

CALIFORNIA TRANSIT SYSTEMS

JOINT POWERS AUTHORITY

JOINT POWERS AUTHORITY AGREEMENT

May 2011

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1 This Agreement is executed in the State of California by and among those public entities which are
2 parties signatory to this Agreement. All parties signatory to this Agreement shall hereinafter be called
3 "Party" [collectively "Parties"].
4

5 **RECITALS**

6
7 **Whereas**, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et
8 seq.) permits two or more public entities, by agreement, to exercise jointly powers common to the
9 contracting parties; and
10

11 **Whereas**, it is the mutual benefit of the Parties and in the public interest that the Parties join together
12 to provide:
13

- 14 • Pooling of their self-insured losses caused by injury to, or disease of, a person or damage to
15 property;
- 16 • Sharing the cost of excess insurance or reinsurance, if any, or pooling with other joint powers
17 authorities or public entity pooling arrangement; and
- 18 • Sharing the administration of the Authority created by this document.
19

20 **Whereas**, each Party desires to enter into this Agreement with each of the other Parties for the purpose
21 of joint risk sharing and/or insuring against various risk of loss jointly, rather than individually;
22

23 **NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**
24

25 **AGREEMENT**

26
27 This amended Agreement replaces the original Agreement and any prior amendments that may exist.
28

29 This Agreement is made under the authority of Government Code Section 6500 et seq. between the
30 undersigned public entities, after the governing boards of the entities determine that it is in their best
31 interest to execute this Agreement.
32

33 **ARTICLE I - PURPOSE**

34
35 The purpose of this Agreement is to exercise jointly powers common to each Party by:
36

- 37 • Creating an authority under Government Code Section 6500 et seq., a public entity that is
38 separate and apart from the Parties, to be known as the California Transit System Joint Powers
39 Authority, to administer a self-insurance pool,
- 40 • Sharing losses and purchase as a group, insurance or reinsurance and participate in other joint
41 powers authorities or other public entity pooling arrangements,
- 42 • Maintaining funds sufficient to pay the losses to which the Parties agree to share through a
43 Coverage Program, and
- 44 • Purchasing jointly administrative and other services, including risk management, loss
45 prevention, and legal defense in connection with the Coverage Programs.

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ARTICLE II - CREATION OF THE CALIFORNIA TRANSIT SYSTEMS JOINT POWERS AUTHORITY

Pursuant to Government Code Section 6500 et seq., the Parties to this Agreement hereby create a public entity separate and apart from the Parties. This public entity created by this Agreement shall be known as the California Transit Systems Joint Powers Authority.

ARTICLE III - DEFINITIONS

1. "Authority" shall mean the California Transit Systems Joint Powers Authority.
2. "Board" or "Board of Directors" shall mean the governing board of the Authority.
3. "Coverage Programs" shall mean programs as defined and adopted by the Board which may, but need not be limited to pooled risk programs, group purchase of insurance or reinsurance, or participation in other public entity pooling programs.
4. "Coverage Program Documents" shall mean the Master Program Document defining the policies and procedures of the program and the Memorandum of Coverage defining the coverage provided by the program.
5. "Contributions" shall mean payments by Members to the Authority, for other than interest, penalties paid, or reimbursements for payments made on behalf of the Member, for which the Authority is not liable.
6. "Governing Documents" shall be those documents described in Article VII, Governing Documents.
7. "Member" or collectively "Members" shall mean a Party who is participating in a particular Coverage Program.
8. "Party" shall mean a signatory to this Agreement.
9. "Officer" shall mean an officer of the Authority as defined in Article XIII.

ARTICLE IV - PARTIES TO THIS AGREEMENT

Each Party to this Agreement certifies that it intends to, and does, contract with all other Parties who are signatories to this Agreement, and any signatories that may sign this Agreement in the future, pursuant to Article XVI. The withdrawal of any Party to this Agreement shall not affect this Agreement as respects the remaining Parties and those remaining Parties' intent to be bound by this Agreement.

ARTICLE V - TERM OF AGREEMENT

As authorized by Government Code Section 6510, this Agreement was effective from May 1, 1987 and shall stay in full force, as is, as amended on May 1, 2012 or any other subsequent amendments, until terminated in accordance with Article XX.

88 **ARTICLE VI - POWERS OF THE AUTHORITY**

89
90 The powers of the Authority shall be the powers enjoyed by the County of Nevada or, if the County of
91 Nevada is no longer a Party to this Agreement then, the County of Siskiyou, and is authorized to do all
92 acts necessary to fulfill the purposes of this Agreement including, but not limited to, the following:
93

- 94 1. Make and enter into contracts;
95 2. Incur debts, liabilities and obligations, but no debt, liability or obligation of the Authority is the
96 debt, liability or obligation of any Party except as otherwise provided;
97 3. Acquire, hold or dispose of real and personal property;
98 4. Receive contributions and donations of property, funds, services and other forms of assistance
99 from any source;
100 5. Assess Parties as deemed appropriate by the Board;
101 6. Sue and be sued in its own name;
102 7. Acquire, construct, manage and maintain buildings; and
103 8. Lease real or personal property including property of a Party, and receive, collect, invest and
104 disburse monies.

105
106 These powers shall be executed in a manner provided by appropriate law and as set forth in this
107 Agreement.
108

109 **ARTICLE VII - GOVERNING DOCUMENTS**

110
111 The Board of Directors shall adopt Bylaws consistent with this Agreement and applicable law to govern
112 the operations of the Authority. The Board of Directors may adopt Coverage Program Documents,
113 consistent with this Agreement and the Bylaws. These Coverage Program Documents define the
114 Coverage Programs, the Members rights and duties, the Authority's rights and duties, and the
115 operations of the programs. The Board may also adopt policies and procedures, consistent with this
116 Agreement, the Bylaws, or Coverage Program Documents, to assist in the governance of the Authority's
117 operations and activities. The Agreement, the Bylaws, Coverage Program Documents and policies and
118 procedures adopted by the Board shall constitute the Governing Documents of the Authority.
119

120 Unless otherwise stated, a Governing Document may be amended by a majority of the Board of
121 Directors at a duly noticed regular or special Board meeting.
122

123 **ARTICLE VIII - RESPONSIBILITIES OF THE PARTIES**

124
125 The Parties to this Agreement shall have the following responsibilities:
126

- 127 1. To abide by the terms of this Agreement and other Governing Documents;
128 2. To cooperate fully with the Authority in the settlement of claims;
129 3. To pay Contributions, assessments, or other charges promptly to the Authority when due; and
130 4. To appoint a Director and an Alternate to the Board of Directors and to reappoint those
131 positions upon the departure of anyone from those positions.

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ARTICLE IX - POWERS RESERVED UNTO THE PARTIES

The Parties reserve unto themselves the following powers:

1. To amend this Agreement;
2. Appoint the Representatives and Alternates to the Board of Directors; and
3. To terminate the Authority in accordance with Article XX.

ARTICLE X - BOARD OF DIRECTORS

There shall be a Board of Directors to govern the affairs of the Authority. The Board of Directors shall have all the powers of the Authority except those specifically reserved to the Parties. The Board of Directors shall have the authority to create committees as deemed necessary for the operations of the Authority. The Board has the power to delegate any and all of its powers, not specifically reserved exclusively to the Board, to a committee or an Officer of the Authority.

The Board of Directors shall consist of one Director and one Alternate from each Party to this Agreement. The Party shall appoint by official action an officer or employee of the Party to be the Director and such appointment shall remain in effect until such time as the Party appoints another to be the Director. The Party shall appoint by official action an officer or employee of the Party to be the Alternate and such appointment shall remain in effect until such time as the Party appoints another to be the Alternate. Each Director shall have one vote, and each Alternate shall have one vote only if the Director for which he/she is an Alternate is absent from the meeting.

ARTICLE XI - DUTIES OF THE BOARD NOT DELEGABLE

The Board may not delegate to any committee, office or person the authority to:

1. Adopt, amend or alter the Bylaws;
2. Adopt the Authority's Annual Budget;
3. Create a Coverage Program;
4. Accept a Party to this Agreement; or
5. Expel a Party to this Agreement.

ARTICLE XII - BOARD MEETINGS AND RECORDS

The Board of Directors shall hold at least one meeting each fiscal year. Regular and special meetings may be called in accordance with the Bylaws of this Authority and applicable laws. All meetings shall be open to the public except as permitted by Government Code Section 54950 et seq. The Secretary shall keep full and complete minutes of all Board meetings.

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ARTICLE XIII - OFFICERS OF THE AUTHORITY

The Board shall elect one of its members as Chairperson and one as Vice Chairperson. The Board shall appoint a Secretary. The duties of the Chairperson, Vice Chairperson and Secretary shall be defined in the Bylaws.

In lieu of the designation of a treasurer and auditor as per Government Code Section 6505.6, the Board shall elect a Treasurer, who shall have, among other duties defined in the Bylaws, the duties of the treasurer and auditor as described in Government Code Section 6505.5.

The Board may appoint other officers of the Authority as described in the Bylaws.

ARTICLE XIV - ANNUAL BUDGET

Pursuant to Government Code Section 6508, the Board shall approve a budget for any given fiscal year prior to the inception of that year.

ARTICLE XV - ADMINISTRATION OF FUNDS

The Authority shall be responsible for the strict accountability of all funds and reports of all receipts and disbursements in conformity with Government Code Section 6505. All funds of the Authority may be held in common although there shall be a separate accounting for funds of each Coverage Program.

ARTICLE XVI - NEW PARTIES

Prospective Parties may apply to the Board of Directors at any time. The Board shall have the power to accept a prospective Party, after reviewing their application, with at least two-thirds affirmative vote of the entire Board. The membership shall become effective upon the Board's approval and the signing of this Agreement, participation in all mandatory Coverage Programs, and compliance with any and all other requirements imposed upon membership by the Bylaws or other Governing Documents.

ARTICLE XVII - WITHDRAWAL

A Party to this Agreement may not withdraw as a party to this Agreement prior to being a Party for at least three full fiscal years. A Party, who has been a Party for at least three full fiscal years, may withdraw from this Agreement only on the completion of a fiscal year. The Party must provide the Chairperson written notice of intent to withdraw at least six-months prior to withdrawal. The Party may rescind its notice of intent to withdraw at any time prior to ninety-days prior to the commencement of the next fiscal year. The Board may authorize rescission of the intent to withdraw upon a Party's request pursuant to the Bylaws at any time.

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ARTICLE XVIII - EXPULSION

The Authority may expel a Party to this Agreement as a Party by a three-fourth vote of the entire Board. The Party shall be given written notice of such action of the Board at least ninety-days prior to the expulsion.

ARTICLE XIX - EFFECT OF EXPULSION OR WITHDRAWAL

Pursuant to Government Code Section 6512.2, termination of any Party to this Agreement as a Party shall not be construed to be completion of the purpose of the Agreement and shall not require the return of any Contributions, payments or advances made by the Party until the Agreement is rescinded or terminated by all Parties in accordance with Article XX.

Termination of a Party to this Agreement as a Party shall not terminate its continuing responsibilities defined in any Governing Document or Coverage Program Document for the period of time in which the Party participated, including, but not limited to:

1. Cooperate fully with the Authority in the investigation and settlement of a claim;
2. Pay any Contributions, retentions or deductibles, assessments or other charges which are due and payable; and
3. Provide any statistical or loss experience data and other information as may be necessary for the Authority to carry out the purpose of this Agreement.

ARTICLE XX - TERMINATION AND DISTRIBUTION

This Agreement may be terminated at any time with written consent of three-fourths of the Parties; provided, however, that this Agreement and the Authority shall exist for the purpose of disposing of all claims, distribution of assets and any other functions necessary to wind up the affairs of the Authority. The Board shall be vested with all the powers of the Authority for the purposes of winding down and dissolving the business affairs of the Authority, including the power to assess past and present Parties in accordance with Coverage Program Documents.

In accordance with Government Code Section 6512, all assets of the Authority shall be distributed among those who were Parties within ten years of termination, in proportion to the Parties' Contributions. The Board shall determine when claims and liabilities are sufficiently realized as to not jeopardize the payment of any claim or liability that may arise in the future.

ARTICLE XXI - LIABILITY AND INDEMNIFICATION

Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any Party, except to the extent and in the proportions, imposed by the Bylaws or other Governing Documents. Each Party is independent of every other Party and of the Authority and not the agent of any Party or of the Authority. In contemplation of the provisions of Section 895.2 of the California Government Code, imposing certain tort liability jointly

263 upon public entities, solely by reason of a joint powers agreement as defined in Section 895 of that
264 code, each Party, as between each other, pursuant to the authorization contained in Section 895.4 and
265 895.6 of that code, does hereby assume the full liability imposed upon it, or any of its officers, agents, or
266 employees by law for injury caused by a negligent or wrongful act or omission occurring in the
267 performance of this Agreement, to the same extent that such liability would be imposed in the absence
268 of Section 895.2 of the California Government Code. To achieve the above-stated purpose, each Party
269 shall indemnify and hold harmless each other Party for any loss, costs, or expense that may be imposed
270 upon such other Party solely by virtue of Section 895.2. The provisions of Section 2778 of the California
271 Civil Code are made a part of this Agreement as if set forth fully in this Agreement.
272

273 The members of the Board of Directors and the Officers and employees of the Authority shall act in good
274 faith and in the best interests of the Authority in the performance of their duties. The members of the
275 Board of Directors and Officers and employees shall be liable for an act or omission within the scope of
276 their employment with the Authority as a public entity only in the event that they act or fail to act
277 because of actual fraud, corruption, or malice. No member shall be liable for any actions taken or
278 omissions by another member of the Board. Funds of the Authority shall be used to defend and
279 indemnify members of the Board, Officers, and employees for any act or omission pursuant to the
280 provisions of the Government Code Section 910 to 996.6, inclusive. The Authority may purchase
281 insurance covering acts or omissions of the Board of Directors, Officers, and employees.
282

283 **ARTICLE XXII - NOTICES**

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285 Notices to any or all Parties shall be sufficient if mailed to their respective addresses on file with the
286 Authority. Notice to the Authority shall be sufficient if mailed to the official address of the Authority as
287 established by Resolution.
288

289 **ARTICLE XXIII - PROHIBITION AGAINST ASSIGNMENT**

290
291 No Party may assign any right, claim, or interest it may have under this Agreement, and no creditor,
292 assignee, or third party beneficiary of the Party shall have any right, claim or title to any part, share,
293 interest, fund, premium, or asset of the Authority.
294

295 **ARTICLE XXIV - ARBITRATION**

296
297 Any controversy between the Parties hereto arising out of this Agreement shall be submitted to
298 arbitration, and such arbitration shall comply with and be governed by the provisions of the California
299 Arbitration Act, Sections 1280 through 1294.2 of the California Code of Civil Procedure.
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301 **ARTICLE XXV - AMENDMENTS**

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303 This Agreement may be amended at any time by approval of three-fourths of the Parties.
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ARTICLE XXVI - 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.

In Witness Whereof, the undersigned Party hereto has executed this Agreement on the date indicated below:

Date: _____

By: _____

Printed Name of Authorized Signor

Signature of Authorized Signor

Title of Authorized Signor

Name of Agency