions or impose any other conditions to its continued participation in Trindel or its Programs.

Section 3. Alternative Coverage

A Member Entity which is the subject of a proposed removal shall be responsible for investigating the availability of alternate coverage. On the request of the Member Entity, the Board may permit the Member Entity a reasonable time to make arrangements for alternative coverage, but such period of time shall be at the Board's sole discretion.

ARTICLE XVII
MISCELLANEOUS

Section 1. Agents and Representatives

The Board may appoint such agents and representatives of Trindel as it deems necessary, with such power and authority to perform acts or duties on behalf of Trindel, so long as they are consistent with the Agreement, these Bylaws and applicable laws.

Section 2. Contracts

Except as otherwise provided in these Bylaws, the Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of Trindel, and such authority may be general or confined to a specific instance. Unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind Trindel by any contract or engagement, nor to pledge its credit, nor to render it liable for any purpose or to any amount.

Section 3. Bonding

Officers, directors and employees handling funds shall be properly bonded as determined by the Board.

ARTICLE XVIII
AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws adopted by a majority vote of the Board of Directors at any duly held meeting of the Board. The Secretary shall prepare and distribute any proposed revisions to all members of the Board with the notice of such meeting.

CERTIFICATE OF EXECUTIVE DIRECTOR

I, the undersigned, certify that I am presently the Executive Director of the Trindel Insurance Fund and that the above Bylaws, consisting of 14 pages, are amended Bylaws of the Authority, as adopted at a meeting of the Board of Directors held on November 03, 2011.

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David Nelson,
Executive Director