Bylaws

Association of California Water Agencies Joint Powers Insurance Authority

June 15, 1979
Revised on November 28, 2022

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Bylaws Of The

Association of California Water Agencies Joint Powers Insurance Authority

For the Regulation, Except as Otherwise Provided by Statute or the Agreement Creating the Association of California Water Agencies Joint Powers Insurance Authority.

Article I — Offices

Section 1. Principal Executive Office.

The principal executive office for the transaction of business of the Authority is hereby fixed and located at 2100 Professional Drive, Roseville, CA 95661-3700; mailing address P.O. Box 619082, Roseville, CA 95661-9082. The Executive Committee of the Authority shall have the authority to change the location of the principal executive office from time to time. Any such change shall be noted in the Bylaws by the Secretary, opposite this section, or this section may be amended to state the new location.

Section 2. Other Offices.

Other business offices may at any time be established by the Executive Committee at any place or places where the Authority is qualified to do business.

Article IA — Definitions

The definition of terms used in these Bylaws shall be those definitions contained in the Agreement creating the Authority unless the context requires otherwise.

Article II — Board Of Directors

Section 1. Composition and Selection.

The Board of Directors shall be composed of one representative from each Member of the Authority, who shall be a member of the governing board thereof selected by the governing board of that Member, as provided for in the Agreement creating the Authority. Each Member shall also appoint at least one alternate, who shall be an officer, member of the governing board or employee of that Member. The alternate may vote, but only in the absence of the regular representative. "Absence", as the term is used in this section, includes "vacancy" as defined in Section 2 of this Article II.

If a Member's membership in the Authority is terminated for whatever reason and by whatever method, that Member shall no longer have a representative on the Board of Directors, Executive Committee, or any other Committee of the Authority, except that the Vice President of the Association of California Water Agencies may serve *ex officio* as a member of the Executive Committee even though he or she does not represent a Member.

Section 2. Vacancies.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of death, resignation, expiration of term, removal by the Member that made the appointment, or when the Director ceases to be a member of the governing board of the appointing Member. Vacancies in the positions of Director or alternate shall be filled in the manner provided for regular appointment of such persons in the Agreement creating the Authority and these Bylaws.

Section 3. Annual Meeting.

(a) Time and Place Held. The annual meeting of the Board of Directors shall be held each year on a date, place, and time designated by the Executive Committee. Written notice of each annual meeting shall be given to each Member and its Director electronically or by mail or other means of written communication, in the manner provided by the Ralph M. Brown Act, California Government Code Section 54950, *et seq*., not later than forty-five (45) days preceding the meeting. Such notice shall specify the place, the date, and the hour of such meeting. Notice shall be given by first-class mail when it cannot be given by electronic mail.

(b) Business to be Transacted.

(1) Election of Executive Committee members shall take place as required under the Agreement creating this Authority and by these Bylaws.

(2) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority.

(3) The Board shall receive reports of the operations and affairs of the Authority.

(4) Any other business may be transacted which is within the powers of the Board of Directors.

(c) Additional Notice. An additional written notice shall be given to each Member and its Director in the same manner as set forth above in Section 3. (a), but not later than fourteen (14) days before the meeting. This additional notice shall list:

(1) Those matters which are intended to be presented for action by the Board of Directors;

(2) If members of the Executive Committee are to be elected, the names of nominees intended at the time of the notice to be presented for election;

(3) The general nature of any proposal to be presented for action with respect to approval of (i) a new Member, (ii) a contract or other transaction of the Authority with an interested Member, (iii) amendment of the Agreement creating the Authority, (iv) the cancellation of a Member's participation in the joint program, (v) voluntary termination of the Agreement creating the Authority, or (vi) a distribution in termination; and

(4) Such other matters, if any, as may be expressly required by statute or by the Agreement creating the Authority.

Section 4. Special Meetings.

Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement creating the Authority, may be called at any time by the President, or by the Vice President in the absence or disability of the President, or by three (3) members of the Executive Committee of the Authority or by not less than one-third (1/3) of the voting Directors. Upon request in writing that a special meeting of the Board of Directors be called for any proper purpose, directed to the President, Vice President, or Secretary of the Authority, by any person or persons entitled to call a special meeting of the Board of Directors, the officer receiving such request forthwith shall cause notice to be given to the Members that a meeting will be held at a time requested by the person or persons calling the meeting, not less than thirty-five (35) or more than sixty (60) days after receipt of the request. Notice of any special meeting shall be given in compliance with the Ralph M. Brown Act, California Government Code Section 54950, *et seq*. Such notice shall specify the place, date and hour of such meeting, the nature of the business to be transacted, and if applicable, the names of nominees for members of the Executive Committee intended at the time of the notice to be presented for election. No business other than that specified in the notice of a special meeting may be transacted at that meeting.

Section 5. Place of Meetings.

All annual or other meetings of the Board of Directors shall normally be held at the location of the Association of California Water Agencies' Spring or Fall Conference and at a time immediately before or after such conference. Special meetings at other times shall be held at locations designated by the President or the Executive Committee or approved by the consent of the voting Directors given either before or after the meeting and filed with the Secretary of the Authority.

Section 6. Quorum.

At any meeting, the presence in person by the Director or alternate of at least fifty (50) Members shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough Members to leave less than a quorum. If any action taken (other than adjournment) is approved by a number of Members at least equal to a majority of the Members required to constitute a quorum, except for actions specifically requiring more than a majority, the validity of such action shall not be subject to question on the basis that a quorum was not present at the time such action was taken.

Section 7. Adjourned Meetings.

(a) **Adjournment.** Any Board of Directors' meeting, annual or special, whether or not a quorum is present may be adjourned from time to time by the vote of a majority of the Directors of Members present, but in the absence of a quorum, except as provided in Section 6 of this Article II, no other business may be transacted at such a meeting.

(b) **Notice.** When any Board of Directors' meeting, either annual or special, is adjourned for forty-five (45) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as specifically provided herein, or by the Ralph M. Brown Act, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken and posting such notice as required by Section 54955 of the Government Code.

Section 8. Nominations for Executive Committee Members.

Members may nominate members from the Board of Directors to the Executive Committee in the following manner:

(a) On forms provided by the Authority, a Member may place into nomination its member of the Board of Directors for any open position with the concurrence of three (3) Members in addition to the nominating Member.

(b) Nominating forms must be completed and received by the Authority at least thirty (30) days before the Board of Directors’ meeting, at which the election will occur.

(c) This Member nomination process shall be the sole method for placing candidates into nomination for Executive Committee positions.

Section 9. Voting.

Unless a record date for voting purposes is set by the Executive Committee, Districts and Friends of ACWA which are Members on the day of the meeting of the Board of Directors shall be entitled to vote at such meeting. Such vote may be by any acceptable means, provided, however, that all elections for members of the Executive Committee must be by ballot upon demand made by a Member at any election and before the voting begins, and no action may be taken by secret ballot. If a quorum is present, the affirmative vote of the majority of the Members voting in the prescribed manner shall be the act of the Board, unless the vote of a greater number is required by the Agreement creating the Authority or other sections of these Bylaws. Every Member shall have only one vote.

Section 10. Inspectors of Election.

(a) **Appointment.** In advance of any meeting of the Board of Directors, the Executive Committee may appoint any persons, other than nominees for office, as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election be not so appointed, the President or Vice President in his or her absence, may, and on the request of any Member's representative or alternate, shall make such appointment at the meeting. The number of inspectors shall be three (3), at least one of whom shall be a voting member of the Board of Directors. In case any person appointed as inspector fails to appear or fails or refuses to act, a vacancy shall be deemed to exist, and on the request of any Member, shall be filled by appointment by the Executive Committee in advance of the meeting, or at the meeting by the President, or the Vice President in his or her absence.

(b) **Duties.** The duties of such inspectors shall include: Determining the current number of Members, the Members represented at the meeting, and the existence of a quorum; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the results; and all such other acts as may be proper to conduct the election or vote with fairness to all Members.

(c) **Procedure.** The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. The decision, act or certificate of a majority of the inspectors shall be effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

Article III — Executive Committee

Section 1. Composition, Selection and Term of Office.

The Executive Committee shall consist of nine (9) members, including eight (8) members elected by the Board of Directors from its voting Members and the Vice President of the Association of California Water Agencies, who shall be an *ex officio* member of the Executive Committee. Commencing with the first Board of Directors' meeting held in 2013 four (4) members shall be elected in every odd-numbered year and shall serve four-year terms until their respective successors are elected. Commencing with the first Executive Committee meeting held after the 2013 Board of Directors' election, the Executive Committee shall appoint two of its members to serve two-year terms as President and Vice President of the Board of Directors. There shall be no limit to the number of two-year terms a person may serve as the President or the Vice President of the Board of Directors. All members of the Executive Committee, except the Vice President of the Association of California Water Agencies, shall be Directors of Members which participate in the ACWA/JPIA's Liability, Property, Workers' Compensation, and at least one of the Employee Benefits Programs.

In order to prevent any JPIA Member from having more than one vote on the Executive Committee, a JPIA Member Entity shall not have more than one vote regardless of the number of representatives sitting on the Executive Committee.

Upon their adoption by the Members, these four-year terms shall be implemented as agreed upon by the Executive Committee.

The President, or in his or her absence, the Vice President shall serve as Chair of the Executive Committee.

Section 2. Vacancies.

(a) Existence of Vacancies. A vacancy or vacancies in the Executive Committee shall be deemed to exist in case of the death, resignation, expiration of term, termination of membership on the Board of Directors, removal of any member by the Board of Directors, declaration of unsound mind by order of court, conviction of a felony, increase in the authorized number of members, or if the Board of Directors fail, at any annual or special meeting of the Board at which any members of the Executive Committee are elected, to elect the full authorized number of members to be voted for at that meeting. A vacancy may also be deemed to exist because of the unexcused absence of a member of the Executive Committee, other than the Vice President of the Association of California Water Agencies, from two (2) consecutive meetings thereof, and may be cause for removal of said member by the Executive Committee.

(b) Vacancies Filled by Executive Committee. Vacancies in the Executive Committee, except for a vacancy created by the removal of any member by the Board of Directors and a vacancy in the office of Vice President of the Association of California Water Agencies, may be filled on an interim basis by a vote of the majority of the remaining voting members, though less than a quorum, or by a sole remaining voting member of the Executive Committee, and each member so appointed shall hold office until his or her successor is elected at the next election meeting of the Board of Directors.

(c) Vacancies Filled by Board of Directors. The voting members of the Board of Directors may elect a member of the Executive Committee at any time to fill any vacancy or vacancies or seat filled on an interim basis by the Executive Committee. A vacancy on the Executive Committee created by the Board of Directors removing a member may be filled only by the vote of a majority of the representatives of Members at a Duly Constituted Board Meeting at which a quorum is present.

Section 3. Meetings.

(a) Call. Meetings of the Executive Committee for any purpose or purposes may be called at such times and places as designated by the President, or in his or her absence, by the Vice President or by three (3) members of the Executive Committee.

(b) Notice. Notice of the time and place of special meetings shall be given in writing to the members of the Executive Committee, and it shall be delivered personally, electronically, or by mail to each member at least twenty-four (24) hours before the time of such meeting. Such notice shall specify the business to be transacted at the meeting.

Section 4. Action at Meetings: Quorum and Required Vote.

The presence of any five (5) of the nine (9) voting members of the Executive Committee at a meeting shall constitute a quorum for the transaction of business. Every act by a majority of the voting members of the Executive Committee present at a meeting duly held at which a quorum was present shall be regarded as an act of the Executive Committee, unless a greater number is required by law, by the agreement creating the Authority, or by these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, provided that any action taken is approved by at least five (5) members.

Section 5. Adjourned Meetings.

(a) Adjournment. A quorum of the members may adjourn any Executive Committee meeting to a stated day, hour and place; provided, however, that in the absence of a quorum, a majority of the voting Committee members present at any meeting may adjourn from time to time.

(b) Notice of Adjournment. If a meeting is adjourned for more than twenty-four (24) hours, at least twenty-four (24) hours written notice of such adjournment to another time or place shall be given prior to the time of the adjourned meeting to the members who were not present at the time of adjournment. Otherwise, notice of the time and place of holding an adjourned meeting need not be given if the time and place are fixed at the time of adjournment.

Article IV — Standing Committees

Section 1. Finance and Audit Committee.

The Finance and Audit Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies, each of whom shall be a finance officer of the District from which said person is selected and have a financial background. The Board President shall appoint members of the Committee.

Section 2. Liability Program Committee.

The Liability Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Liability Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 3. Property Program Committee.

The Property Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Property Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 4. Workers' Compensation Program Committee.

The Workers' Compensation Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Workers' Compensation Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 5. Employee Benefits Program Committee.

The Employee Benefits Program Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in the Employee Benefits Program. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 6. Risk Management Committee.

The Risk Management Committee shall be composed of nine (9) representatives. Members of the Executive Committee will serve as Chair and Vice Chair; seven (7) representatives will be selected from member agencies participating in any of the Programs. These committee members will be a combination of Directors and staff of member agencies. The Board President shall appoint the members of the Committee.

Section 7. Personnel Committee.

The Personnel Committee shall be composed of four (4) members. These Committee members will be a combination of the Board President, the Board Vice President, and two members of the Executive Committee appointed by the Board President.

Section 8. Meetings.

The Committees shall meet from time to time as directed by the Executive Committee or by the Committee Chair.

Article V — Officers And Employees

Section 1. Officers.

The officers of the Authority shall be a President, a Vice President, a Chief Executive Officer, a Secretary, an Auditor/Controller, and a Treasurer. The Executive Committee may, in addition, provide for such other officers as it deems necessary for the performance of the business of the Authority.

Section 2. Election and Term of Office.

The Executive Committee shall appoint a President and Vice President of the Authority from the Executive Committee's eight (8) elected members for two-year terms. The President and Vice President shall also serve as Chair and Vice Chair of the Executive Committee. In the event the President or Vice President so appointed ceases to be a member of the Board, the resulting vacancy in the office of President or Vice President may be filled, on either an interim or a permanent basis, at the next regular meeting of the Executive Committee held

after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board and shall chair the Executive Committee.

Section 3. Officers and Employees.

The Executive Committee shall appoint, or may empower the President to appoint, subject to ratification by the Executive Committee, all officers of the Authority. Except as may otherwise be provided in the agreement creating the Authority or the Bylaws, such officers shall hold office at the pleasure of the Executive Committee or for such term as the Executive Committee may provide by agreement. The Executive Committee shall also appoint such other officers as may be necessary to carry out the purposes of the Authority. All officers and employees shall have such authority and perform such duties as are provided in the Agreement creating the Authority, or as are provided in the Bylaws or as the Executive Committee may from time to time determine. The Executive Committee may provide for the payment of compensation to officers or employees for their services to the Authority.

Section 4. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, expiration of term, or any other cause shall be filled in the manner prescribed in the agreement creating the Authority and the Bylaws for regular appointments to such office.

Section 5. Removal and Resignation.

(a) **Removal.** The President, the Vice President or any other Executive Committee member other than the Vice President of the Association of California Water Agencies may be removed, without cause, by the Board of Directors, at any regular or special meeting thereof by a two-thirds (2/3) vote of the voting members of the Board at any Duly Constituted Board Meeting. An officer chosen by the Executive Committee may be removed without cause, by that Committee by a two-thirds (2/3) vote of all of the members of that Committee (subject to the rights, if any, of an officer or employee under any contract of employment).

(b) **Resignation.** Any officer or Executive Committee member may resign at any time by giving written notice to the Executive Committee or to the President, or to the Chief Executive Officer of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. 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 therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. President.

The President shall be one of the eight (8) elected members of the Executive Committee and shall be the chief elected official of the Authority. The President shall preside at all meetings of the Board of Directors and Executive Committee. The President shall be *ex officio* a member of all the standing committees and shall have such other powers and duties as may be prescribed by the Board of Directors, the Executive Committee, the Agreement creating the Authority or these Bylaws.

Section 7. Vice President.

In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall be a member of the Executive Committee and have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the Bylaws.

Section 8. Chief Executive Officer.

The Chief Executive Officer shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated representatives and alternates of each Member.

The Chief Executive Officer shall give, or cause to be given, notice of all the meetings of the Board of Directors and of the Executive Committee required by the Bylaws or by statute to be given, and shall have such other powers and perform such other duties as may be prescribed by the Executive Committee, the Agreement creating the Authority, or the Bylaws.

The Chief Executive Officer shall have the duty of administering the joint protection programs of the Authority, as provided for in the Agreement creating the Authority, shall have direct supervisory control of and responsibility for the operation of the Authority including appointment of necessary employees thereof, subject to prior authorization of each position by the Executive Committee, and shall have such other related duties as may be prescribed by the Executive Committee or elsewhere in the Bylaws.

Section 9. Treasurer.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority, including accounts of its assets, liabilities, receipts, and disbursements, and shall have such other duties as are provided for in the Agreement creating the Authority.

Section 10. Auditor/Controller.

The Auditor/Controller shall perform those duties required by California Government Code Sections 6505 and 6505.5, including the following:

(a) Contract with a certified public accountant to make an annual audit of the accounts and records of the Authority as such audit is provided for in the agreement creating the Authority. The minimum requirements of the audit shall be prescribed by the State Controller, as provided in Section 26909 of the Government Code; and

(b) Draw, or cause to be drawn, warrants, and electronic payments used to pay demands against the Authority when the demands have been approved by the Chief Executive Officer or his or her designee; and

(c) Such other duties as may be provided by the Executive Committee, the Agreement creating the Authority, or the Bylaws.

Section 11. Secretary.

The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office of the Authority or such other place as the Executive Committee may order, a book of minutes of actions taken at all meetings of the Board of Directors and Executive Committee, whether regular or special (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof.

Article VI — Miscellaneous

Section 1. Annual Report.

The Board of Directors of the Authority shall cause an annual report to be made available to the Members not later than twelve (12) months after the close of each fiscal year. Such report shall contain the audited financial statements and such other information as may be required by law.

Section 2. Defense of Agents of the Authority.

(a) For the purposes of this Article, "agent" means any person who is or was an officer, employee or other duly authorized agent of the Authority, while acting on behalf of the Authority.

(b) The Authority shall provide for the defense of any civil action or proceeding brought against any such agent of the Authority in his or her official or individual capacity or both, on account of an act or omission within the scope of his or her employment as an agent of the Authority, and to the extent of such defense as is provided for in California Government Code Section 995 *et seq*.

Section 3. Contribution Among Members of the Authority.

Pursuant to the provisions of Government Code Section 895 *et seq.*, the Members of the Authority are jointly and severally liable for any liability which is otherwise imposed by law upon any one of the Members or upon the Authority for injury caused by a negligent or wrongful act or omission occurring in the performance of the ACWA JPIA's Joint Powers Agreement. However, as between the Authority's Members themselves, if a Member of the Authority is held liable for any such liability and pays in excess of its *pro rata* share in satisfaction of such liability, such Member is entitled to contribution from the other Members of the Authority. An ACWA JPIA Member's *pro rata* share will be based on that Member's premium contributions paid in the fiscal year in which the liability arose, compared with the premium contributions paid by all ACWA JPIA Members in such fiscal year. No Member may be compelled to make a contribution to the satisfaction of such a liability, beyond its own *pro rata* share of the entire liability.

Section 4. Inspection of Authority Records.

The accounting books and records, the list of Members' designated representatives, and minutes of proceedings of the Board of Directors and the Executive Committee and all other committees of the Authority shall be open to the inspection of any Member at any reasonable time. Members shall provide ten (10) days notice of intent to inspect records. Such inspection by a Member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

Section 5. Checks and Drafts.

All checks, drafts or other orders of payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Authority, shall be signed or endorsed by the President and Treasurer or by such person or persons and in such manner as, from time to time, shall be determined by the Executive Committee.

Section 6. Register of Checks.

A register of all checks, warrants, and electronic payments not previously reviewed and approved by the Executive Committee shall be made available to the Executive Committee at each of its meetings for the Committee's review and approval.

Section 7. Execution of Contracts.

The Executive Committee may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances except as otherwise provided by these Bylaws. Unless so

authorized by the Executive Committee, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 8. Rules of Procedure for Meetings.

All meetings of the Board of Directors and Executive Committee including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Sections 54950 *et seq*.

Article VII — Amendments

Section 1. Power of Board of Directors.

New bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of a majority of the voting members present at any Duly Constituted Board Meeting.

Section 2. Power of Executive Committee.

Subject to the provisions of Section 1 of this Article, amendments to these Bylaws, other than amendments changing the authorized number of members of the Executive Committee, may be adopted by the Executive Committee. Any amendment adopted by the Executive Committee shall be on the agenda of the next meeting of the Board of Directors for ratification.

Article VIII—Nonclaim Disputes

Section 1. Definition

Nonclaim disputes is any dispute that is not directly related to a claim made under a Memorandum of Coverage. Dispute means a difference that arises between two or more parties in connection with or arising out of the JPIA Agreement (including any dispute as to the termination or invalidity of the agreement or any provision of it). The definition of dispute has the broadest scope permitted by law and includes all assertions between the parties, including but not limited to any assertion for improper calculation of rates, Experience Modification, dividends and refunds, fraud, misrepresentation, negligence, libel and slander, misuse or theft of funds, unfair trade practices or other tort law assertions,

Section 2. Procedure

(a) Request for Reconsideration. The member will make a written request to the Authority for the Executive Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that

applies. The member can also, request a personal presentation to the Executive Committee, if it so desires.

(b) **Executive Committee Appeal.** The Executive Committee will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the Executive Committee, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) **Arbitration.** If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration will be binding on the parties and is agreed upon by acceptance of membership with the Authority. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. The decision of the arbitrator or panel is final. Both sides agree to abide by the decision of the arbitrator. The cost of the arbitration will be shared equally by the involved member and the Authority.