

AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT

PUBLIC AGENCY COALITION ENTERPRISE

JOINT POWERS AUTHORITY

TABLE OF CONTENTS

JOINT POWERS AGREEMENT

1. Creation of the Joint Powers Agency
2. Functions of PACE
3. Powers of PACE
4. Term of the Agreement
5. Bylaws
6. Membership in PACE
7. Withdrawal from or Termination of Membership
8. Termination of Agreement
9. Disposition of Property and Funds
10. Amendments
11. Severability
12. Liability
13. Enforcement
14. Definitions

EXHIBIT A: BYLAWS

Preamble

- I. Board of Directors
- II. Rules of the Board of Directors
- III. Executive Committee
- IV. Rules of the Executive Committee
- V. Officers
- VI. Finance
- VII. Memorandum of Coverage
- VIII. Accounts and Records
- IX. Risk Management
- X. Withdrawal from or Termination of Membership
- XI. Disposition of Property and Funds
- XII. Investment of Surplus Funds
- XIII. Amendment
- XIV. Severability
- XV. Effective Date

JOINT EXERCISE OF POWERS AGREEMENT

PUBLIC AGENCY COALITION ENTERPRISE

This Joint Exercise of Powers Agreement ("Agreement") is entered into pursuant to the provisions of title 1, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code, for the purpose of operating an agency to be known as the Public Agency Coalition Enterprise which shall be organized and operated as a California joint powers authority ("JPA").

WITNESSETH:

WHEREAS, it has been determined to be to the mutual benefit and in the best interests of the agencies who have signed this Agreement and those that may later sign onto this Agreement ("Signatories") to join together to establish a JPA to carry out the purposes and powers as later described herein; and

WHEREAS, it has been determined by the Signatories that there is a need to establish and operate a cooperative program for the purchase of insurance, creation and management of pooled self-insurance programs, and/or the implementation of appropriate risk management activities, and other related services and programs for insured and self-insured members ("Program"); and

WHEREAS, it has also been determined that such a Program is of value on an individual and mutual basis; and

WHEREAS, it has also been determined that the establishment of a Program can adequately meet the needs of the of Signatories; and

WHEREAS, Title 1, Division 7, Chapter 5, Article 1, of the California Government Code authorizes joint exercise by two or more public agencies of any power common to them; and

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC AGENCIES, each of the Signatories does agree as follows:

1. CREATION OF THE JOINT POWERS AUTHORITY

A JPA, separate and apart from each public agency that is a Signatory, shall be and is hereby created and shall hereafter be designated as the Public Agency Coalition Enterprise ("PACE").

2. PURPOSE AND POWERS

(a) PACE is established for the purpose of administering this Agreement, pursuant to the joint powers provisions of the California Government Code, and for taking all action necessary and appropriate for the establishment, operation and maintenance of the Program and to provide a forum for discussion, study, development and implementation of recommendations relating to the Program.

(b) The powers of PACE are:

(1) To establish a vehicle for the cost effective purchase of employee benefits insurance and/or such other insurance by and for the Members of PACE ("Members"),

(2) To establish such programs of and/or for self-insurance and/or risk pooling arrangements as the Board of Directors of PACE ("Board") shall deem appropriate.

(3) To facilitate the cost-effective purchase of third-party administration (TPA) and other services deemed appropriate by the Board for the Members.

(4) To take such actions and to enter into such contracts as may be necessary for to accomplish the purpose stated in this Section 2(b).

(5) To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the creating and sustaining the Program including, but not limited to, the acquisition of such resources, facilities, equipment and personnel as may be necessary the Program.

(6) To incur debts, liabilities, and obligations necessary to accomplish the purposes of this Agreement.

(7) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any governmental agency in furtherance of the Program.

(8) To invest surplus reserve funds as deemed appropriate by the Board and as required by law.

(9) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other joint programs.

(10) To sue and be sued in the name of PACE.

(11) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.

(12) To exercise any power common to the Signatories, provided that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of PACE shall be subject to the restrictions upon the manner of exercising such powers by a public agency having the same status as a member of a JPA except as otherwise provided in this Agreement.

4. TERM OF THE AGREEMENT

This Agreement shall become effective on August 6, 2014. With respect to organizations that have previously executed a Joint Exercise of Powers Agreement (JPA Agreement) with PACE, this amended and restated Agreement shall expressly supersede the prior JPA Agreement. This Agreement shall continue in effect until lawfully terminated as provided herein and in the Bylaws. In the event of a reorganization of one or more of the Signatories, the successor in interest or successors in interest to the obligations of any such reorganized Signatory may be substituted as a party or as parties to this Agreement.

5. BYLAWS

(a) PACE shall be governed pursuant to bylaws ("Bylaws"), approved and adopted by the Board and by such amendments to the Bylaws as may from time to time be adopted. Upon approval by the Board, a copy of the Bylaws and all subsequent amendments thereto, shall be attached to and incorporated into this Agreement as Exhibit A. PACE shall be operated pursuant to this Agreement and the Bylaws.

(b) Procedures for amending the Bylaws shall be as provided in the Bylaws so long as not inconsistent with this Agreement. Such amendments shall be binding upon all Members of PACE ("Members"). The effective date of any Bylaw amendment will be on the first day of the next month following adoption, unless otherwise stated.

6. DESIGNATION OF PROGRAM MANAGER

It is recognized that for PACE to develop and maintain a financially sound, cost-effective Program and to grow its membership, oversight of the Program must be provided by a party that has a demonstrated record of success in dealing with insurance and self-insurance programs of public agencies and in managing JPA's established for insurance-related purposes. To that end, it is agreed that Keenan & Associates shall be the Program Manager of PACE. Any decision to remove Keenan as the Program Manager shall be carried out in the manner provided in the Bylaws.

7. MEMBERSHIP IN PACE

(a) Each Signatory must be eligible for membership in PACE as defined in the Bylaws, and shall become a Member on the effective date of this Agreement or on the date that the Signatory becomes a party to this Agreement, whichever is later. Each public agency that becomes a Member shall be entitled to the rights and privileges of membership. By signing this Agreement each Signatory agrees to be subject to and bound by all terms and conditions of this Agreement and of the Bylaws.

(b) Upon approval the Executive Committee, any self-insured or fully insured California public agency or California JPA, may become a Member by executing a copy of this Agreement

(c) Each Member shall (i) pay its own insurance premiums for programs of commercial insurance purchased through PACE, (ii) make such contributions as the Board may deem necessary for any pooled self-insurance program established by PACE, (iii) maintain the minimum self-insured retention as may be set by the Board in conjunction with any insurance or self-insurance coverage arranged, established, or provided for by PACE, (iv) perform such other acts as are reasonably required by the Board in conjunction with the Program, and (v) with respect to self-insured Members securing TPA services through PACE, agree to the terms of the TPA services agreement.

7. WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

(a) Any Signatory which has completed two complete years as a Member may voluntarily terminate this Agreement as to itself and withdraw from membership in PACE. Such termination and withdrawal of membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.

(b) A Member may be involuntarily terminated from PACE as provided the Bylaws. Such removal from membership shall operate to terminate the Agreement as to such party, but shall have no effect on the continued operation of this Agreement with respect to other Signatories.

8. TERMINATION OF PACE

This Agreement and the JPA may be terminated effective at the end of any fiscal year by the affirmative vote of three-fourths (3/4) of the Members of PACE; provided, however, that PACE and this Agreement shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of PACE.

9. DISPOSITION OF PROPERTY AND FUNDS

(a) In the event of the dissolution of PACE, the complete recision, or other final termination of this Agreement by the Signatories then a party hereto, any property interest remaining in PACE following a discharge of all obligations shall be disposed of as provided for by the Bylaws.

(b) In the event a Signatory terminates its participation in this Agreement and membership in PACE, any property interest of that Signatory remaining in PACE following discharge of its obligations shall be disposed of as provided for by the Bylaws.

(c) The term "obligations," as referred to herein, shall include, but not be limited to, all payments required by law together with any other obligations incurred by PACE or a Signatory, as applicable, pursuant to this Agreement or the Program.

10. AMENDMENTS

This Agreement may be amended at any time in writing by agreement of by three-fourths (3/4) of the-current Signatories. Any such amendment shall be effective upon the date of final execution thereof, unless otherwise provided in the amendment.

11. SEVERABILITY

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

12. LIABILITY

(a) Pursuant to the provisions of Sections 895, et seq., of the California Government Code, the Signatories are jointly and severally liable upon any liability which is otherwise imposed by law upon any one of the Signatories or upon PACE for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement and the operation of the JPA.

If a Signatory is held liable upon any judgement for damages caused by such an act or omission and makes payments in excess of its pro rata share on such judgment, such Signatory is entitled to contribution from each of the other Signatories that were parties to the Agreement at the time of the

incident or action giving rise to the liability. A Signatory's pro rata share shall be determined in the same manner as for the disposition of property and funds as provided in the Agreement and the Bylaws.

(b) PACE may insure itself, to the extent deemed necessary or appropriate by the Board, against loss, liability, and claims arising out of or connected with this Agreement.

13. ENFORCEMENT

The Board is hereby given authority to enforce this Agreement. In the event suit is brought upon this Agreement by PACE and judgment is recovered against a Signatory, the Signatory shall pay all costs incurred by PACE, including reasonable attorney's fees as fixed by the court.

14. EXECUTION

Those public agencies who are the original Signatories to this Agreement shall be considered the founding Members of PACE. Each public agency that subsequently seeks to join PACE will be required to sign an "Agreement and Acceptance" form in substantially the same form as Exhibit B, the execution of which will cause the public agency to be deemed a Signatory of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

SIGNATORIES:

Name of Agency: Town of Danville

Date: Sept. 4, 2014

By: Rennie M. Thesaur

Title: PACE Board President

Name of Agency: City of Livingston

Date: Sept. 8 2014

By: Torel Ramirez

Name of Agency: Del Mar Union School District

Date: 9-14-14

By: Catherine Birked

Name of Agency: Municipal Services Authority

Date: September 16, 2014

By: _____

EXHIBIT A

Bylaws of PACE

[To be attached once approved by PACE Board of Directors]

EXHIBIT B

AGREEMENT AND ACCEPTANCE OF AMENDED AND RESATATED JOINT EXERCISE OF POWERS AGREEMENT

WHEREAS, the undersigned public agency ("Agency") seeks to become a member of the Public Agency Coalition Enterprise ("PACE");

WHEREAS, the Board of Directors has approved the undersigned's application for membership in PACE,

NOW ,THEREFORE, in consideration of being granted membership in PACE, the Agency hereby accepts and agrees that, as of the Effective Date noted below, it shall be bound by all terms and conditions of the Amended and Restated Joint Exercise of Powers Agreement attached hereto, as if the Agency had been an original signatory thereto.

Insert Name of Public Agency

BY: _____

Name: Insert Name of Person Signing

Title: Insert Title of Person Signing