

# **CSAC Excess Insurance Authority Summary of Proposed Redline Changes Joint Powers Agreement October, 2005**

Page 1, Preamble and throughout entire document. Adds reference to public entities in addition to counties. "Members" now includes both counties and public entities.

Page 2, Definition of "Claim"; Page 2, Definition of "Insurance program" or "program"; Page 3, Article 2. Clean-up – adds reference to "primary" insurance programs in recognition of current programs (primary and excess) being offered.

Page 2, Definition of "Member Public Entity". New definition for any public entity that is not a member county. Membership is limited to California.

Page 3, Definition of "Participating Public Entity". New definition referring to a public entity member that has joined a program.

Page 3, Article 3. Creates two classes of membership – Member Counties and Member Public Entities.

Page 4, Article 4. Clean-up – There is no expiration date of the JPA Agreement unless termination provision is invoked. The effective date of an amendment is outlined in Article 30.

Page 4, Article 6. Clean-up – Joint Powers law requires the JPA Agreement to name a specific entity as the entity that the JPA will have the powers of. A specific entity should have been named, even if we were not adding non-counties as members. Alpine County was selected because it is the first General Law county in alphabetical order.

Page 5, Article 7(b & c). Provides limited voting seats for public entity members on the Board of Directors.

Page 6, Article 7(c), third and fourth paragraphs. 1. Clean-up – delete references to action by a majority of members present and voting. This is not in compliance with Government Code 25005 and a 1975 Attorney General opinion relating to voting in General Law counties. Our practice is to require a majority vote of the entire membership regardless of how many are present. Deletes 4<sup>th</sup> paragraph of 7(c) that is not in compliance with Government Code 25005, a 1975 Attorney General opinion, and current practice. 2. Specifies how the public entity board members will vote on insurance programs (minimum 1 vote with maximum of 20% of County membership).

Page 7, Article 8(i & j); page 8, Article 9(b); page 9, Article 13; page 13, Article 16(c); page 19, Article 26; and page 20, Article 32. Clean-up – title change, General Manager/Secretary is now called Chief Executive Officer.

Page 8, Article 11. Expands Executive Committee from nine members to an eleven member committee (Bylaws Article IV. designates these 2 seats for public entity members).

Page 11, Article 14(b)(2), second paragraph. Clean-up – second paragraph of 14(b)(2) is deleted. This is a reference to a payroll audit process. Payroll audits are used in some programs only. This is handled on a program by program, case by case basis and should not be required by the JPA Agreement

Page 12, Article 14(d). Clean-up – brings voting into compliance with Government Code 25005, a 1975 Attorney General opinion, and current practice. Documents our current practice of Program Committees and/or Executive Committee approving members for entry into programs.

Page 12, Article 14(e). New provision requires any member that has withdrawn from any program to remain out of that program for a period of three years. This reentry restriction is designed to promote stability and is a desired provision regardless of the proposed restructure.

Page 13, Article 15(d). Clean-up – brings provision in line with the revised Government Code. Although the revised law and this article only require filing of the audit with the “home” county (Sacramento), we will continue to file our audited financials with each member county auditor, as a matter of information.

Page 15, Article 19. 1. Provides any California public entity may join. 2. Clean-up – brings voting into compliance with GC 25005 and 1975 A.G. opinion and is consistent with procedures adopted by the Board to delegate approval to the Executive Committee via majority vote.

Page 16, Article 21(a)(1). Clean-up – brings voting provision into compliance with GC 25005 and 1975 A.G. opinion.

Page 17, Article 23(a). Guarantees County control on the termination provision by limiting public entity votes to those representatives on the Board (20% max.).

Page 19, Article 27. Guarantees County control over future JPA amendments by limiting public entity votes to the public entity board members (max. 20%).

Page 19, Article 30. Clean-up – makes the effective date of amendments easier to identify and administer. The Board of Directors will specify the proposed effective date when sending the JPA Amendments out for a vote. The voting must be completed within 30 days after the specified effective date.