REQUEST FOR PROPOSALS

GENERAL AND/OR COVERAGE COUNSEL SERVICES
FOR THE
VECTOR CONTROL JOINT POWERS AGENCY (VCJPA)

Return Proposal to:

Yahaira Velasquez, Administrator
Yahaira.velasquez@sedgwick.com
and
Hillary Waddle, Assistant Administrator
Hillary.waddle@sedgwick.com

Date Issued: July 29, 2026
Response Deadline: August 19, 2026, by 5:00 p.m. PST

GENERAL AND/OR COVERAGE COUNSEL SERVICES
FOR THE
VECTOR CONTROL JOINT POWERS AGENCY

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VECTOR CONTROL JOINT POWERS AGENCY

REQUEST FOR PROPOSALS

I. INTRODUCTION

The Board of Directors of the Vector Control Joint Powers Agency (VCJPA) requests proposals from qualified counsel to provide general counsel and/or coverage counsel legal services to its Board of Directors and staff**.**

The VCJPA is a governmental joint powers authority formed in 1979 pursuant to the California Government Code. VCJPA was established for the purpose of funding and developing programs to provide various coverages for its 34-member mosquito abatement and vector control districts in California through a combination of self-insurance and group purchased insurance.

VCJPA is governed by a Board of Directors. The Board consists of six voting directors, with one director elected by each of the four Agency regions and two Board of Trustee members elected by the regions, and five alternate directors. VCJPA's Executive Committee provides policy direction to the Board and consists of the President, 1st Vice President, and 2nd Vice President. The Board meets four times per year in person in February, April, June, and November. All meetings are held in Sacramento except for the February meeting. The February meeting is held in conjunction with the VCJPA Annual Workshop which is typically held in Northern California. The Executive Committee meets virtually in January, May, and October.

To manage the day-to-day operations of VCJPA, Sedgwick has been engaged to provide program administration, accounting, risk management, liability claims handling, litigation management, workers' compensation oversight, and board secretarial services. Sedgwick also provides management oversight of other contracted service providers.

VCJPA is accredited with excellence by the California Association of Joint Powers Authorities.

Please consult the VCJPA website for additional information.

II. SCOPE OF SERVICES

The services to be provided by the selected law firm include, but may not be limited to, the following:

A. Review, analyze and interpret VCJPA's governing documents, including the Joint Powers Authority Agreement, Bylaws and other policies adopted by the Board. Develop language revising such documents at the direction of staff and the Board;

B. Provide coverage analysis when requested by staff, interpreting the Liability, Workers' Compensation, Property, and Auto Physical Damage Memoranda of Coverage (MOCs) with respect to duties owed to members on claims/lawsuits submitted. Firms that do not have coverage counsel experience may still submit a proposal for general counsel services and are not required to provide coverage counsel services to be considered for award.

C. Attend Board and Executive Committee meetings when requested;

D. Provide legal opinions to staff and the Board of Directors on *the Ralph M. Brown Act* and *Public Records Act* issues;

E. Upon request of the Administrator, represent VCJPA in legal proceedings on contested matters affecting the VCJPA;

F. Assist staff in selecting out-source counsel on special circumstance legal matters;

G. Review and suggest revisions for service provider contracts when requested;

H. Review excess coverage documents and procedures when requested; and

I. Perform other such duties that may be prescribed by the Administrator and/or Board.

III. DESIRED QUALIFICATIONS

To qualify, the law firm should meet the following minimum qualifications:

A. Minimum of three to five years as general counsel to a California joint powers authority or other public agency. If submitting a proposal for coverage counsel services, extensive experience and knowledge of coverage interpretations of joint powers insurance authorities' memoranda of coverage, and substantial experience in providing coverage analyses and opinions to the joint powers insurance authorities' members and staff;

B. Experience with and knowledge of insurance policies, and in particular coverage interpretations of liability program MOCs;

C. Experience with and knowledge of the *Ralph M. Brown Act, Public Records Act*, and other laws governing the operation of Joint Powers Insurance Authorities;

D. Experience with and knowledge of Joint Powers Authority agreements, bylaws and other governing documents. This includes the ability to analyze and suggest language clarifying intended Board policies, and;

E. Ability to work effectively with the Board of Directors and staff with respect to any of the services required by the VCJPA.

IV. PROPOSAL REQUIREMENTS

Candidate submitting a proposal will provide VCJPA with the following information:

A. Résumé and descriptions of recent legal services provided to representative clients.

- Include information on experience as it pertains to the Scope of Services outlined herein;

B. Three clients' names, contact persons, and telephone numbers as references;

C. Provide a sample of written work product as it relates to a coverage analysis or interpretation of a governing document;

D. Any potential conflicts of interests in representing the VCJPA;

E. A brief description of philosophy in serving as General Counsel to a Joint Powers Insurance Authority, or other government agency, and;

F. Billing rates, including any minimum charges or retainers, together with a sample billing.

G. Proposers should clearly indicate whether they are proposing to provide both general and coverage counsel services or only general or coverage counsel services;

V. INSURANCE AND INDEMNITY REQUIREMENTS

Prior to and during the performance of the engagement, the proposer shall maintain at its own expense the following coverages:

General Liability

Proposer shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in an amount not less than $1,000,000 per occurrence, two million dollars $2,000,000 general aggregate. Proposer's general liability policies shall include and be endorsed as primary and not seek contribution from the VCJPA and be endorsed using Insurance Services Office form CG 20 10 to provide that VCJPA and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies. Coverage shall allow and be endorsed to include a waiver of subrogation in favor of the VCJPA and its officers, officials, employees, agents, and volunteers. Any failure to comply with reporting provisions of the policies by Proposer shall not affect coverage provided to the VCJPA. Coverage shall state that Proposer's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Auto Liability
Proposer shall provide commercial or business auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than one million dollars $1,000,000 per accident. The policy shall provide and be endorsed that the VCJPA, its officers, officials, employees, agents, and volunteers are included or named as additional insureds. The policy shall allow and be endorsed to include a waiver of subrogation in favor of the VCJPA, its officers, officials, employees, agents, and volunteers. If Proposer owns no vehicles, this requirement may be met through a non-owned auto endorsement to the CGL policy.

Umbrella or Excess Liability
The limits of liability for commercial general liability and automobile liability may be provided through a combination of primary and umbrella or excess liability policies provided each policy complies with the requirements set forth in this section. Excess policies shall be follow-form to the underlying policies. Umbrella or excess policies shall include VCJPA and its officers, officials, employees, agents, and volunteers as additional insured.

Professional Liability
Proposer shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this proposal, in the minimum amount of $2,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Proposer agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' Compensation
Proposer shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars $1,000,000 per accident, $1,000,000 by disease-policy limit, and $1,000,000 by disease-each employee. The insurer, if insurance is provided, or Proposer, if a program of self-insurance is provided, shall include and submit to VCJPA, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of VCJPA, its officers, officials, employees, agents, and volunteers. No proprietor, partner, executive officer, or member shall be excluded. In the alternative, Proposer may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the California Labor Code shall be solely in the discretion of the VCJPA. The requirement to maintain Statutory Workers' Compensation and Employer's Liability Insurance may be waived by the VCJPA upon written verification that Proposer does not have any employees.

Verification of Coverage
Proposer shall furnish the VCJPA with original certificates and amendatory endorsements effecting coverage required. All certificates and endorsements are to be received and approved by the VCJPA prior to commencement of services. The VCJPA reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications, at any time.

Any available insurance proceeds broader than, or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum insurance requirements are sufficient to cover the obligations of the Proposer.

Each required insurance policy shall be endorsed to state that coverage shall not be cancelled except after 30 days' prior written notice has been given to the VCJPA, except that 10 days' prior written notice shall apply in the event of cancellation for nonpayment of premium. If a carrier will not provide the required notice of cancellation, the Proposer shall provide written notice to the VCJPA of a cancellation no later than three 3 business days before cancellation.

All self-insurance, self-insured retentions, and deductibles must be declared and approved by the VCJPA.

Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

VI. TERM

The term of the representation of VCJPA shall commence October 1, 2026, and may be cancelled at any time, with or without cause, by either party, with the law firm's letter of engagement to provide that the law firm shall give VCJPA at least 90 days' written notice prior to withdrawal as counsel.

VII. SELECTION PROCESS

All proposals must be received no later than 5:00 p.m. on August 19, 2026. Proposals shall be submitted via email to Yahaira Velasquez, VCJPA Administrator, and Hillary Waddle, VCJPA Assistant Administrator at yahaira.velasquez@sedgwick.com and hillary.waddle@sedgwick.com. It is the responsibility of the respondent to see that any proposal submitted via email is received no later than the specified date and time. VCJPA is not responsible for the non-delivery or any electronic failure preventing the delivery of proposals. Late proposals will be rejected. All proposals, whether selected or rejected, shall become property of VCJPA.

VCJPA will review the proposals submitted. The law firms whose proposals are selected as finalists for consideration may be asked to appear, if deemed necessary, before an evaluation panel to discuss their proposal virtually via video conferencing.

All proposals, whether selected or rejected, shall become the property of VCJPA. Costs of preparation of proposals will be borne solely by the proposer.

VCJPA reserves the right to: reject any and all proposals; to waive any informality, defect, or irregularity in a proposal; to alter the selection process in any way; to postpone the selection process for its own convenience at any time; to accept or reject any individual that a law firm proposes to use; and/or to decide whether or not to enter into an engagement with any law firm. Nothing in this RFP shall be construed to obligate VCJPA to negotiate or enter into an engagement with any particular law firm. This RFP shall not be deemed to be an offer to enter into an agreement of any kind.

Listed below is an anticipated timetable (subject to change):

August 19, 2026	Proposals Due
August 24-September 7, 2026	Evaluation of Proposals and Set Up Interviews, If Deemed Necessary
September 14, 2026	Final Selection by Board of Directors
September 17, 2026	Inform Law Firms of Selection, and Negotiate Agreement
October 1, 2026	Begin Engagement

Questions regarding this Request for Proposal may be directed to:

Yahaira Velasquez
yahaira.velasquez@sedgwick.com
(916) 639-8156

And

Hillary Waddle
hillary.waddle@sedgwick.com
(217) 766-3871

VIII. LIST OF POTENTIAL PROVIDERS

Amy Ackerman
Renne Public Law Group
Sacramento

Angelo, Kilday and Kilduff
Sacramento

Ann Siprelle
Best, Best, & Krieger
Sacramento

Cole Huber, LLP
Roseville

Dawn Curtis
Farmer Curtis, PC
Sacramento

Douglas White
White Brenner LLP
Sacramento

Ellen Arabian-Lee
Arabian-Lee Law Corporation
Roseville

Eric Brenneman
Demler, Armstrong & Rowland, LLP
Sacramento

Eric Casher
Redwood Public Law
Sacramento

F3 Law
Sacramento

Gary B. Bell
Colantuono, Highsmith &Whatley, PC
Sacramento

Ian Sangster
Kronick
Sacramento

Kristin Peer
Bartkiewicz, Kronick & Shanahan
Sacramento

Longyear, Lavra & Cahill, LLP
Sacramento

Nicholas Clair
Lozano Smith
Sacramento

Porter Scott
Sacramento

Procopio
Palo Alto

Richard Watson Gershon
Sacramento

Shannon Nessier
Hanson Bridgett, LLP
Sacramento

APPENDIX A

VCJPA GOVERNING DOCUMENTS

VECTOR CONTROL JOINT POWERS AGENCY

JOINT EXERCISE OF POWERS AGREEMENT

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JOINT EXERCISE OF POWERS AGREEMENT

This Joint Exercise of Powers **Agreement**, as amended, dated for convenience this 1st day of July, 1999, is made and entered into in the State of California by and among the participating **Member Districts**, as defined.

RECITALS

WHEREAS, California Government Code Section 6500, et seq. provides that two or more public agencies may, by agreement, exercise any power common to the contracting parties; and

WHEREAS, California Government Code Sections 990 and 990.4 provide that a local entity may self-insure, purchase **insurance** through an authorized insurer, purchase **insurance** through a surplus line broker, or any combination thereof; and

WHEREAS, California Government Code Section 990.8 provides that two or more local public entities, by a joint powers agreement, may provide **insurance** for any authorized purpose by any one or more of the methods specified in Section 990.4; and

WHEREAS, Article XVI, Section 6, of the California Constitution provides that **insurance** pooling arrangements under joint exercise of powers agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, each of the districts which are parties to this **Agreement** desire to join together with other districts in order to collectively self-insure or pool their losses and to jointly purchase **insurance** and administrative services in connection with **Joint Protection Programs** for said districts; and

WHEREAS, the Vector Control Joint Powers Agency, a public entity, was created by an initial joint powers agreement dated June 1, 1979, among the various districts; and

WHEREAS, said participating districts have determined that it is appropriate and in the public interest to make certain changes and additions to this **Agreement** which will provide clarification and will permit the **Agency** to offer **Joint Protection Programs** of pooled **self-insurance** to its membership; and

WHEREAS, it is considered necessary to amend the **Agreement** by rewriting the document in its entirety to make the clarifications and changes which are required to accomplish this purpose; and

WHEREAS, said **Agreement** provides that amendments to the **Agreement** may be made by a vote of two-thirds (2/3rds) of the participating districts by resolution of the governing boards of districts;

NOW, THEREFORE, for and in consideration of the execution of this **Agreement** by two-thirds (2/3rds) of the districts, each of the districts which are parties hereto does hereby adopt this amended **Agreement**, dated July, 1999, and the revised Bylaws of the Vector Control Joint Powers Agency, which do hereby concurrently supersede that certain **Agreement** creating the **Agency**, dated June 1, 1979, all amendments thereto, and the Bylaws adopted pursuant thereto.

ARTICLE I
DEFINITIONS

The words or phrases in this document, which are in bold print, are defined in the Bylaws of Vector Control Joint Powers Agency.

ARTICLE II
PURPOSES

This **Agreement** is entered into by **Member Districts** in order to jointly fund and develop **Joint Protection Programs** to provide indemnification for various losses experienced by the **Member Districts**. These **Joint Protection Programs** shall be provided through pooled funding arrangements, the purchase of **insurance** coverages, or a combination thereof. These **Joint Protection Programs** shall also seek to reduce the amount and frequency of losses through strong safety and loss control measures and the use of good risk management practices. Programs shall be implemented to decrease the cost incurred by **Member Districts** in the handling and litigation of **claims**. These purposes shall be accomplished through a joint exercise of powers by **Member Districts** pursuant to the terms of this **Agreement** and by the creation of this separate public entity Joint Powers **Agency**.

ARTICLE III
CREATION OF JOINT POWERS AGENCY

A. Pursuant to Section 6500, et seq. of the California Government Code, the **Agency** is a public entity separate and apart from the parties to this **Agreement**. Pursuant to Government Code Section 6508.1, the debts, liabilities, and obligations of this joint powers agency shall not constitute debts, liabilities, or obligations of any party to this **Agreement**.

B. It is the express understanding of all parties that the **Agency** created originally on or about July 1, 1979, is the same **Agency** continued under this **Agreement**, even though some powers and procedures may be changed by this **Agreement**.

C. The **Agency**, its **Board**, officers, membership, and staff shall be governed by this **Agreement**, the Bylaws, **Master Plan Documents**, and other documents duly adopted by the **Agency**.

ARTICLE IV
PARTIES TO **AGREEMENT**

A. Each district which has applied to and been accepted as a member of the **Agency** is a party to the Joint Exercise of Powers **Agreement**. Each party to the **Agreement** shall be bound by this **Agreement** when two-thirds (2/3rds) of the respective Boards of Trustees of the **Member Districts** have adopted this amended **Agreement**. A party to this **Agreement** certifies that it intends to and does contract with the **Agency** and with all other districts which have signed this **Agreement** and, in addition, with each district which may hereafter be added as a party to and may sign this **Agreement**. Each district which has or may hereafter sign this **Agreement** also certifies that the deletion of any district from the **Agency** by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this **Agreement** nor each **Member District's** intent to contract as described above with the then-remaining **Member Districts**.

B. Each district which is a member of the **Agency** at the time this amended **Agreement** is adopted by two-thirds (2/3rds) of the **Member Districts**, certifies that it intends to and does hereby contract with the **Agency** and with all other districts which have signed the original **Agreement** in force prior to these amendments being adopted, and in addition, with each district which may hereafter be added as a party to and may sign this **Agreement**.

ARTICLE V
MEMBERSHIP

A. ELIGIBILITY

To be a member of this **Agency**, a district must be a district which is duly organized and existing under the laws of the State of California, pursuant to the Mosquito Abatement District/Vector Control District Law (Health and Safety Code Sections 2200 - 2406) or the Pest Abatement District Law (Health and Safety Code Sections 2800 - 2930), and must be approved for participation in the **Agency** in the manner provided by the Bylaws.

B. SUCCESSOR

1. Should any **Member District** reorganize in accordance with the statutes of the State of California, the successor or successors in interest, if a member of the **Association**, may be substituted as a **Member District** upon adoption of a resolution declaring its intention to succeed to the predecessor's interest in the **Agency** and approval by the **Agency Board**.

2. After any local government change of organization or reorganization, including, but not necessarily limited to, a dissolution, merger, or consolidation, which results in extinguishment or dissolution of the legal existence of a **Member District**, the rights, obligations, and liabilities of such **Member District** under this **Agreement**, the Bylaws, and any **Master Plan Documents**, shall be succeeded by the successor public entity and such successor shall be bound by such rights, obligations, and liabilities.

C. NEW OR RETURNING MEMBERS

Eligible districts may become a party to this **Agreement** pursuant to the Bylaws of the **Agency**. All new or returning members must participate in the **Agency** for a minimum of five years.

ARTICLE VI
TERM OF **AGREEMENT**

This **Agreement**, as amended, shall become effective when approved by two thirds (2/3rds) of the respective Boards of Trustees of the **Member Districts**. When effective, this **Agreement**, as amended from time to time, shall continue thereafter until terminated as herein provided. This **Agreement** shall become effective as to any new **Member District** in accordance with the Bylaws and **Master Plan Documents** of the **Agency**.

ARTICLE VII
POWERS OF THE **AGENCY**

A. This **Agency** shall have all of the powers common to **Member Districts** and all additional powers set forth in Section 6500, et seq. and Section 989, et seq. of the Government Code and other applicable law. The **Agency** is hereby authorized to do all acts necessary or appropriate for the exercise of said powers, including but not limited to any or all of the following:

1. To make and enter into contracts;

2. To incur debts, liabilities, and obligations;

3. To assess **Member Districts** for good cause as determined by the **Board**;

4. To acquire, hold, or dispose of property;

5. To receive contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;

6. To sue and be sued in its own name;

7. To exercise all powers necessary and proper to carry out the terms and provisions of this **Agreement** or otherwise authorized by law;

8. To determine all questions of policy relating to conditions of the **Agency** employment, disposition of the **Agency** personnel, and the records and books to be kept and maintained as specified in the Bylaws; and

9. To establish and maintain separate **trust funds**.

B. Whenever in this **Agreement** any consent or approval is required, the same shall not be unreasonably withheld. This **Agreement** shall be construed and interpreted in accordance with the laws of the State of California.

ARTICLE VIII
RESERVATIONS OF POWERS

The **Member Districts** reserve unto themselves, through their individual representatives acting by a two-thirds (2/3rds) vote of **Member District** representatives present and voting at a regular or special membership meeting, the following powers which may not be delegated to the **Board**, or to any other body:

1. To adopt and, except as provided in Article XI (C), discontinue any **joint protection programs**;

2. To change the composition of the **Board**; and

3. To involuntarily terminate a **Member District** pursuant to Article XVI (B).

ARTICLE IX
BOARD OF DIRECTORS

A. STRUCTURE

The **Agency** shall be governed by a **Board of Directors** which is hereby established and which shall consist of six members. The composition, selection, organization, and other specifics of the **Board** shall be set forth in the Bylaws.

B. POWERS OF THE **BOARD OF DIRECTORS**

The **Board of Directors** of the **Agency** shall have the powers to exercise all powers of the **Agency**, except those powers which have been specifically reserved to the **Member Districts** and to hold meetings and conduct all business affairs of the **Agency**, including the powers to:

1. recommend **Joint Protection Programs** and other programs to be offered by the **Agency** and recommend the terms and conditions of such programs;

2. determine and purchase all **Insurance** necessary to carry out the **Joint Protection Programs** or programs offered by the **Agency**;

3. finance and establish loss reserves adequate to **Self-Insure** or partially **Self-Insure** the **Joint Protection Program** or programs offered by the **Agency** through the sale of Certificates of Participation, bonds, notes, or other financial obligations or through contributions to a loss reserve by **Member Districts**;

4. ratify or veto committee appointments made by the President as the **Board** deems necessary and where appropriate to investigate, pursue, and collect on behalf of **Member Districts**, subrogation **Claims** relating to the negligent and intentional acts and omissions of third parties;

5. supervise the adjustment and defense of all **Claims** involving liability of the **Agency** and a **Member District** during its period of membership in and coverage by the **Agency**;

6. fix and collect **Deposit Premiums**, **Insurance Premiums**, charges, payments,

penalties, and interest, pursuant to **Master Plan Documents**;

7. establish and implement an investment policy consistent with limitations set forth in the Government Code;

8. withdraw or invest any funds on deposit in any manner authorized by law for the investment of funds of a **Member District** or the **Agency**;

9. make assessments against any **Joint Protection Programs** or programs offered by the **Agency** as set forth in the **Master Plan Documents**;

10. expend funds of the **Agency** only for the purpose of carrying out the provisions of this **Agreement**, the Bylaws, the **Master Plan Documents**, Memoranda of Coverage, or any Rules and Regulations adopted by the **Agency**;

11. provide administration, financial administration, **Claims** management services, legal representation, safety engineering, loss prevention and risk management programs and services, actuarial services, and other services necessary or proper to carry out the purposes of the **Agency** either through its committees, officers, employees, or by contract with one or more third parties;

12. establish procedures for the production and maintenance of records by the **Agency** employees, contractors, and **Member Districts** and to ensure compliance therewith;

13. purchase liability **Insurance**, directors and officers liability **Insurance**, and such other **Insurance** as the **Board of Directors** may deem necessary or proper in order to protect the **Agency**, the **Agency** employees, and participating **Member Districts**;

14. obtain a fidelity bond in such amount as the **Board** may determine for any person or persons who have charge of or the authority to expend funds of the **Agency**;

15. enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of the **Agency**;

16. acquire, hold, manage, and dispose of any and all personal and real property necessary or appropriate to carry out the purposes and functions of the **Agency**;

17. manage a **Member Trust Fund** for any **Member District** who so desires in which the **Member District's** unobligated reserves shall be maintained;

18. adopt resolutions from time to time establishing policies and procedures to

implement this **Agreement**, the Bylaws, and any **Master Plan Documents**;

19. establish and declare by Resolution, from time to time, the location of the **Agency** office;

20. adopt and amend the Bylaws;

21. adopt and amend Memoranda of Coverage; and

22. adopt and amend **Master Plan Documents**.

ARTICLE X
OFFICERS

The officers of the **Agency** shall consist of the President, 1st Vice President, 2nd Vice President, Secretary, Treasurer, Assistant Treasurer, Litigation Manager, Risk Manager, and Administrator. Other offices may be created by the Bylaws or by the **Board**. All offices shall be filled and have the powers and responsibilities as prescribed in the Bylaws.

ARTICLE XI
JOINT PROTECTION PROGRAMS

A. The **Board** may at any time and from time to time offer to the membership for adoption such **Joint Protection Programs** as may be deemed desirable. All **Member Districts** shall participate in those mandatory **Joint Protection Programs** as set forth in the Bylaws. All other **Joint Protection Programs** shall be optional. The **Board** shall establish the amount of **Deposit Premium**, determine the amount of loss reserve contribution, provide for the handling of **Claims**, and otherwise establish the policies and procedures necessary to provide a particular **Joint Protection Program** for **Member Districts**.

B. Each **Joint Protection Program** shall remain separate and distinct from every other **Joint Protection Program** and the liability and obligations of each program and its participating **Member Districts** shall not be a liability or obligation of another program or participating **Member District** of another program. Separate accounting shall be maintained for each **Joint Protection Program**.

C. Each **Joint Protection Program** may be terminated by a two-thirds (2/3rds) vote of the participants present and voting at a regular or special membership meeting.

D. Each and every **Joint Protection Program** shall be distinct and mutually exclusive from every other program. A **Member District's** participation in one program shall not obligate it or its funds on deposit with the **Agency**, to the debts, obligations, or liabilities of any other program.

ARTICLE XII
OBLIGATIONS OF MEMBER

The parties to this **Agreement** have the following obligations:

1. Pay all financial obligations to the **Agency** within the time prescribed;

2. Appoint an individual to attend the annual and special membership meetings and be responsible for coordinating the activities of the **Member District** with the **Agency**;

3. Conduct its operations in a manner which enhances safety and loss control;

4. Adopt an approved risk management statement, acceptable to the **Agency**;

5. Adopt a safety and loss control policy which includes an acceptable safety manual for use by the **Member District's** employees, acceptable to the **Agency**;

6. Comply with all safety and risk management requirements established under the authority of this **Agreement**;

7. Conduct, or cause to be conducted, safety and loss control inspections as required by the **Board**;

8. Permit and assist the **Agency** in conducting on-site safety and loss control inspections and/or safety or risk management audits as required by the **Board**;

9. Submit DE-6 of Federal 941 forms to the **Agency** concurrent with the submission dates established by the State of California;

10. Submit underwriting information requested by the **Agency** on a timely basis;

11. Provide accurate statistical data concerning the **Member District** to the **Agency** when requested;

12. Cooperate fully with the **Agency** in determining the cause of losses and in the settlement of losses;

13. Cooperate to the fullest extent with the **Agency** counsel on matters of **claims** and the conduct of defense of **claims**.

ARTICLE XIII
INDEMNIFICATION OF DIRECTORS, OFFICERS, AND EMPLOYEES

The members of the **Board of Directors** and the officers and employees of the **Agency** shall act in good faith and in the best interests of the **Agency** in the performance of their duties hereunder. The members of the **Board of Directors** and the officers and employees of the **Agency** shall be liable for an act or omission within the scope of their office or employment by the **Agency** as a public entity only in the event that they act or fail to act because of actual fraud, corruption, or actual malice or willfully fail or refuse to conduct the defense of a claim or action in good faith or to reasonably cooperate in good faith in the defense conducted by the **Agency**. No member of the **Board** shall be liable for any action taken or omitted by any other member of the **Board**. No member of the **Board**, officer, or employee shall be required to pay the **Deposit Premium** on a bond or other security to guarantee the faithful performance of his or her duties hereunder, although the **Agency** may provide such bonds. Funds of the **Agency** shall be used to defend and to indemnify members of the **Board**, officers, and employees of the **Agency** for any act or omission pursuant to the provisions of Government Code Sections 910 to 996.6. The **Agency** may purchase **insurance** to provide coverage for acts or omissions of directors, officers, and employees.

The **Agency** shall indemnify, protect, defend, and hold harmless each and all of the **Member Districts**, and their officers and employees, for and from any and all liability, **Claims**, causes of action, damages, losses, judgments, costs, or expenses (including attorney's fees) resulting from an injury caused by a negligent or wrongful act or omission occurring in the performance of this **Agreement** by the **Agency**, by one or more of the **Member Districts**, or any of their officers, employees, agents, or independent contractors. This indemnification provision is intended to supplant and supersede the pro rata right of contribution formula set forth in Government Code Section 895.6.

ARTICLE XIV
SELF-INDEMNIFICATION AMONG THE **MEMBER DISTRICTS**

Section 895.2 of the California Government Code imposes certain tort liability jointly upon entities solely by reason of such entities being parties to an agreement as defined in Section 895 of said code. Therefore, the **Member Districts** hereto, as between themselves, pursuant to the authorization contained in Sections 895.4 and 895.6 of the California Government Code, each assumes the full liability imposed upon it for any of its officers, agents, or employees by law for injuries caused by a negligent or wrongful act or omission occurring in the performance of this **Agreement** to the same extent that such liability would be imposed in the absence of Section 895.2 of said code. To achieve this purpose, each member agency indemnifies and holds harmless all other **Member Districts** for any loss, cost, or expense that may be imposed upon such other **Member Districts** solely by virtue of Section 895.2 of the California Code.

ARTICLE XV
WITHDRAWAL

Any **Member District**, at the conclusion of their five year commitment period, at their sole discretion, may voluntarily withdraw from membership in the **Agency** only at the end of any **fiscal year** by notifying the **Agency** in writing six (6) months prior to the end of any **fiscal year**, or at any other time which is agreed to by the **Board**, unless otherwise prohibited in the **Master Plan Document** of any program. A notice of withdrawal shall be final and irreversible upon its receipt by the **Agency** unless the **Board** authorizes it to be rescinded by the **Member District**.

The withdrawal of any **Member District** after the effective date of a **joint protection program** in which it has participated shall not terminate its responsibility to contribute its share of **deposit premiums** or funds to any fund or **insurance** program created by the **Agency** until all **claims**, or other unpaid liabilities, covering the period of participation by the **Member District** in the risk pooling program have been finally resolved and a determination of the final amount of payments due by the **Member District** or credits to the **Member District** has been made by the **Board** in accordance with Article XVIII.

ARTICLE XVI
INVOLUNTARY TERMINATION

A. A **Member District** may be involuntarily terminated for any of the following reasons:

1. Failure to pay all delinquent amounts due the **Agency**. Such amounts may be, but are not limited to, the **Insurance Premium**, **Deposit Premium**, surcharge, or share of administrative costs.

2. Failure to comply with this **Agreement**, the Bylaws, Resolutions, or the rules of a program in which the **Member District** participates as set forth in the **Master Plan Documents**, and all amendments to such documents, or failure to approve any amendment to this **Agreement** or to a **Master Plan Document** for a mandatory program, or the initial adoption of a **Master Plan Document** for a mandatory program.

3. Termination of participation in a mandatory **Joint Protection Program**.

4. Failure to maintain membership in the **Association**.

5. Dissolution of the **Member District**.

B. Involuntary termination for the reasons stated in (2) above may be effected by the **Agency**, when ordered by a two-thirds (2/3rds) vote of the individual **Member Districts**' representatives present and voting at a regular or special membership meeting, by giving written notice to the **Member District** of **Agency's** intention to terminate its membership in the **Agency** upon a date not less than thirty (30) days thereafter for the reasons set forth in the notice. The termination of membership shall be effective upon the date set forth in the notice unless prior to that effective date the **Member District** being terminated requests in writing a hearing by the **Board**. At the hearing, evidence shall be received as to the reasons why the termination should not be completed. After such hearing the vote of a majority of the members of the **Board** shall be required to terminate the **Member District**. If, following the hearing, the **Agency** involuntarily terminates the **Member District**, then the **Agency** shall give such **Member District** thirty (30) days notice in writing of its decision to involuntarily terminate the **Member District** and effective date of the termination.

C. Involuntary termination for the reasons stated in (1), (3), (4), and (5) above may be effected by the **Agency** Administrator by giving written notice to the **Member District** of the **Agency's** intention to terminate its membership in the **Agency** upon a date not less than thirty (30) days thereafter for the reasons set forth in the notice unless compliance occurs and is proven to the satisfaction of the **Agency** Administrator during said thirty (30) day period. Involuntary termination for the reasons stated in (1), (3), (4), and (5) above are not subject to appeal to the **Board** or the members.

ARTICLE XVII
CONTINUED LIABILITY

Upon any withdrawal or involuntary termination of a **Member District**, the said **Member District** shall continue to be responsible for any unpaid **Insurance Premiums**, **Deposit Premiums**, surcharges, administration costs, and **Claims** and for any debts and assessments in accordance with the provisions of this **Agreement**, the Bylaws, Resolutions, and the **Master Plan Documents** of **Joint Protection Programs** in which the **Member District** has participated. Any amounts due the **Agency** may be paid from any balance remaining in the **Member District's** unobligated fund.

ARTICLE XVIII
REFUNDS UPON WITHDRAWAL OR INVOLUNTARY TERMINATION

In the event a **Member District** withdraws from the **Agency** or its membership is involuntarily terminated, said **Member District** shall thereafter be entitled to receive its unobligated share of monies held by the **Agency**, less any and all amounts owed the **Agency** whether contingent or not, by the said withdrawing or terminated **Member District**. The remainder of any funds held by the **Agency** for the withdrawing or terminating **Member District**, subject to any retention amount as provided below, shall be the unobligated share and shall be refunded to the **Member District** and shall be accepted in full settlement and satisfaction against any **claims** the **Member District** may have against the **Agency**. The **Agency** shall require that sufficient funds are retained on deposit with the **Agency** to completely pay any and all unpaid **insurance premiums**, **deposit premiums**, surcharges, administration costs, or **claims**, including an amount for unreported **claims** and maturity of **claims** against said withdrawing or terminating **Member District**, and the amount to be retained on deposit shall be determined by the **Agency**. Any and all rights, entitlements, benefits, and obligations after withdrawal or termination shall be subject to ongoing obligations and responsibilities agreed to by a **Member District** by agreeing to participate in any pooled **Joint Protection Programs**.

ARTICLE XIX
TERMINATION OF **AGENCY**

The **Agency** may be terminated at any time if two-thirds (2/3rds) of the respective Boards of Trustees of the then-**Member Districts** adopt a resolution requesting termination of the **Agency**; provided, however, that this Joint Powers **Agreement** and the **Agency** shall continue to exist for the purpose of disposing of all **claims**, concluding any pending litigations, for the liquidation and distribution of assets, and for all other functions necessary to conclude the affairs of the **Agency**. The **Board** shall take whatever action is necessary or appropriate to cause these ongoing responsibilities to be discharged and to effectively close out the affairs of the **Agency**. Upon completion of the liquidation and dissolution of the **Agency**, the **Agency** shall pay to each district which was a member of the **Agency** at the time of termination its pro rata share based on a district's contribution to the **Agency**, as determined by an independent Certified Public Accountant which has audited the financial records of the **Agency**, of the remaining assets of the **Agency** and shall pay to each **Member District** all monies held by the **Agency** in the reserve funds of that **Member District**.

ARTICLE XX
AUDIT

A. The **Agency** shall obtain an annual certified audit of its accounts and financial records which shall be made by a Certified Public Accountant selected by the Administrator, in consultation with the Executive Committee or the President, and shall conform to generally accepted auditing standards. A copy of the audit report shall be mailed to each **Member District**. The audit shall comply with Government Code Section 6505.

B. In accordance with Government Code Section 26909, a copy of the audit shall be filed with the County Auditor of the county in which each **Member District** is located.

ARTICLE XXI
BINDING EFFECT OF BYLAWS, **MASTER PLAN DOCUMENTS**, AND MEMORANDA OF COVERAGE

Each party to this **Agreement** by the execution hereof agrees to be bound by and to comply with all of the terms and conditions of this **Agreement**, the Bylaws, the **Master Plan Documents**, Memoranda of Coverage, and any resolution adopted by the **Agency** or the **Board of Directors** as they now exist or may hereafter be adopted or amended.

ARTICLE XXII
ENFORCEMENT

The **Agency** is hereby granted authority to enforce this **Agreement**. In the event action is instituted by the **Agency** to enforce any term of this **Agreement**, the Bylaws, or the **Master Plan Document** of any program against any **Member District**, the prevailing party shall be entitled to reasonable attorney fees and costs incurred because of said action, in addition to other appropriate relief.

ARTICLE XXIII
AMENDMENTS

This **Agreement** may be amended by written resolution approved and signed by two-thirds (2/3rds) of the respective Boards of Trustees of the **Member Districts** that are parties to this **Agreement**. Upon signature of any amendment by two-thirds (2/3rds) of the **Member Districts**, any **Member District** failing or refusing to abide by such amendment may be involuntarily terminated as a party to this **Agreement** as provided herein.

ARTICLE XXIV
COUNTERPARTS

This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

____ DISTRICT

BY: ____

DATED: _______________________________________

JOINT EXERCISE OF POWERS AGREEMENT
VECTOR CONTROL JPA

RESOLUTION NO.____________

IT IS HEREBY RESOLVED that the Board of Trustees of the__________________ ________________ approves the Vector Control Joint Powers Agency Joint Exercise of Powers Agreement, dated July 1, 1999, as amended and in the form as attached hereto, and it is FURTHER RESOLVED that the President is authorized and directed to execute such Agreement, and the Secretary is authorized and directed to attest such Agreement for and on behalf of the District.

The forgoing resolution was adopted this _________ day of_______________, 20__ by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

PRESIDENT ____ DATE _______________

ATTEST: SECRETARY __________________________________ DATE _______________

VECTOR CONTROL JOINT POWERS AGENCY

BYLAWS

Amended June 3, 2020

BYLAWS OF THE
VECTOR CONTROL JOINT POWERS AGENCY

TABLE OF CONTENTS

BYLAWS OF THE VECTOR CONTROL JOINT POWERS AGENCY

THESE BYLAWS are for the regulation of the Vector Control Joint Powers Agency and its joint protection programs.

ARTICLE I
DEFINITIONS

The following words, when typed in bold print within the provisions of the **Agreement** and these Bylaws, shall have the following definitions:

"Agreement" shall mean the Vector Control Joint Powers Agency Joint Exercise of Powers Agreement.

"Agency" shall mean the VECTOR CONTROL JOINT POWERS AGENCY.

"Agency Regions" shall mean any one of the following: Coastal Region, Sacramento Valley Region, and Southern California Region as defined by the **Association,** and the San Joaquin Valley Region which consists of the Northern San Joaquin Valley Region and the Southern San Joaquin Valley Region as defined by the **Association**.

"Association" shall mean the Mosquito and Vector Control Association of California.

"Board of Directors" or **"Board"** shall mean the governing body of the **Agency**.

"Claims" shall mean demands made against the **Agency** arising out of occurrences which are claimed to be within one of the **Agency**'s **joint protection programs** as developed by the **Board**.

"Deposit Premium" shall mean those funds charged for the purpose of self-insured coverage.

"Excess Insurance" shall mean that **insurance** purchased in excess of the **Agency's self-insured retention** to protect the funds of the **Agency** or **Member Districts** against losses during a single year.

"Fiscal Year" shall mean the period July 1 to June 30 of each year.

"General Fund" shall mean those funds maintained by the **Agency** to handle all administrative costs on a day-to-day basis. These costs are charged out to the **joint protection programs** on an annual basis.

"Insurance" shall mean any commercial insurance coverage.

"Insurance Premium" shall mean those funds charged for the payment of group purchased **insurance**.

"Joint Protection Program" shall mean any program to provide risk sharing or **insurance**

coverage under the **Agreement** and these Bylaws and shall include a determination as to the amount of initial **insurance premiums** and/or **deposit premiums**, a precise allocation plan and formula, and a determination of the amount and type, if any, of **excess insurance** to be purchased. Included within the term **joint protection program** is the identification of exposures to accidental loss, the reduction or limitation of losses to **Member District** properties and from injuries to persons or property caused by the operations of **Member Districts** and the funding of those risks, together with any other functions appropriate or necessary to the functioning of the **joint protection program**.

"Master Plan Document" shall mean the document, formally adopted by the **Board of Directors**, containing the provisions of a self-insured or pooled program that shall include, but not be limited to, the following:

1. The scope of the program;
2. The procedures to be followed;
3. Who may participate;
4. Any limits or restrictions;
5. How **deposit premiums** are determined;
6. How refunds, if any, are determined;
7. Commitments required by participants;
8. How the document may be amended.

"Member District" shall mean a district which is organized and existing under the Mosquito Abatement District/Vector Control District Law (Health and Safety Code Sections 2200 - 2406) or the Pest Abatement District Law (Health and Safety Code Sections 2800 - 2930), eligible to be a member of the **Association**, and which has been approved for participation in **Agency** by the **Board** in accordance with applicable provisions of the **Agreement** and these Bylaws, and has signed the **Agreement**.

"Member Contingency Fund" shall mean those funds of the **Member Districts** that are maintained by the **Agency** as unobligated reserves of the **Member Districts**.

"Retained Limit" shall mean the maximum amount that an individual **Member District** shall be required to pay per occurrence before the coverages of a pool apply.

"Self-Insurance" shall mean the process whereby the **Agency** maintains sufficient reserves to pay all **claims** and associated expenses of a risk area without purchasing **insurance** to cover the risk or a portion of the risk.

"Self-Insured Retention" or **"SIR"** shall mean the maximum amount per occurrence or loss for which a pooled program is liable.

"Trust Fund" shall mean monies held in trust by the **Agency** or third party administrator.

"Trustee" shall mean a member of a board of trustees of a Member District.

ARTICLE II
MEMBERSHIP

A. ELIGIBILITY

All districts that, except for the approval by the **Board of Directors** and execution of the Agreement, would qualify as a **Member District**, as defined, are eligible for membership in the **Agency**, upon approval by the **Agency Board of Directors**.

B. ADMISSION OF NEW OR RETURNING MEMBER **DISTRICTS**

1. Any eligible district may become a party to the **Agreement** upon approval by two-thirds vote of the **Board of Directors,** and upon receipt of a one-time application fee of $1,000 unless waived by the Administrator, which shall be applied toward the **deposit premium** of the district should they join the **Agency**. If the district does not join the **Agency** either of its own accord, or if the district is not approved by the **Board of Directors**, the $1,000 application fee shall be paid to the Administrator. The application fee shall be due and payable upon application to the **Agency**. Said district becoming a party to the **Agreement** shall deposit all fees, **insurance premiums**, **deposit premiums**, and deposits required by the **Agency**. Thereafter, such additional party shall agree to the terms and conditions in the **Agreement**, Bylaws, and **Master Plan Documents** for programs, and be considered a party to the **Agreement** to the same extent as all of the original parties and for all purposes.

2. Membership shall become effective upon approval of that district's membership by the **Board**, the district's adoption by resolution and execution of the **Agreement**, adoption by resolution of **Master Plan Documents** for mandatory programs, and by the district's payment of its entry fee and initial **insurance premiums** and **deposit premiums**.

3. In addition to these admission requirements, a prospective new district shall also comply with new admission requirements set forth in the **Master Plan Documents** for mandatory programs.

ARTICLE III
BOARD OF DIRECTORS

A. COMPOSITION AND SELECTION

The **Agency** shall be governed by a **Board of Directors** consisting of representatives of the **Member Districts** under the following conditions:

1. Composition. The **Board** shall consist of six voting directors, one director from each of the four **Agency Regions** and two directors representing **Trustees**. Each director representing an Agency Region must be a management employee or a **Trustee** of a **Member District.** Each director representing **Trustees** must be a **Trustee** of a **Member District.** Each of the **Agency Regions** and the **Trustees** shall elect an alternate director (for a total of five alternates) who shall vote in the

absence of the regular director for which he or she is an alternate.

2. <u>Selection of **Agency Region** Representatives</u>. Directors representing an **Agency Region** must be from a **Member District** elected by a vote of the **Member Districts** within the **Agency Region** at a meeting of the **Agency Region**. At the regular **Association** regional meeting immediately preceding the last Board of Directors meeting prior to the new program year that precedes the expiration of the term of any director and alternate, the **Agency Region** represented by that director and alternate shall elect a director and alternate to represent it for the next two-year term. The results of that election shall be announced at the last Board of Directors meeting prior to the new program year.

3. <u>Selection of **Trustee** Representatives</u>. The two **Trustee** representatives on the **Board of Directors** shall represent **Agency Regions** as follows: one from a **Member District** in the Southern California and San Joaquin Valley **Agency Regions**; and one from a **Member District** in the Coastal and Sacramento Valley **Agency Regions**. The alternate **Trustee** representative shall be selected at large. The **Member Districts** in each of the two **Agency Region** groups shall elect their **Trustee** representative prior to the last Board of Directors meeting prior to the new program year. All **Member Districts** shall elect the **Trustee**-alternate prior to the last Board of Directors meeting prior to the new program year. Each **Member District** shall have one vote. Any **Member District** may submit a nomination for a **Trustee** representative position on the **Board**. Nominations shall be in writing submitted to the **Agency** Administrator, and they must be received no later than 60 days before the last Board of Directors meeting prior to the new program year. At least 45 days before the last Board of Directors meeting prior to the new program year, the Administrator shall prepare and submit a ballot to the **Member Districts** eligible to vote. Ballots must be completed and returned to the Administrator at least 5 days before the last Board of Directors meeting prior to the new program year. The Administrator shall tally the ballots timely received from the voting **Member Districts** and shall announce the results of that election at the last Board of Directors meeting prior to the end of the new program year.

   If, by 59 days before the last Board of Directors meeting prior to the new program year, only one qualified person has been nominated for the Trustee representative position, then an election to fill that position shall not be conducted and instead the Board of Directors at its last meeting prior to the new program year shall appoint the single nominee to the position. If, by 59 days before the last Board of Directors meeting prior to the new program year, no qualified person has been nominated for the Trustee representative position, then an election to fill that position shall not be conducted and instead the Board of Directors at its last meeting prior to the new program year shall appoint a qualified person to the position.

4. <u>Term of Office</u>. All directors (including **Trustee** representatives) and alternates shall serve a two-year term. The terms of the directors and the **Agency Region**-elected alternates from the Southern California and the San Joaquin Valley Regions shall expire on June 30th of the even numbered years. The terms of the directors and **Agency Region**-elected alternates from the Coastal and Sacramento Valley Regions shall expire on June 30th of the odd numbered years. The term of the

Trustee-elected alternate shall expire on June 30th of the even numbered years. All directors and alternates elected to the **Board** in accordance with these procedures shall begin their term of office on July 1 in the year of their election.

5. Vacancies. Upon a vacancy occurring on the **Board:**

a. If an **Agency Region-**elected seat becomes vacant, that **Agency Region** shall elect a new director at a special or regular meeting of the members of that region. The new director shall serve the remainder of the two-year term.

b. If a **Trustee**-elected seat becomes vacant, the **Member Districts** from the **Agency Regions** who initially elected the director shall hold a special election to elect a new director pursuant to special election procedures similar to subsection 3. The new director shall serve the remainder of the two-year term.

In the event the director is not either re-elected or a successor elected by the represented region or the **Trustees** by the end of his or her term, the **Board** will appoint a Trustee or management employee of a **Member District** within the region represented by the vacant director, or, if a director's position representing the **Trustees** is vacant, the **Board** will appoint a Trustee to fill the vacancy pending the filling of the vacancy by the appropriate appointing body.

6. Serve at Pleasure. A **Board** director shall serve at the pleasure of his or her appointing body or group and may be removed from the **Board** at any time by a majority vote of that respective appointing body or group.

B. BOARD MEETINGS

All meetings of the **Board of Directors** shall be noticed and held in compliance with the applicable State law. In addition, the following provisions will apply:

1. The business of the **Board** shall be conducted and exercised only at a meeting of the **Board** where a quorum as defined in Paragraph 3. of Article III.C. below, is present.

C. REGULAR AND SPECIAL MEETINGS

Regular meetings of the **Board of Directors** shall be held at least four times a year. The last regular Board meeting of the fiscal year shall be designated as the annual Board meeting. The purpose of the annual meeting is for the Board to reorganize and select the Board officers for the subsequent fiscal year. The date, time and place of regular **Board** meetings shall be established by the President, in consultation with the Administrator. The President shall periodically approve and modify as appropriate a notice of regular meeting schedule showing the date, time and location of regular Board and Executive Committee meetings. Regular meetings shall be scheduled at least 30 days in advance of the meeting date and a regular meeting shall not be rescheduled or changed within 30 days of the date of the meeting. (Nothing in this provision shall restrict the authority of the President to call a special meeting.) Whenever the President approves or modifies the regular meeting schedule, the notice of regular meeting schedule shall be (1) sent via e-mail to each member of the Board, Member District, and interested member of the public or representative of the media who has requested, in writing, e-mail notice of **Agency** meetings, (2) mailed to each member of the Board and interested member of the public or representative of the media who has requested, in writing, written notice of **Agency** meetings, and (3) posted at the **Agency** office in a location that is freely accessible to members of the public.

1. The date, time and location of regular Executive Committee meetings shall be determined by the President and noticed in the same manner as provided for regular Board meetings in Article III, section C. At least 72 hours before each regular meeting, the Administrator, in coordination with the President, shall prepare a written agenda specifying the date, time and location of the regular meeting and containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall be posted at least 72 hours before the meeting in a location that is freely accessible to members of the public. A copy of the agenda shall also be mailed at least 72 hours before the regular meeting to each member of the **Board of Directors**, each **Member District,** and each interested member of the public or representative of the media who has requested, in writing, written notice of **Agency** meetings.

2. Special Meetings. The President of the **Board** or a majority of the **Board** may call a special meeting. The special meeting notice shall comply with the requirements of Government Code Section 54950. In complying with the 24-hour prior posting requirements of Section 54950, the special meeting notice shall be posted in a location that is freely accessible to members of the public. In addition to the notice requirements of Section 54950, the Administrator shall cause notice by telephone or email to be given to each member of the **Board of Directors** and to each **Member District** at least 24 hours prior to the start of the special meeting.

3. At least four members of the **Board** constitute a quorum and must be present at any meeting before the business of the **Board** can be transacted. The vote of a majority of the **Board** present and voting shall be required for any act or decision of the **Board** except as specified in the **Agreement** or herein otherwise specifically provided.

4. Meetings of the **Board** may be conducted by teleconferencing pursuant to and in conformance with California Government Code section 54953(b). However, it is the preference of VCJPA that meetings of the Board be conducted with each **Board** member (and/or his or her Alternate) physically present, unless exigent circumstances make teleconferencing a preferred alternative in a particular situation.

5. All meetings of the **Agency Board** shall be conducted in accordance with the Ralph M. Brown Act (Section 54950 et.seq. of the Government Code).

In accordance with Government Code section 54956.96, the Agency authorizes the following:

(1) All information received by the Board directors in a closed session shall be

confidential. However, a Board director or alternate may disclose information obtained in an Agency Board closed session that has direct financial or liability implications for the director's or alternate's Member District to the following individuals: (a) legal counsel of that Member District for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Member District; and (b) other trustees of that Member District present in a closed session of that Member District's governing board.

(2) Any Board alternate director who is also a trustee of a Member District and who is attending a properly noticed Board meeting in lieu of the regular director may attend closed sessions of the Board.

D. DRAFT MINUTES

Draft minutes of any and all meetings shall be prepared and distributed to each member of the **Board of Directors** and each **Member District** within 30 days after the date of such meeting.

ARTICLE IV
MEMBERSHIP MEETINGS

A. REGULAR MEETINGS

A meeting of the representatives of the **Member Districts** shall be held whenever an issue regarding a power specifically reserved to the membership is to be decided. The precise time and place of the meeting shall be determined by the President. Notice of the time and place, including a brief general description of each item of business to be transacted or discussed at the meeting, shall be mailed to each member of the **Board of Directors** and each **Member District** at least 30 days before the meeting and will be made available to any member of the public who so requests.

B. SPECIAL MEETINGS

1. The President of the **Board** may call a special meeting of the representatives from all **Member Districts** by emailing a notice to each member of the **Board of Directors** and to each **Member District** stating the time and place of the meeting and a brief general description of each item of business to be transacted. The notice must be emailed at least 30 days before the meeting.

2. A 30 day notice shall not be required in cases of emergency as determined by the President. Notices of special meetings shall be made available to any member of the public who so requests.

3. Each **Member District** shall send a representative to any regular and special membership meetings, unless excused by the President.

4. A majority of individual representatives from the respective **Member Districts**

shall constitute a quorum and must be present at any regular or special membership meeting before business can be transacted. The vote of two-thirds of the **Member Districts'** individual representatives present and voting shall be required for any act or decision at any regular or special membership meeting, except as specified in the **Agreement** or herein otherwise specifically provided.

C. CONDUCT

All meetings of the membership shall be conducted in accordance with the Ralph M. Brown Act (Section 54950 et.seq. of the Government Code).

ARTICLE V
OFFICERS

A. COMPOSITION

The officers of the **Agency** shall be an elected President, 1st Vice President, and 2nd Vice President and an appointed Secretary, Treasurer/Auditor, Assistant Treasurer, Litigation Manager, Workers' Compensation Program Manager, Risk Manager, and Administrator. These officers shall perform the duties prescribed by the **Agreement** and these Bylaws. The President, 1st Vice President, 2nd Vice President, and Treasurer shall be members of the **Board**.

B. ELECTION AND APPOINTMENT

1. The terms of office for the elected officers shall be one year concurrent with the **fiscal year** of the **Agency**. In the event of a vacancy in the office of President, the 1st Vice President shall fill the vacancy; in the event of a vacancy in the office of 1st Vice President, the 2nd Vice President shall fill the vacancy; in the event of a vacancy in the office of 2nd Vice President, the vacancy in the office shall be filled by Board election of one of its members (from a region other than the President or 1st Vice President) at the next regular meeting of the Board after such vacancy occurs. For vacancies filled in this manner, the new officer shall serve for the unexpired term of the former incumbent.

2. At the last **Board** meeting of the **fiscal year**, the 1st Vice President shall be affirmed as the President, the 2nd Vice President shall be affirmed as the 1st Vice President, and a member of the **Board** shall be elected by the **Board** to fill the vacancy of 2nd Vice President. The President, 1st Vice President, and 2nd Vice President shall at all times be from different regions.

3. In the event of a three-three tie vote on the election or appointment of an Agency officer, the tie vote will be broken by the decision of the President.

4. The **Board** shall appoint a Secretary, Treasurer/Auditor, Assistant Treasurer, Litigation Manager, Workers' Compensation Program Manager, Risk Manager, and Administrator who shall serve in such offices at the pleasure of the **Board**. The Board may appoint the 2nd Vice President to also serve as the Treasurer/Auditor.

C. DUTIES

1. President - The President shall preside over **Board** and Executive Committee meetings, determine questions of order and, when appropriate, call special meetings. The President may establish committees, and appoint the members of committees, as provided in these Bylaws. Committees established by the President may continue in existence beyond that President's term and shall continue until terminated by the President. The President shall execute documents on behalf of the **Agency** as authorized by the **Board** and shall serve as the primary liaison between the **Agency** and the other organizations.

2. 1st Vice President - The 1st Vice President shall serve as ex-officio member of all committees. In the absence of or temporary incapacity of the President, the 1st Vice President shall exercise the functions covered in (1) above.

3. 2nd Vice President - If the office of the 1st Vice President is vacated for any reason, the 2nd Vice President shall assume the office of 1st Vice President. The 2nd Vice President may also serve as the Treasurer/Auditor, with those duties and responsibilities set forth below.

4. Secretary - The Secretary will be responsible for preparing all notices, minutes, and agendas of **Board** and Executive Committee meetings, preparing necessary correspondence, and maintaining files and records and perform such other duties as directed by the **Board**.

5. Treasurer/Auditor - The Treasurer/Auditor shall have custody of and disburse **Agency** funds, accounts, and property. The Treasurer/Auditor shall oversee the maintenance of books and records, as required by the **Agency**, and report the financial status of the **Agency** to the Board at least biannually. After the close of the **fiscal year**, the Treasurer/Auditor shall cause the financial records of the **Agency** to be audited by an independent auditing firm.

   Within 120 days after the close of the **fiscal year**, a report by the auditing firm will be made available for distribution to the member entities and other financial institutions as required. The Treasurer/Auditor shall be the officer responsible for property, including cash, pursuant to Government Code Section 6505.1.

6. Assistant Treasurer - The Assistant Treasurer shall maintain the books and records of the **Agency** and report the financial status of the **Agency** to the Treasurer/Auditor. The Assistant Treasurer shall prepare, within 90 days after each quarter, an internal financial report for the preceding quarter for distribution to the **Member Districts** and other financial institutions as required and perform such other duties as directed by the **Board**.

7. Administrator - The Administrator shall be the chief administrative officer of the **Agency** and shall perform those duties and have those obligations as provided by separate contract between the Administrator and the **Agency**, or as otherwise provided by the **Board**.

8. Risk Manager - The Risk Manager's duties and responsibilities shall include assistance to the Administrator in the performance of the duties and responsibilities and performance of such other duties as directed by the **Board**.

9. Litigation Manager - The Litigation Manager shall have those duties and responsibilities of the Program Administrator as provided by the **Master Plan Document** of the Pooled Liability Program, and such other duties as directed by the **Board**.

10. Workers' Compensation Program Manager – The Workers' Compensation Program Manager shall have those duties and responsibilities of the Program Administrator as provided by the **Master Plan Document** of the Pooled Workers' Compensation Program, and such other duties as directed by the **Board**.

D. REMOVAL

The **Board** may remove an officer at any time by a vote of at least four 4 members of the **Board**. A vacancy in an office, because of death, resignation, removal, disqualification, or any other cause, shall be filled as prescribed in these Bylaws.

ARTICLE VI
COMMITTEES

A. STANDING AND OTHER

The **Agency** may have within its administrative structure committees or advisory councils consisting of any number of representatives from **Member Districts** as established by the **Board of Directors** of the **Agency**. These advisory committees or councils may be in various areas and functions of the **Agency**.

The President of the **Board** may appoint standing or ad hoc committees as deemed necessary to carry on the work of the **Agency**. All standing committee appointments are subject to approval of the **Board**. Any **Member District** representative may serve on any committee.

B. EXECUTIVE COMMITTEE

There shall be an Executive Committee of the **Board of Directors** composed of the President, 1st Vice President, and 2nd Vice President. The Executive Committee shall meet at least three times per year, unless otherwise provided by the President.

The date, time and location of regular Executive Committee meetings shall be determined by the President and noticed in the same manner as provided for regular Board meetings in Article III, section C. At least 72 hours before each regular meeting, the Administrator, in coordination with the President, shall prepare a written agenda specifying the date, time and location of the regular meeting and containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall be posted at least

72 hours before the meeting in a location that is freely accessible to members of the public. A copy of the agenda shall also be emailed and/or mailed at least 72 hours before the regular meeting to each member of the Executive Committee and each interested member of the public or representative of the media who has requested, in writing, written notice of **Agency** meetings.

All meetings of the **Agency** Executive Committee shall be conducted in accordance with the Ralph M. Brown Act (Section 54950 et.seq. of the Government Code).

The Executive Committee shall cause minutes of each meeting to be prepared setting forth a summary of the matters discussed, expenditures approved, actions taken, and decisions made. The minutes shall be distributed to the members of the Executive Committee, members of the **Board of Directors,** and each **Member District**. The Executive Committee shall have the authority to do the following on behalf of the **Agency**:

1. To provide advice, consultation, and guidance to the Administrator regarding implementation and administration of the **Agreement**, these Bylaws, the **Master Plan Documents**, other **insurance** or **joint protection programs**, and other policies and programs established by the **Board of Directors**.

2. To assist and advise the Administrator regarding the setting of the agenda for the **Board of Directors** meetings.

3. To review and approve **Agency** expenditures, without approval by the **Board of Directors**, provided that (a) expenditures are included in the approved budget, and (b) there are unappropriated funds available for these expenditures. All other expenditures must be approved by the **Board of Directors**.

4. To make minor line item augmentations to approved line items in the budget, provided that:

    a. any single increase may not exceed 25% of the originally approved amount or $5,000, whichever is less;

    b. all augmentations made by the Executive Committee in accordance with the provisions of this section shall be reported to the **Board of Directors** at their next meeting; and

    c. in making augmentations to the budget, the Executive Committee shall not exceed, in the aggregate, the amount established and approved by the **Board** as the "Contingency Reserve".

5. To take actions and make decisions on behalf of the **Agency** regarding administrative matters in situations where all of the following are satisfied:

    a. The decision is outside the scope of the authority and discretion of the Administrator;

b. The decision does not involve the setting or establishment of a fundamental and important policy or program of the **Agency**;

c. The decision is consistent and in accordance with the **Agreement**, these Bylaws, applicable **Master Plan Documents,** other **insurance** or **joint protection programs**, and other applicable policies and programs established by the **Board of Directors**; and

d. It would not be in the best interests of the **Agency** to wait until the next **Board of Directors** meeting, or to schedule a special **Board of Directors** meeting, for a decision on the matter.

6. To make decisions regarding **insurance** renewal issues provided that funds have been approved in the annual budget.

ARTICLE VII
AGENCY JOINT PROTECTION PROGRAMS

A. PROGRAMS OFFERED

The **Agency** shall offer programs of **insurance**, **self-insurance**, and risk management as prescribed by the **membership**.

B. MANDATORY **JOINT PROTECTION PROGRAMS**

The following **joint protection programs**, unless terminated as provided in these Bylaws and the **Agreement**, shall require the participation of all **Member Districts**:

1. Liability (including any excess coverage, aggregate, or stop loss pool) that shall include General Liability, Auto Liability, and Errors and Omissions;

2. Multi-peril Property and Boiler & Machinery;

3. Workers' Compensation and Employer's Liability; and

4. Auto Physical Damage.

C. OPTIONAL PROGRAMS

Other optional programs may be offered to the **Member Districts** as determined by the membership.

A 60-day notice of withdrawal shall be required prior to withdrawal from any optional **insurance** program offered through the **Agency**, unless the provisions of the **Master Plan Document** governing such program provide to the contrary.

D. TYPES OF COVERAGE

Each of the **joint protection programs** offered by the **Agency** may be either insured, partially self-insured, or self-insured. The Board of Directors may elect to make changes to the joint protection program.

E. <u>OBLIGATION OF **MEMBER DISTRICTS**</u>

Where a **joint protection program** offered by the **Agency** is self-insured or partially self-insured, each **Member District** which participates shall initially be required to obligate itself to participate in that **joint protection program** for a minimum number of years in accordance with the provisions of the respective **Master Plan Document**.

F. <u>GROUP PURCHASED **INSURANCE**</u>

Where the membership prefers to purchase group **insurance** coverage rather than self-insure the risk, the **Agency** shall act as the purchasing agent and administrator for the coverage to be offered. The group policy may be purchased in the name of the **Agency** and shall include the participating **Member Districts** as "Insured" on the policy. The **Agency** shall pay the **insurance premium** required by the **insurance** company, including fees, taxes, and broker's commissions. The **Agency** shall collect from the participating **Member Districts** the amount paid to the **insurance** company plus any costs that are incidental to the administration of the policy. Such administrative costs shall not exceed ten percent of the cost of the **insurance** coverage unless approved by a majority of the participating **Member Districts**. The costs of the **insurance** and the administration fees allocated to each participating **Member District** shall be determined by the Administrator in a fair and equitable manner which is consistent with generally accepted accounting principles. Any liabilities created by a group **insurance** plan shall be the liability of only those **Member Districts** that participate in such group **insurance**.

G. <u>SELF-INSURED **JOINT PROTECTION PROGRAMS**</u>

Each **joint protection program** of **self-insurance** that is offered by the **Agency** shall be organized and operated in accordance with a **Master Plan Document** that shall include all of the procedures, rules, and regulations that are applicable to that **joint protection program**. The **Master Plan Document** shall be binding upon all participants. Amendments to the **Master Plan Document** shall be in accordance with the provisions of the **Master Plan Document** for each **joint protection program**. For any self-insured **joint protection program** operated under a **Master Plan Document**, the **Agency** may also adopt a Memorandum of Coverage, with declarations setting forth the coverages, limitations on coverage, conditions and exclusions of coverage, and **Agency** and **Member District** obligations. Memoranda of coverage may be amended in the same manner as the **Master Plan Document** for that program.

H. <u>**MEMBER CONTINGENCY FUNDS**</u>

The **Board** shall set up and maintain **Member Contingency Funds** and may contract with third parties to hold and account for such funds.

ARTICLE VIII

CONTRACTED SERVICES

A. ADMINISTRATOR

The **Board** may appoint an Administrator who shall have general administrative responsibility for the activities of this Joint Powers **Agency**, shall serve at the pleasure of the **Board**, shall be responsible for all minutes, notices, and records of meetings, the overseeing of all other contracted services, and shall perform such other duties as may be assigned by the **Board**.

B. BROKER OF RECORD

The **Board** may appoint a Broker of Record to serve as the exclusive agent of the **Board** to acquire the **Agency's Insurance** as determined by the **Board of Directors**.

C. CLAIMS ADMINISTRATOR

The **Board** may acquire the services of outside administrative groups to conduct claims handling and adjusting as directed by the **Agency**.

D. CLAIMS AUDIT AND ACTUARIAL SERVICES

1. Claims Auditor: The **Board** may select an independent claims auditor from time to time to determine the adequacy of case reserves, the efficiency of claims handling procedures, the case load being handled by the claims adjustors, and the compliance with state laws which govern the handling of claims.

2. Actuarial Services: The **Board** may select an actuary to determine the adequacy of **joint protection program** reserves, assist in setting rates, and evaluating the **joint protection programs** of **self-insurance**.

E. LEGAL COUNSEL

The **Board**, or the Administrator as authorized, may engage the services of legal counsel as is deemed necessary to ensure the proper conduct of the **Agency** business.

F. AUDITOR

The **Board** shall engage the services of an independent auditor to review the books and accounts of the **Agency** to assure sound handling and accounting of the funds of the **Agency**.

G. OTHER CONTRACTORS

The **Board** may engage any other services of any other contractor to perform essential functions of the **Agency** as deemed necessary by the **Board**.

H. COMPENSATION

Compensation for all contract services rendered to the **Agency** will be determined and approved by the **Board**.

ARTICLE IX
EXECUTION OF CONTRACTS

A. AUTHORIZATION BY **BOARD OF DIRECTORS**

The **Board of Directors** may authorize any officer or officers to enter into any contract or execute any instrument in the name and on behalf of the **Agency** and such authorization may be general or confined to specific instances. Unless so authorized by the **Board of Directors**, no officer shall have any power or authority to bind the **Agency** by any contract or to pledge its credit or to render it liable for any purpose or to any amount.

ARTICLE X
FINANCIAL AFFAIRS

A. ACCOUNTS AND RECORDS

The **Agency** shall establish and maintain such bank accounts and maintain such books and records as determined by the **Board** and as required by good accounting practice. Books and records of the **Agency** shall be open to inspection at all reasonable times by authorized representatives of **Member Districts**. Quarterly financial reports shall be provided to all **Member Districts**.

B. AUDIT

A financial audit shall be conducted each year by a Certified Public Accountant as required by ARTICLE XX of the **Agreement**, and a copy of same shall be distributed to each **Member District** and other distribution as required by law.

In accordance with Government Code Section 26909 and within 12 months of the end of each **fiscal year**, a copy of the annual audit shall be filed with the State Controller and Sacramento County Auditor.

C. PROGRAM YEAR

Each **joint protection program** offered by the **Agency** may have a Program Year that may or may not coincide with the **fiscal year** of the **Agency**. The Program Year for each **joint protection program** shall be as stated in the **Master Plan Document** for that **joint protection program**.

D. PURPOSE

Funds deposited in any **Agency** program shall be used solely for proper expenditures and/or claims related to the operations covered by that program.

E. **GENERAL FUND**

The **general fund** is for the purpose of satisfying all administrative costs on a day-to-day basis. Payments from this account will be charged to the **joint protection programs** on an annual basis.

F. MEMBER **CONTINGENCY FUND**

1. **Member districts** will be permitted to deposit unobligated monies with the **Agency**. These monies shall be held for the **Member District** along with other **Agency** funds.

2. The name of this fund shall be the **Member Contingency Fund**.

3. The main purpose of the **Member Contingency Fund** is to pay for items not covered under the **Agency's** pooled programs. The valid and permissible reasons to deposit monies into the **Member Contingency Fund** include, but are not necessarily limited to:

   a. To cover the costs of non-covered claims;
   b. To pay losses that exceed the coverage limits provided by the **Agency**;
   c. To pay potential assessments to pooled programs;
   d. To cover negative balances that may occur in the retrospective adjustment process;
   e. To pay environmental clean-up costs not covered by the VCJPA coverages;
   f. To pay retained limits/deductibles in all of the pooled and purchased programs (Auto Physical Damage, Property, Liability, Workers' Compensation, Employment Practices, etc.);
   g. To pay deposit premiums; and
   h. To cover the costs of building or other capital repair, rehabilitation, replacement, or improvement projects.

   The following are not valid and permissible reasons to deposit monies into the **Member Contingency Fund**:

   a. To fund for employment positions, wages, salaries and benefits; and
   b. To contribute to retirement systems.

4. The **Board of Directors** of the **Agency** has determined that a prudent fund balance would include the cost of two times the full limits of the deductible for each pooled program, (see 3, f above) plus the sum of two full years of deposit premiums. The two full years of deposit premiums have been determined to be a fair estimation of potential loss costs for items 3, a-f above. An example of this calculation can be found in Exhibit A, which is attached to these Bylaws. The financial formula

delineated in this paragraph is intended to be the **Agency's** best estimation of what could be considered a prudent fund balance. **Member Districts** should strive not to exceed what is considered to be a prudent fund balance under the above formula. In the event a Member District feels there is good reason to exceed the prudent fund balance, the reasons for that exception should be documented and submitted to the **Agency**.

5. Deposits of unobligated monies may be made by the **Member District** at any time.

6. Withdrawals from the unobligated balances in the **general fund** may be made by request from a **Member District** within 15 days following the receipt of any quarterly report. No more than one withdrawal may be made per quarter. The funds shall be disbursed no later than 30 days after the quarter has ended, however, requests for disbursement prior to the end of the current quarter will result in the forfeiture of interest accrued to the account during that quarter.

7. The unobligated monies held for the **Member Districts** may be commingled with other **Agency** funds only for the purposes of investment.

8. The monies earned by investing the **Member Contingency Fund** shall be credited quarterly to the **Member Districts** that have maintained reserve balances during the preceding quarter. The pro rata share for each **Member District** shall be determined by a relationship of the average of the beginning and ending balances in the account as they relate to an average of the total beginning and ending balances.

9. The **Agency** shall prepare a quarterly statement of monies held by the **Agency** for the **Member Districts** and shall provide same to each **Member District** who has monies in the Fund.

10. One hundred dollars per month shall be paid to the **Agency's general fund** by the **Member Contingency Fund** to help defray the costs of handling, investing, and reporting on the unobligated monies of the **Member Districts**.

G. PROPERTY **CONTINGENCY FUND**

1. The Agency may establish a fund for the purpose of self funding all or a portion of the Property Program. These monies shall be held for the **Member District** along with other **Agency** funds.

2. The name of this fund shall be the Property Contingency Fund.

3. The Property Contingency Fund may also be used to pay for items not covered under the **Agency's** pooled property program. The following are valid and permissible reasons to deposit monies into the Property Contingency Fund:

    a. To cover the costs of non-covered claims;
    b. To pay losses that exceed the coverage limits provided by the **Agency**;
    c. To pay potential assessments to property program;

d. To pay retained limits in the pooled property program;
e. To pay deposit premiums.

4. Withdrawals from the unobligated balances in the Property Contingency Fund may be made by request from a **Member District** within fifteen (15) days following the receipt of any quarterly report. No more than one (1) withdrawal may be made per quarter. The funds shall be disbursed no later than 30 days after the quarter has ended, however, requests for disbursement prior to the end of the current quarter will result in the forfeiture of interest accrued to the account during that quarter.

5. Deposits of unobligated monies may be made by the **Member Districts** at any time.

6. The unobligated monies held for the **Member Districts** may be commingled with other **Agency** funds only for the purposes of investment.

7. The monies earned by investing the Property Contingency Fund shall be credited quarterly to the **Member Districts** that have maintained reserve balances during the preceding quarter. The pro rata share for each **Member District** shall be determined by a relationship of the average of the beginning and ending balances in the account as they relate to an average of the total beginning and ending balances.

8. The **Agency** shall prepare a quarterly statement of monies held by the **Agency** for the **Member Districts** and shall provide same to each **Member District** who has monies in the Fund.

H. QUARTERLY STATEMENTS

1. The Administrator shall provide a copy of the interim financial statements to each **Member District** within 45 days after the end of each quarter.

2. The Administrator shall report the balance of all funds to the **Board** and each **Member District** within 45 days after the end of each quarter.

I. ANNUAL BUDGET

Annually, before the end of April, the Administrator will prepare a proposed budget of the estimated costs for the next **fiscal year** that shall include the estimated amounts that will be required to be paid by each **Member District** for the next **fiscal year**. The **Board** shall adopt an annual budget before the beginning of each **fiscal year**. Notice of the approved budget will be distributed to the **Member Districts**. The budget is separate and apart from any actual billing. The budget is only an estimate of expected costs and is not to be construed as a billing.

J. ANNUAL BILLING PROCESS

1. The **Agency** shall present a proposed budget to the **Board** for its adoption by the end of April each year. The budget shall be an estimate of the costs for providing all **insurance** and pooling coverage required for the **Fiscal Year** that begins the next July 1.

2. Upon adoption of the budget, **Agency** shall prepare an annual billing for each **Member District** which shall include the cost of Workers' Compensation, General and Auto Liability, Property, Boiler & Machinery, Auto Physical Damage, and Errors & Omissions **Insurance** and other approved **joint protection programs** for the next year.

3. All billings throughout the year shall be payable in one installment and will be considered delinquent 45 days after the invoice date.

4. Unless otherwise stipulated in a **Master Plan Document** for a **joint protection program**, delinquent installments shall be charged a two percent penalty and shall also be charged interest at the rate of ten percent per annum from the due date of the installment. Any portion of a month shall be charged as a whole month.

5. In the event a **Member District** fails to pay a delinquent billing, with the penalties and interest, then, in addition to any other remedies that may be available, the **Agency** may deduct such amounts from any refund due the **Member District**.

6. In the event that the approved budget amount for any coverage is insufficient to pay for that particular coverage, the **Board** hereby authorizes the **Agency** to prepare and submit to each **Member District** a "Supplemental Billing" which will be sufficient to pay in full the final cost of the coverage. This "Supplemental Billing" shall be delinquent if not paid within 120 days from the billing date and is subject to the same penalties as in paragraph 4 above.

K. REFUNDS UPON WITHDRAWAL OR INVOLUNTARY TERMINATION

The following shall apply to refunding program and other funds to **Member Districts** that withdraw or are involuntarily terminated:

1. **Member Contingency Funds** - Subject to the rights of the **Agency** under ARTICLE XVIII of the **Agreement**, **Member Contingency Funds** shall be returned in compliance with ARTICLE X(F) of these Bylaws.

2. Property Contingency Funds - Subject to the rights of **Agency** under ARTICLE XVIII of the **Agreement**, Property Contingency Funds shall be returned in compliance with ARTICLE X(G) of these Bylaws.

3. Workers' Compensation Pool Funds - These funds shall be held in compliance with the provisions of the **Master Plan Document** for the Pooled Workers' Compensation Program. Funds in the Mid-layer and Aggregate Pools are non-equity funds and, therefore, no refunds shall be made.

4. Liability Pool Funds - These funds shall be held in compliance with the provisions of the **Master Plan Document** for the Pooled Liability Program. Funds in the Mid-layer and Aggregate Pools are non-equity funds and, therefore, no refunds shall be made.

5. Auto Physical Damage Funds - This program is a non-equity program and, therefore, no refunds shall be made.

6. Property Pool Funds - This program is a non-equity program and, therefore, no refunds shall be made.

7. Short Rate Refunds - Any short rate refund(s) obtained from the **insurance** company due to the voluntary withdrawal or involuntary termination of a **Member District** shall be returned to the respective **Member District** within thirty days of receipt from the **insurance** carrier.

L. PENALTY FOR UNTIMELY SUBMISSION OF REQUIRED DATA

Failure to provide data required by the **Agency** in a timely manner shall result in the following:

1. First Offense - a warning shall be sent to the **Member District**.

2. Second Offense - the Manager who represents the **Member District** shall be required to appear before the **Board** to explain why the **Member District** cannot comply with these requirements. Failure to appear shall automatically trigger the penalty for the fourth offense.

3. Third Offense - the **Member District** shall be charged a $500 penalty which is due and payable within 30 days.

4. Fourth Offense - all **premiums** and assessments for the next **fiscal year** shall be increased by five percent.

M. BONDING

All persons who are authorized to sign warrants and/or receive or handle monies shall be bonded for at least $500,000 each. The cost of such bonds shall be paid by the **Agency**.

N. WARRANTS

In order to be valid and negotiable, general warrants for the **Agency** must be properly approved by two officers of the **Agency**. The following officers shall have authority to approve warrants on behalf of the **Agency**: President, 1st Vice President, 2nd Vice President, and the Treasurer/Auditor.

ARTICLE XI

EXPENSES

A. EXPENSES

Those individuals serving on behalf of the **Agency** as a **Board** Director, Executive Committee member, and/or advisory council or other committee member, shall be reimbursed by the **Agency** for reasonable expenses incurred while serving in such capacity. These expenses shall include, but not be limited to, all charges for meals, lodging, airfare, and the cost to travel by automobile at the rate per mile established by the **Board**. The **Board** may adopt a reimbursement policy that may limit the amount and types of expenses reimbursable by the **Agency**.

B. EXPENSES FOR OTHER MEMBERS

Individual **Member District** representatives, who are not on the **Board**, but are serving on authorized committees, or performing other assigned functions for the **Agency** shall be compensated as in (A) above on approval of the **Board**.

ARTICLE XII
DISPUTES OR CLAIMS BETWEEN MEMBER DISTRICTS

After being notified in writing that one **Member District** has filed a formal complaint against another, the **Agency's** Administrator, Risk Manager, Litigation Manager, Assistant Treasurer, or Secretary can no longer act on behalf of either **Member District**, without written consent of all involved **Member Districts**, insofar as the case giving rise to the claim is concerned, if the claim involves a risk area or areas in which each of the involved **Member Districts** is a participating **Member District**.

ARTICLE XIII
AMENDMENTS

These Bylaws may be amended at any time by a two-thirds vote of the **Board of Directors** present and voting at a regular or special meeting following a thirty day written notice to each member of the Executive Committee, each member of the **Board of Directors,** and each **Member District** as to the amendment proposed to be adopted except that these Bylaws cannot be amended in any way that would conflict with the terms and provisions of the Joint Exercise of Powers **Agreement** or State law.

ARTICLE XIV
NOTICES

A. NOTICES TO THE **AGENCY**

Notices to the **Agency** shall be in writing and given by delivery of such notice to the mailing address of the **Agency**.

B. NOTICES TO **MEMBER DISTRICTS**

Notices to **Member Districts** shall be in writing and given by delivery of such notice to the appointed representative of each **Member District** or mailed to the address of record.

C. CLAIMS AGAINST THE **AGENCY**

Claims against the **Agency**, other than claims presented pursuant to ARTICLE VII, shall be presented to the mailing address of the **Agency**.

ARTICLE XV
ARTICLES, SECTIONS, AND PARAGRAPHS

A. ARTICLES

The principal divisions of these Bylaws are "ARTICLES" followed by Roman numerals.

B. SECTIONS

The principal divisions of articles are "SECTIONS" identified by upper case letters.

C. PARAGRAPHS

The principal divisions of sections are "PARAGRAPHS" identified in Arabic numbers.

ARTICLE XVI
EFFECTIVE DATE

A. EFFECTIVE DATE AND SUPERSESSION

These Bylaws and any Bylaws amendment shall be effective immediately upon the date of approval.

The adoption of the Bylaws shall supersede any prior amendments, by resolution or otherwise and to the extent that prior amendments are not included or are contradictory to any provisions contained herein, they are hereby specifically revoked.

APPENDIX B

VCJPA MEMORANDA OF COVERAGE FOR VARIOUS POOLED PROGRAMS

VECTOR CONTROL JOINT POWERS AGENCY (VCJPA)

POOLED PROPERTY PROGRAM MEMORANDUM OF COVERAGE

FOR THE 2026/27 PROGRAM YEAR

EFFECTIVE JULY 1, 2026

VECTOR CONTROL JOINT POWERS AGENCY

MEMORANDUM OF COVERAGE

PROPERTY

DECLARATIONS

POLICY NO. VCJPA 2026-1PROP

NAMED COVERED PARTY:	Vector Control Joint Powers Agency, et. al., as per Endorsement No. 1. 1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833
POLICY PERIOD:	From 7-1-2026 to 7-1-2027 12:01 a.m. Pacific Time
LIMITS OF LIABILITY:	$25,000 any one loss
DEDUCTIBLE:	$500 per loss
FORMS AND ENDORSEMENTS: Forming Part of the Policy at Inception	Form VCP, and Endorsement No. 1

VCJPA purchases excess insurance through the Alliant Property Insurance Program with limits of $400 million per occurrence. This purchased insurance is subject to terms and conditions that may differ from this Memorandum of Coverage.

ON BEHALF OF VECTOR CONTROL JOINT POWERS AGENCY

Authorized Representative

VECTOR CONTROL JOINT POWERS AGENCY
POOLED PROPERTY PROGRAM
MEMORANDUM OF COVERAGE

TABLE OF CONTENTS

VECTOR CONTROL JOINT POWERS AGENCY

POOLED PROPERTY PROGRAM (PPP)

MEMORANDUM OF COVERAGE

This Memorandum is the coverage document between the *Member District* and the *Agency*. The terms of this Memorandum may not be changed or waived except by amendment made a part of this Memorandum.

A. COVERAGE AGREEMENT

1. The *Agency* will reimburse the *Member District* named on the Declarations for *Loss* to property that is, or except for the deductible under the *Purchased Insurance*, would be, insured by the terms and conditions of the *Purchased Insurance*.

2. Any portion of this Memorandum of Coverage or the Pooled Property Program *Master Plan Document* that is inconsistent with the *Purchased Insurance* shall supersede that portion of the *Purchased Insurance* as respects that portion of any *Loss* which is the subject of this Memorandum.

B. LIMIT OF LIABILITY

The *Agency* shall pay, for any one *Loss*, the lesser of:

1. $25,000; or

2. The amount that, except for the deductible applicable to the *Purchased Insurance*, would be paid under the *Purchased Insurance*.

C. DEDUCTIBLE

The *Agency's* liability under Section B above shall be reduced by the deductible amount stated in the Declarations.

D. CONDITIONS

1. The *Agency* shall have the same rights as provided to the insurer by the *Purchased Insurance*.

2. If there is *Insurance* or other coverage other than the *Purchased Insurance* applicable to the *Loss* incurred, such *Insurance* or other coverage, unless it specifically states that it is excess of this coverage, shall reduce the liability of this *Agency* by the amount that such *Insurance* or other coverage is liable for such *Loss*.

E. <u>COVERAGE PERIOD</u>

This coverage applies to *Loss* occurring during the coverage period defined in the Declarations.

F. <u>DEFINITIONS</u>

In addition to the definitions provided in the *Agency's* Bylaws and the *Purchased Insurance*, the following additional definitions apply to the *Master Plan Document* and the Memorandum of Coverage for this Pooled Property Program:

1. *Loss* shall have the same meaning as in the *Purchased Insurance*.

2. *Purchased Insurance* shall mean *Insurance* purchased by the *Agency* for the benefit of the *Agency* and the *Member District* and specifically identified in the Declarations.

VECTOR CONTROL JOINT POWERS AGENCY
MEMORANDUM OF COVERAGE

PROPERTY
ENDORSEMENT NO. 1

It is understood that the Named Covered Party of the Declarations is completed as follows:

Member	Deductible
Alameda County Mosquito Abatement District	$500
Burney Basin Mosquito Abatement District	$500
Butte County Mosquito and Vector Control District	$500
Coachella Valley Mosquito and Vector Control District	$500
Coalinga-Huron Mosquito Abatement District	$500
Colusa Mosquito Abatement District	$500
Compton Creek Mosquito Abatement District	$500
Consolidated Mosquito Abatement District	$500
Contra Costa Mosquito and Vector Control District	$500
Delta Mosquito and Vector Control District	$500
Durham Mosquito Abatement District	$500
Fresno Mosquito and Vector Control District	$500
Glenn County Mosquito and Vector Control District	$500
Greater Los Angeles County Vector Control District	$500
Kings Mosquito Abatement District	$500
Lake County Vector Control District	$500
Los Angeles County West Vector Control District	$500
Marin-Sonoma Mosquito and Vector Control District	$500
Monterey County MAD	$500
Mosquito and Vector Management District of Santa Barbara County	$500
Napa County Mosquito Abatement District	$500
Northwest Mosquito and Vector Control District	$500
Orange County Mosquito and Vector Control District	$500
Pine Grove Mosquito Abatement District	$500
Placer Mosquito and Vector Control District	$500
Sacramento-Yolo Mosquito and Vector Control District	$500
San Gabriel Valley Mosquito and Vector Control District	$500
San Joaquin County Mosquito and Vector Control District	$500
San Mateo County Mosquito and Vector Control District	$500
Shasta Mosquito and Vector Control District	$500
Sutter-Yuba Mosquito and Vector Control District	$500
Tehama County Mosquito and Vector Control District	$500
Turlock Mosquito Abatement District	$500
West Valley Mosquito and Vector Control District	$500

Attached to and Forming Part of Policy No. VCJPA 2026-1PROP

Effective Date: July 1, 2026

Authorized Representative

VECTOR CONTROL JOINT POWERS AGENCY
(VCJPA)

POOLED WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE

FOR THE 2026/27 PROGRAM YEAR
EFFECTIVE JULY 1, 2026

VECTOR CONTROL JOINT POWERS AGENCY

MEMORANDUM OF COVERAGE

WORKERS' COMPENSATION

DECLARATIONS

POLICY NO. VCJPA 2026-1 WC

NAMED COVERED PARTY:	Vector Control Joint Powers Agency, et. al., as per Endorsement No. 1 1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833
POLICY PERIOD:	From 7-1-2026 to 7-1-2027 12:01 a.m. Pacific Time
LIMIT OF COVERAGE:	
Workers' Compensation	$500,000 any one loss
Employer's Liability	$500,000 any one loss
FORMS AND ENDORSEMENTS: Forming Part of the Policy at Inception	VCWC and Endorsement No. 1

ON BEHALF OF VECTOR CONTROL JOINT POWERS AGENCY

Authorized Representative

VECTOR CONTROL JOINT POWERS AGENCY
POOLED WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE

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VECTOR CONTROL JOINT POWERS AGENCY
POOLED WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE

<u>GENERAL SECTION</u>

A. THE MEMORANDUM

This Memorandum is the coverage document between the *Member Districts* and the Vector Control Joint Powers Agency for the *Agency's* pooled workers' compensation program. Italicized words and phrases are defined in the Bylaws of the Vector Control Joint Powers Agency. "Injury" means any injury or disease arising out of employment as further defined by the applicable Workers' Compensation Law. If there is any inconsistency between this Memorandum and the *Master Plan Document*, this Memorandum shall govern. If there is any inconsistency between this Memorandum and the *Agreement* or Bylaws, the *Agreement* or Bylaws shall govern. If there is any inconsistency between this Memorandum and a law, the law shall govern. The terms of this Memorandum may not be changed or waived except by amendment or endorsement approved by the *Agency* and made a part of this Memorandum.

B. COVERAGE PERIOD

This Memorandum is effective at 12:01 a.m. on the effective date stated in the Declarations Page, until 12:01 a.m. on the expiration date stated in the Declarations Page.

C. WHO IS COVERED

The *Member Districts* covered by this Memorandum are those *Member Districts* as defined in the *Agreement* and named in the Declarations Page and the covered entities include any other agency, district, commission, authority, board or other affiliated entity that is governed by the named *Member District's* governing board members (through the same or a different governing board) or otherwise under the named *Member District's* direction and control. However, the inclusion of any covered entity under a *Member District* will not change the *Member District's Retained Limit* or increase the *Agency's* limit of coverage.

D. WORKERS' COMPENSATION LAW

Workers' Compensation Law means California Labor Code, Division 4 or the workers' compensation act or law of the state where the injured employee is normally employed. It includes any amendments to such law that are in effect during the term of this memorandum. It does not include any federal workers' compensation law, any federal occupational disease law, or the provisions of any law that provide non-occupational disability benefits.

E. QUALIFIED SELF-INSURED

The *Member District* represents that it is a duly qualified self-insured under the Workers' Compensation Law of the State of California, with a current and valid certificate of self-insurance, and will continue to maintain such qualifications during the term this

Memorandum is in effect. If the *Member District* should fail to qualify or fail to maintain such qualifications, the coverage provided under this Memorandum may be terminated pursuant to the *Agency* Bylaws.

PART ONE – WORKERS' COMPENSATION COVERAGE

The *Agency* will provide coverage for workers' compensation losses in the same scope and manner as that of the Local Agency Workers' Compensation Excess Joint Powers Authority, up to the *Agency's* Limit of Liability stated in Item 3 of the Declarations Page. The terms, conditions, limitations, and definitions of the Local Agency Workers' Compensation Excess Joint Powers Authority Memorandum of Coverage shall govern the scope and limits of the *Agency's* workers' compensation coverage under this Memorandum, except as otherwise provided in this Memorandum.

A. PAYMENTS THE MEMBER DISTRICT MUST MAKE

The *Member District* shall pay for any loss up to the *Member District's Retained Limit* amount as stated on the Declarations Page.

The *Agency* will not pay or reimburse any fines or penalties or other payments in excess of the benefits regularly provided by the Workers' Compensation Law including those required because:

1. of the *Member District's* serious and willful misconduct; however, the *Agency* shall arrange and pay for the defense of serious and willful misconduct charges or *Claims*, as long as the defense of such matter is handled by the attorney defending the *Member District* in the associated workers' compensation *Claim*; but such defense will be provided as an accommodation and the *Agency* shall cease paying those defense costs at such time as the underlying workers' compensation *Claim* issues are concluded;

2. the *Member District* knowingly employs an employee in violation of law;

3. the *Member District* knowingly fails to comply with a health or safety law or regulation;

4. the *Member District* discharges, coerces, or otherwise discriminates against any employee in violation of the Workers' Compensation Law; however, the *Agency* shall arrange and pay for the defense of Labor Code section 132a claims or charges as long as the defense of such matter is handled by the attorney defending the *Member District* in the associated workers' compensation claim; but such defense will be provided as an accommodation and the *Agency* shall cease paying those defense costs at such time as the underlying workers' compensation *Claim* issues are concluded;

5. the *Member District* knowingly violates or fails to comply with any Workers' Compensation Law; or

6. An employee elects to pursue benefits or file a *Claim* under the workers' compensation law of a State other than California.

If the *Agency* makes any payments in excess of the benefits regularly provided by the Workers' Compensation Law on the *Member District's* behalf, upon written demand by the *Agency,* the *Member District* will reimburse the *Agency* promptly.

PART TWO – EMPLOYER'S LIABILITY COVERAGE

A. The *Agency* will provide coverage for employer's liability losses in the same scope and manner as that of the Local Agency Workers' Compensation Excess Joint Powers Authority, up to the *Agency's* Limit of Liability stated in Item 3 of the Declarations Page.

PART THREE – POLICY EXCLUSIONS

Employer's Liability under Part Two of this Memorandum does not apply to:

1. liability assumed by the *Member District* under a contract or agreement;

2. punitive or exemplary damages, fines or penalties assessed or imposed upon the *Member District*;

3. injury to an employee while employed in violation of law with the *Member District's* actual knowledge or the actual knowledge of any of the *Member District's* executive officers;

4. injury intentionally caused or aggravated by the *Member District*;

5. injury occurring outside the United States of America. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America who is temporarily outside the United States of America;

6. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, retaliation against, discrimination against, termination of any employee, or any personnel practices, policies, acts, or omissions;

7. any obligation for which the *Member District* may be held liable that is imposed by a workers' compensation, occupational disease, unemployment compensation, disability benefits law, or any similar law;

8. fines or penalties imposed for violation of federal or state law;

9. damages arising out of operations for which the *Member District* has violated or failed to comply with any Workers' Compensation Law; and

10. Liability for *Claims* involving a *Member District's* employee who relocates to a State outside of California and has elected to file a *Claim* and pursue benefits under that State's workers' compensation law.

PART FOUR – *AGENCY'S* LIMIT OF COVERAGE

A. **LIMIT OF COVERAGE BY *AGENCY***

The *Agency* will indemnify the *Member District* for loss under the Workers' Compensation Laws, but will not exceed the Limit of Liability stated in Item 3 on the Declarations Page on any one loss. The *Agency* will pay on behalf of the *Member District* for Employer's Liability losses but will not exceed the Limit of Liability stated in Item 3 on the Declarations Page.

B. **HOW THE LIMIT OF COVERAGE APPLIES**

1. The *Agency's* Limit of Coverage stated in Item 3 on the Declarations Page applies to losses of the *Member District* as a qualified self-insured of Workers' Compensation or Employer's Liability losses as determined in accordance with the Local Agency Workers' Compensation Excess Joint Powers Authority Memorandum of Coverage.

PART FIVE – CONDITIONS

A. **NOTICE OF ACCIDENT**

1. The *Member District* shall give prompt written notice to the *Agency* if a *Claim* for an injury occurs which appears to involve coverage by the *Agency*.

2. Notice of accident given to the *Agency* shall contain complete details about the injury. If a suit, *Claim*, or other proceeding is commenced because of an injury which appears to involve coverage by the *Agency*, the *Member District* shall give the *Agency*:

    a. all notices and legal papers related to the *Claim*, proceeding, or suit, or copies of these notices and legal papers; and

    b. copies of reports on investigations made by the *Member District* on such *Claims*, proceedings, or suits.

B. **SUBROGATION – RECOVERY FROM OTHERS**

1. In exchange for the coverage under this Memorandum, each *Member District* assigns to the *Agency* the *Member District's* rights, and the rights of persons entitled to compensation benefits from the *Member District*, to recover the *Agency's* loss from any third party liable for the injury. The *Member District* will do everything necessary to protect those rights for the *Agency* and to assist in enforcing them. The recovered loss, after deducting the *Agency's* recovery expenses, will first be used to reduce the *Agency's* loss. The balance, if any, will be returned to the *Member District*.

2. If the *Member District* waives its rights to subrogation on a claim covered under, or that may be covered under, this Memorandum of Coverage, and if the amount of the claim exceeds the *Member District's Retained Limit* (and therefore pierces the *Agency's* layer), then the *Agency's* coverage shall not apply to the *Claim* and the *Agency* shall not be liable for any indemnity, reimbursement, payment, or costs on the *Claim* exceeding the *Member District's Retained Limit*, unless the *Agency's* Workers' Compensation Program Manager and the Local Agency Workers' Compensation Excess Joint Powers Authority also approves the waiver of subrogation in writing.

3. The exclusion of coverage for waiver of subrogation shall apply only to a waiver of subrogation on a *Claim* made or approved by a *Member District* after the date of the injury that resulted in the *Claim*. This exclusion shall not apply to a waiver of subrogation contained in an agreement or contract that was approved by the *Member District* and the Local Agency Workers' Compensation Excess Joint Powers Authority prior to the date of the injury that resulted in the *Claim*.

VECTOR CONTROL JOINT POWERS AGENCY
MEMORANDUM OF COVERAGE

WORKERS' COMPENSATION
ENDORSEMENT NO. 1

It is understood that the Named Covered Party of the Declarations is completed as follows:

Vector Control Joint Powers Agency

Member	Retained Limit
Alameda County Mosquito Abatement District	$ 25,000
Burney Basin Mosquito Abatement District	$ 5,000
Butte County Mosquito and Vector Control District	$ 25,000
Coachella Valley Mosquito and Vector Control District	$ 25,000
Coalinga-Huron Mosquito Abatement District	$ 2,500
Colusa Mosquito Abatement District	$ 5,000
Compton Creek Mosquito Abatement District	$ 2,500
Consolidated Mosquito Abatement District	$ 25,000
Contra Costa Mosquito and Vector Control District	$ 50,000
Delta Mosquito and Vector Control District	$ 10,000
Durham Mosquito Abatement District	$ 2,500
Fresno Mosquito and Vector Control District	$ 25,000
Glenn County Mosquito and Vector Control District	$ 5,000
Greater Los Angeles County Vector Control District	$ 50,000
Kings Mosquito Abatement District	$ 10,000
Lake County Vector Control District	$ 10,000
Los Angeles County West Vector Control District	$ 25,000
Marin-Sonoma Mosquito and Vector Control District	$ 50,000
Monterey County Mosquito Abatement District	$ 25,000
Mosquito and Vector Management District of Santa Barbara County	$ 5,000
Napa County Mosquito Abatement District	$ 25,000
Northwest Mosquito and Vector Control District	$ 25,000
Orange County Mosquito and Vector Control District	$ 50,000
Pine Grove Mosquito Abatement District	$ 2,500
Placer Mosquito and Vector Control District	$ 10,000
Sacramento-Yolo Mosquito and Vector Control District	$ 50,000
San Gabriel Valley Mosquito and Vector Control District	$ 50,000
San Joaquin County Mosquito and Vector Control District	$ 50,000
San Mateo County Mosquito and Vector Control District	$ 25,000
Shasta Mosquito and Vector Control District	$ 25,000
Sutter-Yuba Mosquito and Vector Control District	$ 25,000
Tehama County Mosquito and Vector Control District	$ 10,000
Turlock Mosquito Abatement District	$ 25,000
West Valley Mosquito and Vector Control District	$ 25,000

Attached to and Forming Part of Policy No. VCJPA 2026-1WC

Effective Date: July 1, 2026

Authorized Representative

VECTOR CONTROL JOINT POWERS AGENCY (VCJPA)

POOLED AUTO PHYSICAL DAMAGE PROGRAM MEMORANDUM OF COVERAGE

FOR THE 2026/27 PROGRAM YEAR

EFFECTIVE JULY 1, 2026

VECTOR CONTROL JOINT POWERS AGENCY

AUTO PHYSICAL DAMAGE COVERAGE

DECLARATIONS

POLICY NO. VCJPA 2026-APD

NAMED COVERED PARTY:	Vector Control Joint Powers Agency, et. al., as per Endorsement No. 1 1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833
POLICY PERIOD: 12:01 a.m. Pacific Time	From 7-1-2026 to 7-1-2027
LIMITS OF LIABILITY:	Per Section C of the Memorandum of Coverage
DEDUCTIBLE:	$1,000 per loss
FORMS AND ENDORSEMENTS: Forming Part of the Policy at Inception	Form VCJPA-26, Endorsements #1

ON BEHALF OF VECTOR CONTROL JOINT POWERS AGENCY

Authorized Representative

VECTOR CONTROL JOINT POWERS AGENCY
POOLED AUTO PHYSICAL DAMAGE PROGRAM
MEMORANDUM OF COVERAGE

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VECTOR CONTROL JOINT POWERS AGENCY

POOLED AUTO PHYSICAL DAMAGE PROGRAM

MEMORANDUM OF COVERAGE

This Memorandum is the coverage document between the *Member District* and the *Agency*. The terms of this Memorandum may not be changed or waived except by amendment made a part of this Memorandum.

A. COVERAGE AGREEMENT

1. The *Agency* will reimburse the *Member District* named on the Declarations for *Losses* to an *Automobile*, *Watercraft, or Unmanned Aircraft System* and/or its equipment occurring during the coverage period.

2. The *Agency* will reimburse, up to $300, the *Member District* for towing and labor costs incurred due to an *Automobile* or a *Watercraft* being disabled, in any way not stated in Section B, Exclusions.

3. The *Agency* will reimburse, up to $75 a day, the *Member District* for the additional expenses incurred in the procurement of transportation to replace that which a disabled *Automobile* would have provided while it is being repaired or replaced.

B. EXCLUSIONS

This coverage does not apply to *Loss* caused by:

1. War, whether or not declared, insurrection, rebellion, or revolution;

2. Wear, tear, freezing, or mechanical or electrical breakdown; or

3. Blowout, punctures, or other road damage to tires.

C. LIMIT OF LIABILITY

The *Agency* shall pay, for any one *Loss*, the lesser of:

1. $ 75,000;

2. The cost of repairing the damaged or stolen property.

3. The *Replacement Cost* of the damaged or stolen property. In the event the estimated cost of repairs exceeds the actual cash value of the damaged or stolen property, the *Agency,* or an *Agency* selected representative, reserves the right to deem the *Automobile* a *Total Loss*, in which case the *Agency* will pay the lesser of $75,000 or the *Replacement Cost.*

If the damaged or stolen property is a *Specialty Vehicle,* then the current value of the enhancement, conversion, or accessory that makes the vehicle a *Specialty Vehicle* will be included when determining the actual cash value of the vehicle.

Additionally, the member district retains the right to determine when a *Loss* involving a *Specialty Vehicle* is a *Total Loss.* However, after the *Agency* has paid monies in excess of 100% of the actual cash value on any one covered *Loss* to a *Specialty Vehicle*, if a second *Loss* occurs involving that *Specialty Vehicle*, then the *Agency,* or an *Agency* selected representative, reserves the right to deem the vehicle a *Total Loss.*

The amount ($75,000) in number 1 above may be increased at the option of the *Member District* by multiples of $75,000 for a particular *Automobile or Watercraft*, in accordance with the Pooled Auto Physical Damage Program *Master Plan Document*.

D. DEDUCTIBLE

The *Agency's* liability under Section C above shall be reduced by the Deductible amount of $1,000.

E. CONDITIONS

1. The Agency shall retain an independent appraisal company to evaluate the claim and the damaged or stolen property and determine the cost of repairing the damaged or stolen property under Section C(3) with the cost of the independent appraisal paid through the Pooled Auto Physical Damage Program. The cost amount as determined by the appraisal company shall be used to establish the cost of repairs to *Automobiles* or *Watercraft* under Section C(3). The *Agency* has the right to set the cost of repairs as it deems appropriate, but in no event may the cost of repairs established by the *Agency* be greater than the *total loss* value of the damaged or stolen *Automobile* or *Watercraft.*

   The *Member District* shall submit one estimate for the cost of repairing an *Unmanned Aircraft System* from which the *Agency* may establish the cost of repairs under Section C (3). The *Agency* has the right to set the cost of repairs as it deems appropriate, but in no event may the cost of repairs established by the *Agency* be greater than the *Total Loss* value of the damaged or stolen *Unmanned Aircraft System*.

Where the *Member District* has not replaced stolen property covered under this Memorandum and the stolen property is found, the *Agency* may return such property to the *Member District* and request return of any payment made under the claim reduced by the cost of any repairs to such property.

2. The *Agency* shall have the right to any recovery made by the *Member District* or right of recovery that the *Member District* may have against any other person or entity concerning any *loss* under this Memorandum of Coverage. If it is determined that the *Automobile* or *Watercraft* is a *Total Loss*, the *Member District* may choose to retain the *Automobile* or *Watercraft* or send the *Automobile* or *Watercraft* to salvage; except, however, if frame damage is indicated in a repair estimate or independent claims adjuster report, the *Member District* shall send the *Automobile* or *Watercraft* to salvage. Any monies recovered shall be forwarded to the APD Pool.

3. If an *Automobile* or *Watercraft* declared a *Total Loss* is retained by the *Member District*, the ongoing coverage afforded under this Memorandum shall be the amount of the actual cash value of the property less the salvage value. The salvage value shall be determined by the *Agency* obtaining three purchase bids from salvage yards and utilizing the value of the highest bidder. Upon reimbursement by the *Agency* to the *Member District* of a retained *Automobile* or *Watercraft* that has been declared a *Total Loss* under this Memorandum, there will be no further coverage afforded under this Memorandum for such *Automobile* or *Watercraft*.

4. If an *Automobile* declared a *Total Loss* is retained by the *Member District* and repaired, the *Member District* must:

   a. Notify the California Department of Motor Vehicles (DMV) the *Automobile* has been declared a *Total Loss*, apply for a salvage certificate with the DMV, and follow all associated rules and regulations as required by the DMV.
   b. Upon completion of repairs, have a post-repair inspection conducted by an independent, certified ASE mechanic or independent claims adjuster and submit the inspection report to the *Agency*.
   c. Re-register the *Automobile* with a salvage title through the DMV and follow all associated rules and regulations as required by the DMV.

5. The *Member District* shall be responsible for any and all fees associated with retaining an *Automobile* or *Watercraft* that has been declared a *Total Loss*.

6. If there is insurance or other coverage applicable to the *Loss* incurred, such insurance or other coverage, unless it specifically states that it is excess of this coverage, shall reduce the liability of the *Agency* by the amount that insurance or other coverage is liable for such *Loss*.

F. COVERAGE PERIOD

This coverage applies to *Losses* occurring during the coverage period defined in the Declarations.

G. DEFINITIONS

In addition to the definitions provided in the *Agency's* Bylaws, the following additional definitions apply to this Memorandum of Coverage for this PAPDP:

1. *Automobile* shall mean any land motor vehicle, trailer, semitrailer, or *specialty vehicle* owned or leased, or rented (for less than 30 days) by a *Member District*, if such vehicle, trailer, or semitrailer is licensed for travel on public roads. However, *Automobile* does not include contractor's equipment.

2. *Loss* shall mean direct and accidental loss or damage.

3. *Replacement Cost* shall mean the cost to replace the property with like kind and quality or the most closely equivalent property available without deduction for depreciation.

4. *Specialty Vehicle* shall mean any land motor vehicle with special enhancements, conversions and/or accessories that have been made or installed. An example would-be right-hand drive vehicles.

5. *Total Loss* shall mean the cost to repair or replace the damaged or stolen property is determined to exceed the fair market value of the property.

6. *Unmanned Aircraft System* shall mean a device or machine that is intended to navigate in the air without an on-board pilot, also commonly referred to as a "drone."

7. *Watercraft* shall mean any motor driven boat or craft for use on water, which is owned by, or leased for at least 180 days to, the *Member District* if such vehicle is used in connection with the operations of the *Member District*.

VECTOR CONTROL JOINT POWERS AGENCY
MEMORANDUM OF COVERAGE

AUTO PHYSICAL DAMAGE
ENDORSEMENT NO. 1

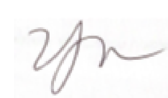
It is understood that the Named Covered Party of the Declarations is completed as follows:

Vector Control Joint Powers Agency,

Member	Retained Limit
Alameda County Mosquito Abatement District	$ 1,000
Burney Basin Mosquito Abatement District	$ 1,000
Butte County Mosquito and Vector Control District	$ 1,000
Coachella Valley Mosquito and Vector Control District	$ 1,000
Coalinga-Huron Mosquito Abatement District	$ 1,000
Colusa Mosquito Abatement District	$ 1,000
Compton Creek Mosquito Abatement District	$ 1,000
Consolidated Mosquito Abatement District	$ 1,000
Contra Costa Mosquito and Vector Control District	$ 1,000
Delta Mosquito and Vector Control District	$ 1,000
Durham Mosquito Abatement District	$ 1,000
Fresno Mosquito and Vector Control District	$ 1,000
Glenn County Mosquito and Vector Control District	$ 1,000
Greater Los Angeles County Vector Control District	$ 1,000
Kings Mosquito Abatement District	$ 1,000
Lake County Vector Control District	$ 1,000
Los Angeles County West Vector Control District	$ 1,000
Marin-Sonoma Mosquito and Vector Control District	$ 1,000
Monterey County Mosquito Abatement District	$ 1,000
Mosquito and Vector Management District of Santa Barbara County	$ 1,000
Napa County Mosquito Abatement District	$ 1,000
Northwest Mosquito and Vector Control District	$ 1,000
Orange County Mosquito and Vector Control District	$ 1,000
Pine Grove Mosquito Abatement District	$ 1,000
Placer Mosquito and Vector Control District	$ 1,000
Sacramento-Yolo Mosquito and Vector Control District	$ 1,000
San Gabriel Valley Mosquito and Vector Control District	$ 1,000
San Joaquin County Mosquito and Vector Control District	$ 1,000
San Mateo County Mosquito and Vector Control District	$ 1,000
Shasta Mosquito and Vector Control District	$ 1,000
Sutter-Yuba Mosquito and Vector Control District	$ 1,000
Tehama County Mosquito and Vector Control District	$ 1,000
Turlock Mosquito Abatement District	$ 1,000
West Valley Mosquito and Vector Control District	$ 1,000

Attached to and Forming Part of Policy No. VCJPA 2026-APD

Effective Date: July 1, 2026



Authorized Representative

VECTOR CONTROL JOINT POWERS AGENCY
(VCJPA)

POOLED LIABILITY PROGRAM

MEMORANDUM OF COVERAGE

FOR THE 2026/27 PROGRAM YEAR

VECTOR CONTROL JOINT POWERS AGENCY

MEMORANDUM OF COVERAGE

POOLED LIABILITY PROGRAM

DECLARATIONS

POLICY NO. VCJPA 2026-1GL

NAMED COVERED PARTY:	Vector Control Joint Powers Agency, et. al., as per Endorsement No. 1 1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833
POLICY PERIOD:	From 7-1-2026 to 7-1-2027 12:01 a.m. Pacific Time
LIMIT OF COVERAGE:	$1,000,000 per occurrence
FORMS AND ENDORSEMENTS: Forming Part of the Policy at Inception	VCPLP and Endorsement No. 1

ON BEHALF OF VECTOR CONTROL JOINT POWERS AGENCY

Authorized Representative

POOLED LIABILITY PROGRAM

MEMORANDUM OF COVERAGE
FOR THE
VECTOR CONTROL JOINT POWERS AGENCY
(VCJPA)

TABLE OF CONTENTS

POOLED LIABILITY PROGRAM

MEMORANDUM OF COVERAGE
FOR THE
VECTOR CONTROL JOINT POWERS AGENCY
(VCJPA)

In consideration of the payment of the deposit premium, the *Agency* agrees with the *Covered Parties* as follows:

SECTION I - COVERAGE

The *Agency* will pay up to the *Limit of Coverage* on behalf of the *Covered Parties* for *Ultimate Net Loss,* less the *Retained Limit*, that the *Covered Parties* pay because of *Bodily Injury*, *Non-Employment Sexual Abuse*, *Property Damage*, *Personal Injury*, *Public Officials Errors and Omissions*, or *Wrongful Employment Practice* as those terms are herein defined and to which this Memorandum applies, caused by an *Occurrence* during the *Coverage Period*, except as otherwise excluded.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled risk sharing. This Memorandum is a negotiated agreement among the *Members* of the *Agency*, and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles that require interpretation of ambiguous language against the drafter of such agreement. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the *Members* of the *Agency*, acting through the Board of Directors in adopting this Memorandum of Coverage. As the *Agency* is not an insurer, it has no obligation to provide "Cumis" counsel to a *Covered Party* in disputed coverage situations under Civil Code section 2860.

SECTION II - DEFINITIONS

1. *"Aircraft"* means a vehicle designed for the transport of persons or property principally in the air.

2. *"Agency"* means the Vector Control Joint Powers Agency.

3. *"Automobile"* means a land motor vehicle, trailer, or semi-trailer.

4. *"Bodily Injury"* means bodily injury, sickness, disease, or emotional distress sustained by a person, including death resulting from any of these at any time. *Bodily Injury* includes *Damages* claimed by any person or organization for care, loss of services, or death resulting at any time from the *Bodily Injury*.

5. *"Coverage Period"* means that term prescribed for coverage by the *Agency* as set forth in the Declarations page.

6. *<u>"Covered Indemnity Contract"</u>* means that part of any contract or agreement pertaining to the *Covered Party's* routine governmental operations under which the *Covered Party* assumes the tort liability of another party to pay for *Bodily Injury* or *Property Damage* to a third person or organization. This definition applies only to tort liability arising out of an *Occurrence* to which this Memorandum applies. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

7. *<u>"Covered Party"</u>* means:

   (a) The directors and officers of the *Agency* while acting on behalf of the *Agency* with respect to Public Officials Errors & Omissions.

   (b) A *Member* of the *Agency*. This includes all entities named in its Declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board), or similar entities coming under the *Member's* direction or control, or for which the *Member's* board members sit as the governing body.

   (c) A member of a joint powers authority (JPA) which is a *Member* of the *Agency* herein, which participates in said JPA's liability program. This includes all entities named in its Declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board), or similar entities coming under the *Member's* direction or control, or for which the *Member's* board member sits as the governing body.

   (d) Any person or *Member* identified as a *Covered Party* in a certificate of coverage to third parties duly issued by the *Agency* for *Occurrences* during the *Coverage Period* identified in the certificate of coverage. The person or *Member* is a *Covered Party* only for *Occurrences* arising out of the described activity.

   (e) Any person who is an official, employee, trustee, or volunteer of a person or *Member* covered by (b), (c), or (d) herein, whether or not compensated, while acting in an official capacity for or on behalf of such person or *Member*, including while acting on any outside board at the direction of such person or *Member*.

   (f) With respect to any *Automobile* owned or leased by a *Member*, or loaned to or hired for use by or on behalf of the *Member*, any person while using such *Automobile* and any person or organization legally responsible for the use thereof, provided the actual use is with the express permission of the *Member*, but this protection does not apply to:

      i. Any person or organization, or any agent or employee thereof, operating an *Automobile* sales agency, repair shop, service station, storage garage, or public parking place, with respect to an *Occurrence* arising out of the operation thereof. This exception does not apply if the *Automobile* is a *Trailer* connected to an *Automobile* you own; or

ii. The owner or any lessee, other than the *Member*, of any *Automobile* hired by or loaned to the *Member* or to any agent or employee of such owner or lessee.

(g) No person or *Member* is a *Covered Party* with respect to the conduct of any current or past partnership, joint venture, or joint powers authority that is not shown as a named *Covered Party* in the Declarations; however, for any person (1) who is an official, employee, trustee, or volunteer of a *Member* covered by (b) or (c) herein, (2) who participates in the activities of the partnership, joint venture, or joint powers authority (or any separate agency or *Member* created under any joint powers agreement by the named *Member*), and (3) who is acting for or on behalf of a *Member* covered by (b) or (c) herein at the time of the *Occurrence*, then coverage is afforded by this Memorandum. Such coverage will be in excess of and shall not contribute with any collectible insurance or other coverage provided to the other joint powers authority, agency, or *Member*.

(h) Notwithstanding subsections (e) and (f) above, the defense and indemnity coverage afforded by this Memorandum to a past or present official, employee, trustee, or volunteer of a *Member* (including a member entity of a *Member* joint powers authority) is not broader than the *Member's* duty to defend and indemnify its official, employee, trustee, or volunteer pursuant to California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof. If the *Member* which employs the official, employee, trustee, or volunteer is not obligated under the California Government Code to provide a defense, or to provide indemnity for a claim, or if said *Member* refuses to provide such defense and/or indemnity to said official, employee, trustee, or volunteer, then this Memorandum shall not provide any such defense or indemnity coverage to said official, employee, trustee, or volunteer. All immunities, defenses, rights, and privileges afforded to a *Member* under California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof, shall be afforded to the *Agency* to bar any defense or indemnity coverage under this Memorandum to that *Member's* official, employee, trustee, or volunteer. However, a *Member's* official, employee, trustee or volunteer shall remain a *Covered Party* when using an *Automobile* owned or leased by the *Member* at any time (including *Automobile* use that may be outside the scope of employment), so long as the actual use is with the express permission of the *Member*.

8. *"Damages"* means compensation in money recovered by a third party for loss or detriment it has suffered through the acts of a *Covered Party*. *Damages* include (1) attorney fees not based on contract awarded against the *Covered Party*, (2) interest on judgments, or (3) costs for which the *Covered Party* is liable either by adjudication or by compromise with the written consent of the *Agency*, if the fees, interest, or costs arise from an *Occurrence* to which this coverage applies.

9. *"Defense Costs"* means all fees and expenses incurred by any *Covered Party*, caused by and relating to the adjustment, investigation, defense, or litigation of a claim to which this coverage applies, including attorney's fees, court costs, and interest on judgments accruing after entry of judgment. *Defense Costs* shall include adjusting expenses of a third party claims administrator that are specifically identifiable with a claim subject to this coverage. *Defense Costs* shall also include reasonable attorney fees and necessary litigation expenses incurred by or for a party other than the *Covered Party*, which are assumed by the *Covered Party* in a *Covered Indemnity Contract* where such attorney fees or costs are attributable to a claim for *Damages* covered by this Memorandum. *Defense Costs* shall not include the office expenses, salaries of employees and officials, or expenses of the *Covered Party* or the *Agency*. *Defense Costs* shall not include any fee or expense relating to coverage issues or disputes between the *Agency* and any *Covered Party* unless the entity named in the Declarations prevails in such dispute, or attorney fees or costs awarded to a prevailing plaintiff against the *Covered Party*.

10. *"Lawsuit"* means (a) a civil proceeding in which *Damages* are alleged because of an *Occurrence* and which, in the opinion of the *Agency*, is or may be covered by this Memorandum, and (b) a civil proceeding filed in court under the Clean Water Act, Porter-Cologne Water Quality Control Act or California Environmental Quality Act as described in section VI(1)(d), subsections (iii) and (iv). *Lawsuit* includes arbitration or other alternative dispute resolution proceeding in which such *Damages* are claimed and to which the *Covered Party* must consent or to which the *Covered Party* and the *Agency* mutually consent.

11. *"Limit of Coverage"* shall be the amount of coverage stated in the Declaration page or certificate of coverage, or sublimits as stated therein for each *Covered Party* per *Occurrence*, subject to any lower sublimit stated in this Memorandum. For each *Occurrence*, there shall be only one *Limit of Coverage* regardless of the number of claimants or *Covered Parties* against whom a claim is made. In the event that a structured settlement, whether purchased from or through a third-party, or paid directly by the *Covered Party* in installments, is utilized in the resolution of a claim or suit, the *Agency* will pay only up to the amount stated in the Declarations or certificate of coverage in present value of the claim, as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations or certificate of coverage.

    As respects *Wrongful Employment Practices* coverage only, the *Agency* will pay up to $25,000 per *Occurrence* for the *Ultimate Net Loss* less the *Member's Retained Limit* (as defined in this section II) that the *Covered Parties* become legally obligated to pay because of *Wrongful Employment Practices* caused by an *Occurrence* during the *Coverage Period*, except as otherwise excluded. For purposes of this paragraph, the phrases "*Wrongful Employment Practices*," "*Occurrence*," "*Damages,*" and "*Ultimate Net Loss*" shall have the meanings as defined in the Employment Risk Management Authority (ERMA) Memorandum of Coverage that is incorporated herein as though fully set forth. For those *Members* that participate in the ERMA coverage, for any *Occurrence* with an *Ultimate Net Loss* in excess of $25,000*,* the *Member* shall receive *Wrongful Employment Practices* coverage from ERMA pursuant to and subject to the terms and conditions of the ERMA Memorandum of Coverage. All terms, definitions, exclusions and conditions of the ERMA Memorandum of Coverage are incorporated herein as though fully set forth and shall apply to the *Wrongful Employment Practices* coverage only.

ERMA coverage of *Wrongful Employment Practices* coverage is optional. If a *Member* chooses not to participate in the ERMA program, then that *Member* and the *Covered Parties* under that *Member* shall be excluded from the ERMA Memorandum of Coverage and shall not receive ERMA coverage or benefits. However, the non-participating *Members* and their *Covered Parties* may receive limited *Wrongful Employment Practices* coverage from the Agency as described in the preceding paragraph (limited to $25,000 per *Occurrence* less the *Member's Retained Limit*).

12. *"Medical Malpractice"* means the rendering of or failure to render any of the following services:

    (a) Medical, surgical, dental, psychiatric, psychological counseling, x-ray, or nursing service or treatment or the furnishing of food or beverages in connection therewith; or any services provided by a health care provider as defined in Section 6146 (c), (2), (3), of the California Business and Professions Code.

    (b) Furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

    Medical Malpractice does not include emergency medical services or first aid administered by employees, nor does it include advice or services rendered by a 911 emergency dispatcher.

13. *"Member"* shall mean any organization that is a party to the Agreement creating the Vector Control Joint Powers Agency.

14. "*Non-Employment Sexual Abuse*" means actual or alleged unwelcome or offensive act, conduct, or statement of a sexual nature directed towards any claimant(s), including any sexual act, contact or touching of a sexual nature, sexual assault, abuse, molestation or harassment of a sexual nature, or verbal, written, recorded, or electronic correspondence, transmission or communication of a sexual nature. However, *Non-Employment Sexual Abuse* shall not include such conduct to the extent it constitutes a *Wrongful Employment Practice*.

15. *"Nuclear Material"* means *Source Material*, *Special Nuclear Material*, or *Byproduct Material*. *"Source Material," "Special Nuclear Material," and "Byproduct Material"* have the meanings given to them by the Atomic Energy Act of 1954 or in any law amendatory thereof.

16. *"Occurrence"* means:

(a) With respect to *Bodily Injury* or *Property Damage*: an accident, including continuous or repeated exposure to substantially the same generally harmful conditions, which during the *Coverage Period* results in *Bodily Injury* or *Property Damage* neither expected nor intended from the standpoint of the *Covered Party*. Loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the *Occurrence* that caused it.

(b) With respect to *Non-Employment Sexual Abuse*: An act, course of conduct, or statement by a *Covered Party* during the *Coverage Period* that results in a written claim or *Lawsuit* for *Non-Employment Sexual Abuse*, if the first act, course of conduct, or statement occurred during the *Coverage Period*. All allegations by the same clamant in the same claim or *Lawsuit* shall be considered one *Occurrence* for the purpose of the *Limit of Coverage*, and, in the event of an allegation of multiple acts, conduct, or statements, such *Occurrence* shall be deemed to exist on the date of the alleged first act, conduct, or statement. Regardless of the number of *Covered Parties* or claimants, all claims by all claimants arising from the same act, course of conduct, or statement shall be considered as one *Occurrence* for the purpose of the *Limit of Coverage*.

(c) With respect to *Personal Injury*: an offense described in the definitions of those terms in this coverage Memorandum.

(d) With respect to *Public Officials Errors and Omissions*: any actual or alleged misstatement or misleading statement or act or omission as described in the definitions of the term in this coverage Memorandum

(e) With respect to *Wrongful Employment Practices*: the definition of *Occurrence* is defined in the Employment Risk Management Authority's Memorandum of Coverage that is incorporated herein as though fully set forth and to which this Memorandum applies.

17. *"Personal Injury"* means injury arising out of one or more of the following offenses:

(a) False arrest, detention or imprisonment, or malicious prosecution;

(b) Abuse of legal process;

(c) Wrongful entry into, or eviction of a person from, a room, dwelling, or premises that a person occupies;

(d) Publication or utterance of material, including continuous or repeated, that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, or oral or written publication of material that violates a person's right of privacy;

(e) Discrimination or violation of civil rights; and

(f) Injury resulting from the use of reasonable force.

18. *"Pollutants"* means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, airborne particles, or fibers and waste. Waste includes materials to be recycled, reconditioned, or reclaimed. The term *Pollutants* as used herein does not mean potable water, agricultural water, water furnished to commercial users, or water used for fire suppression.

19. *"Property Damage"* means:

(a) Physical injury or destruction of tangible property, including all resulting loss of use of that property; or

(b) Loss of use of tangible property that is not physically injured or destroyed.

20. *"Public Officials Errors and Omissions"* means any (including continuous or repeated) actual or alleged misstatement or misleading statement or act or omission by any *Covered Party* (individually or collectively) arising in the course and scope of their duties with the *Covered Party* or claimed against them solely by reason of their being or having been public officials or employees, and which results in damage neither expected nor intended from the standpoint of the *Covered Party*. All claims involving the same misstatement or misleading statement or act or omission or a series of continuous or interrelated misstatements or misleading statements or acts or omissions will be considered as arising out of one *Occurrence.*

21. *"Retained Limit"* means the amount of the self-insured retention for the *Member* as set forth in the applicable Declarations page or endorsement, which is the amount of the *Ultimate Net Loss* for which the *Member* or its *Covered Parties* are liable for before the *Agency* is obligated to make payment, subject to the following:

(a) For each *Occurrence*, there shall be only one *Retained Limit* regardless of the number of claimants or *Covered Parties* against whom a claim is made.

(b) Payment of the *Retained Limit* shall be apportioned among the *Covered Parties* in accordance with their proportionate shares of liability. If the payment is for a settlement, the *Retained Limit* shall be apportioned among the *Covered Parties* in accordance with the respective parties' agreed upon or court-determined share of liability. In the event that the apportionment requires court determination, the *Covered Parties* will pay all costs of the *Agency* in seeking such determination, including its attorney's fees in proportion to the court's determination of liability.

(c) For *Wrongful Employment Practices* coverage only, if the Employment Risk Management Authority (ERMA) determines that a *Covered Party* is not in substantial compliance with the requirements of Government Code section 12950.2 (concerning mandatory sexual harassment training) during the *Coverage Period* for an *Occurrence* related to that code section in violation of the condition of coverage at Section VII(1)(F) of the ERMA Memorandum of Coverage, and if ERMA therefore doubles the *Agency's* ERMA *Retained Limit* for the *Occurrence* pursuant to the ERMA Memorandum of Coverage, then the *Agency* shall pay the regular ERMA *Retained Limit* for the *Occurrence* (less the *Member's Agency Retained Limit)* and the *Covered Party* shall pay the penalty (i.e., the second ERMA *Retained Limit*). Upon request by a *Covered Party* facing this penalty, the penalty initially shall be paid in full by the *Agency* and then charged back to the *Covered Party* and paid over time by the *Covered Party* pursuant to the *Agency*'s usual retrospective adjustment process.

(d) For *Wrongful Employment Practices* coverage only, and for *Members* that participate in the ERMA coverage, the *Member's Agency Retained Limit* shall be the lesser of the *Member's Retained Limit* as shown in the applicable Declarations page or endorsement or $25,000.

22. *"Ultimate Net Loss"* means the sums actually paid by the *Covered Parties* comprising the total of all *Defense Costs* incurred by the *Covered Parties* and all *Damages* for which the *Covered Parties* are liable either by adjudication or by compromise with the written consent of the *Agency*, arising from an *Occurrence* to which this coverage applies.

23. "*Unmanned Aircraft System*" means a device or machine that is intended to navigate in the air without an on-board pilot, also commonly referred to as a "drone."

24. *"Wrongful Employment Practice"* has the meaning specified in the Employment Risk Management Authority's Memorandum of Coverage that is incorporated herein as though fully set forth and to which this Memorandum applies.

SECTION III - DEFENSE AND SETTLEMENT

The *Agency* shall assume charge of the investigation and defense of all claims or *Lawsuits* seeking *Damages*. The *Agency* shall have the right to control the negotiation, investigation, defense, appeal or settlement of any claim or *Lawsuit* that, in the opinion of the *Agency*, is or may be covered by this Memorandum. The *Covered Party* shall fully cooperate in all matters pertaining to such claim or *Lawsuit.* However, the *Covered Party* may exercise settlement control of those claims and *Lawsuits* that may be resolved within its *Retained Limits* unless the *Agency*'s Litigation Manager notifies the *Covered Party* that the *Agency* is assuming control of the disposition or settlement of such claims and *Lawsuits*. No claim or *Lawsuit* may be settled for an amount in excess of the *Member's Retained Limit* without the prior written consent of the *Agency*.

No claim or *Lawsuit* shall be settled for an amount in excess of the *Agency's Retained Limits* without the prior written consent of the California Affiliated Risk Management Authorities.

If the *Agency* denies liability for a claim or *Lawsuit*, the *Covered Party* may elect to litigate or settle the claim or *Lawsuit* on its own behalf. In either event, however, the *Covered Party* shall be liable for the full amount of any judgment or settlement, including all related costs and fees in connection therewith, unless and until it has been determined by arbitration that the *Agency* has liability for the claim or *Lawsuit* under the Memorandum of Coverage.

SECTION IV - VCJPA'S LIMIT OF COVERAGE

Regardless of the number of (1) persons or entities covered under this Memorandum, (2) persons or organizations making claims or bringing suits, or (3) claims made or suits brought, the *Limit of Coverage* stated on the Declarations page, less the *Retained Limit*, or any sublimit contained in this Memorandum is the most the *Agency* will pay for an *Ultimate Net Loss* arising out of any one *Occurrence*. In the event that a structured settlement, whether purchased from or through a third party or paid directly by the *Covered Party* in installments, is utilized in the resolution of a claim or suit, only the present value of the agreed-upon payments (the present value "cost" of the structured settlement) shall be considered in satisfaction of the *Covered Party's Retained Limit*. The *Limit of Coverage* for an additional covered party (including its officials, employees and volunteers) shall be the limit stated in its additional covered party certificate, regardless of the limit that applies to the member entity. In the event that a structured settlement, whether purchased from or through a third-party, or paid directly by the *Covered Party* in installments, is utilized in the resolution of a claim or suit, the *Agency* will pay only up to the amount stated in the Declarations or certificate of coverage, in present value of the claim as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations or certificate of coverage.

SECTION V - *COVERAGE PERIOD* AND TERRITORY

This Memorandum applies to *Bodily Injury*, *Non-Employment Sexual Abuse*, *Property Damage*, *Personal Injury, Public Officials Errors and Omissions*, or Wrongful Employment Practice that occurs anywhere in the world during the *Coverage Period* identified in the applicable Declaration or certificate of coverage.

SECTION VI - EXCLUSIONS

This Memorandum does not apply to:

1. With respect to Pollution:

   (a) Any liability arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of *Pollutants* anywhere in the world.

   (b) Any loss, cost or expense arising out of any governmental direction or request that the *Agency*, the *Covered Party* or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize, or assess the effects of *Pollutants*; or

(c) Any loss, cost, or expense, including but not limited to costs of investigation or attorneys' fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize *Pollutants*.

However, this exclusion shall not apply to *Bodily Injury* or *Property Damage* caused by a *Covered Party's* response to contamination caused by a third party unrelated to a *Covered Party*. Response includes clean-up, removal, containment, treatment, detoxification, and neutralization of *Pollutants*.

(d) The exclusions set forth in (a), (b), and (c) above do not apply to the following exceptions to this Exclusion 1:

i. If a discharge, dispersal, release, or escape of *Pollutants* meets all of the following conditions:

1. It was accidental and neither expected nor intended by the *Covered Party*; and

2. It was demonstrable as having commenced on a specific date during the term of this policy; and

3. Its commencement became known to the *Covered Party* within seven (7) calendar days; and

4. Its commencement was reported in writing to the *Agency* within twenty-one (21) calendar days of becoming known to the *Covered Party*; and

5. Reasonable effort was expended by the *Covered Party* to terminate the discharge, dispersal, release, or escape of *Pollutants* as soon as conditions permitted.

ii. To direct and immediate *Bodily Injury* or *Property Damage* arising out of operations involving the use, application or spraying of any pesticide at or from any site or location not owned or controlled by you on which you, or any contractors or subcontractors working directly or indirectly on your behalf, are performing operations if the operations performed meet all standards of any statute, ordinance, regulation, or license requirement of any federal, state or local government which apply to those operations.

iii. With regard to any actual or alleged violation of the federal Clean Water Act (33 USC sections 1251-1387), the Porter-Cologne Water Quality Control Act (Cal. Water Code sections 13000-14958) or the State Water Resources Control Board General Statewide National Pollutant Discharge

Elimination System (NPDES) Permit for Biological and Residual Pesticide Discharges to Waters of the United States from Vector Control Applications arising out of the actual, alleged or threatened discharge of pesticides and resulting in a *Lawsuit* filed by a citizen or a federal or state government agency with jurisdiction enforcing the Clean Water Act, Porter-Cologne Water Quality Control Act or general NPDES permit, the *Agency* will pay *Defense Costs* to the *Covered Party* up to the amount of $250,000 over the *Retained Limit* per *Lawsuit*, subject to an aggregate limit of $1,000,000 per program year for all *Covered Parties*. This exception to Exclusion 1 provides limited defense only coverage for *Lawsuit Defense Costs*. It does not provide any *Defense Costs* or other coverage relating to the investigation of, handling of, or response to a pre-*Lawsuit* notice of an alleged violation or any indemnity for or payment of *Damages*, fines, penalties, civil liability, or opposing party attorney's fees or costs.

The defense-only coverage described in the preceding paragraph shall not be provided to a *Covered Party* with respect to any *Lawsuit* where alleging a violation of the Clean Water Act, the Porter-Cologne Water Quality Control Act or general NPDES permit involving a pesticide discharge and either (1) the *Covered Party* was not enrolled and covered under the applicable State Water Resources Control Board General Statewide National Pollutant Discharge Elimination System (NPDES) Permit for Biological and Residual Pesticide Discharges to Waters of the United States from Vector Control Applications at the time of the pesticide discharge or (2) the *Covered Party* was not in substantial compliance with the terms and conditions of its general NPDES permit at the time of the pesticide discharge.

iv. With regard to any actual or alleged violation of the California Environmental Quality Act (CEQA) (Cal. Public Resources Code sections 21000-21177) resulting in a CEQA *Lawsuit* against a *Covered Party*, the *Agency* will provide a defense to the *Covered Party* and pay Defense Costs up to the amount of $250,000 over the *Retained Limit* per *Lawsuit*, subject to an aggregate limit of $1,000,000, per program year, all *Covered Parties*. This exception to Exclusion 1 provides limited coverage only for *Lawsuit* Defense Costs. It does not provide any indemnity for or payment of *Damages*, CEQA compliance costs, or opposing party attorney's fees or costs.

In applying the aggregate limits in subsections (iii) and (iv) in the event of multiple *Lawsuits* under those subsections in a single program year, the *Agency* will pay covered *Lawsuit* Defense Costs on a first submitted (i.e., based on the date that the *Agency* receives a bill, invoice or other written request for payment), first paid basis until the aggregate limit is exhausted.

(e) Nothing contained in this exclusion shall operate to provide any coverage with respect to:

i. Any site or location principally used by the *Covered Party*, or by others on the *Covered Party's* behalf, for the handling, storage, disposal, dumping, processing, or treatment of waste material;

ii. Any fines or penalties;

iii. Any clean-up costs ordered by the Superfund Program, or any federal, state, or local governmental authority. However, this specific exclusion (c) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;

iv. Acid rain;

v. Clean-up, removal, containment, treatment, detoxification, or neutralization of *Pollutants* situated on premises the *Covered Party* owns, rents, or occupies at the time of the actual discharge, dispersal, seepage, migration, release, or escape of said *Pollutants*; or

vi. Water pollution caused by oil or its derivatives, except as used as authorized under pesticide labeling.

2. Claims, including attorney's fees or salary or wage loss claims, by any potential, present, or former employee or official of the *Covered Party*, arising out of, but not limited to, a violation of civil rights or employment-related practices, policies, acts, or omissions, including termination, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, retaliation, or discrimination directed at that person. This exclusion extends to claims of the spouse, child, unborn child or fetus, parent, brother, or sister of that person as a consequence of injury to the person at whom any of the employment-related practices, policies, acts, or omissions described above are directed.

3. *Bodily Injury* to:

(a) An employee of the *Covered Party* arising out of and in the course of:

i. Employment by the *Covered Party*; or

ii. Performing duties related to the conduct of the *Covered Party's* business; or

(b) The spouse, child, unborn child or fetus, parent, brother, or sister of the employee as a consequence of paragraph (1) above.

This exclusion applies:

i. Whether the *Covered Party* may be liable as an employer or in any other capacity; and
ii. To any obligation to share *Damages* with or repay someone else who must pay *Damages* because of the injury.

However, this exclusion does not apply to liability assumed under contract.

4. Any obligation under any workers' compensation, unemployment compensation, or disability benefits law or any similar law.

   These exclusions 2 and 4 apply whether the *Covered Party* may be liable as an employer or in any other capacity.

5. Claims because of *Bodily Injury*, *Personal Injury*, or *Property Damage* arising out of ownership, maintenance, management, supervision, or the condition of any airport.

6. Claims arising out of any professional *Medical Malpractice*:

   (a) Committed by a doctor, osteopath, chiropractor, dentist, or veterinarian; or

   (b) Committed by any health care provider, as defined in Business & Professions Code Section 6146(c)(2), working for any hospital or hospital operated out-patient, in-patient, or other clinic at the time of the occurrence giving rise to the loss.

7. Claims arising out of the hazardous properties of *Nuclear Material*.

8. Claims arising out of or in connection with inverse condemnation caused by the construction of a public work or public improvement, land use regulation, land use planning, the principles of eminent domain, or condemnation proceedings by whatever name called, resulting from the initiative process, judicial, administrative, or legislative order, or deliberate decision-making conduct of the *Covered Party*, and whether or not liability accrues directly against any *Covered Party* by virtue of any agreement entered into by or on behalf of any *Covered Party*. This exclusion does not apply to inverse condemnation claims for *Property Damage* arising from accidental failure of a *Covered Party's* property or equipment.

9. *Property Damage* to:

   (a) Property owned by the *Covered Party*;

   (b) Property rented to or leased by the *Covered Party* where it has assumed liability for damage to or destruction of such property, unless the *Covered Party* would have been liable in the absence of such assumption of liability; and

   (c) *Aircraft* or watercraft in the *Covered Party's* care, custody, or control.

10. Claims arising out of the ownership, operation, use, maintenance, or entrustment to others of: (a) any *Aircraft* or (b) any watercraft exceeding 50 feet in length. Ownership, operation, use, or maintenance as used herein does not include static displays of aircraft or watercraft in a park or museum setting.

11. Claims arising out of a failure to perform or breach of a contractual obligation.

12. Claims arising out of liability assumed under any contract or agreement, except liability that would be imposed by law in the absence of the contract or agreement, or when such assumption is the subject of a duly issued Certificate of Additional *Covered Party*; but such assumption is covered only up to the *Limit of Coverage* stated in the certificate. This exclusion does not apply to liability assumed in a contract or agreement that is a *Covered Indemnity Contract,* provided the *Bodily Injury* or *Property Damage* occurs subsequent to the execution of the contract or agreement.

13. Fines, assessments, penalties, restitution, disgorgement, exemplary or punitive *Damages*. This exclusion applies whether the fine, assessment, penalty, restitution, disgorgement, exemplary or punitive damage is awarded by a court or by an administrative or regulatory agency. Restitution and disgorgement as used herein refer to the order of a court or administrative agency for the return of a specific item of property or a specific sum of money, because such item of property or sum of money was not lawfully or rightfully acquired by the *Covered Party*.

14. *Ultimate Net Loss* arising out of relief, or redress, in any form other than money *Damages*.

15. Claims arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of or exposure to radon, asbestos, asbestos products, asbestos fibers, asbestos dust, or other asbestos containing materials, or:

    (a) any obligation of the *Covered Party* to indemnify any party because of such claims, or

    (b) any obligation to defend any suit or claims against the *Covered Party* because of such claims.

16. Claims for injury or *Damages* caused by intentional conduct done by the *Covered Party* with willful and conscious disregard of the rights or safety of others, or with malice. However, where the *Covered Party* did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its past or present employee, elected or appointed official, or volunteer, and the claim against the *Covered Party* is based solely on its vicarious liability arising from its relationship with such employee, official, or volunteer, this exclusion does not apply to said *Covered Party*.

17. Claims by any *Covered Party* against its own past or present elected or appointed officials, employees, volunteers, or additional covered parties where such claim seeks *Damages* payable to the *Covered Party*.

18. Claims arising out of oral or written publication of material, if done by or at the direction of the *Covered Party* with knowledge of its falsity.

19. Claims arising out of liability imposed on any *Covered Party* under any uninsured/underinsured motorist law or *Automobile* no-fault law.

20. The cost of providing reasonable accommodation pursuant to the Americans with Disabilities Act, Fair Employment and Housing Act, or similar law.

21. Refund or restitution of taxes, fees, or assessments.

22. Claims for refund, reimbursement, or repayment of any monies to which a *Covered Party* was not legally entitled.

23. Claims arising in whole or in part out of the violation of a statute, ordinance, order, or decree of any court or other judicial or administrative body, or rule of law, committed by or with the knowledge or consent of the *Covered Party* (except as otherwise provided by the exceptions in section VI(1)(d)).

24. Claims arising out of estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.

25. Under *Public Officials Errors and Omissions Coverage*:

    (a) *Bodily Injury*, *Non-Employment Sexual Abuse*, *Personal Injury*, or physical injury to tangible property, including all resulting loss of use of that property.

    (b) Benefits payable under any employee benefit plan.

26. Claims arising out of the ownership, operation, use, maintenance, or entrustment to others of an *Unmanned Aircraft System*. However, this exclusion shall not apply if all of the following conditions are met with respect to any use or operation of an *Unmanned Aircraft System* which gives rise to a claim:

    (a) The *Unmanned Aircraft System* is operated in compliance with applicable federal, state, and local laws, rules and regulations, including but not limited to Federal Aviation Administration (FAA) rules and regulations.

    (b) The operation of the Unmanned Aircraft System is in the course of legitimate activity which was approved by a member employee or official, which employee or official was acting in a management or supervisorial role when approving the operation of the *Unmanned Aircraft System*.

(c) The Governing Body of the member before use has approved use of *Unmanned Aircraft Systems*.

The exclusions in this section VI do not apply to *Wrongful Employment Practices* coverage as described in sections I and II and the Employment Risk Management Authority Memorandum of Coverage. Rather, the applicable coverage exclusions are those set forth in the Employment Risk Management Authority Memorandum of Coverage.

SECTION VII - CONDITIONS

1. *Covered Party's* Duties in the Event of *Occurrence*, Claim, or Suit

(a) The *Covered Party* shall notify the *Agency* within 30 days upon receipt of notice of a claim, or the establishing of a reserve on any claim or suit (including multiple claims or suits arising out of one *Occurrence)*, such claim or reserve amounting to fifty percent or more of the *Retained Limit*; Title 42 U.S.C. 1983 cases in which a complaint has been served or with reserves of twenty-five percent or more of the *Retained Limit*; or regardless of reserve, any *Occurrence* involving:

i. One or more fatalities,
ii. Loss of a limb or amputations,
iii. Loss of use of any sensory organ,
iv. Spinal cord injuries (quadriplegia or paraplegia),
v. Third degree burns involving ten percent or more of the body,
vi. Serious facial disfigurement,
vii. Paralysis,
viii. Closed head injuries,
ix. Serious loss of use of any body function,
x. Long-term hospitalization, or
xi. *Non-Employment Sexual Abuse* conduct.

Written notice containing particulars sufficient to identify the *Covered Party* and also reasonably obtainable information with respect to the time, place, and circumstances thereof, and the names and addresses of the *Covered Party* and of available witnesses, shall be given to the *Agency* or any of its authorized agents as soon as possible.

(b) If a claim is made or suit is brought against the *Covered Party* and such claim or suit falls within the descriptions in paragraph (a) above, the *Covered Party* shall be obligated to forward to the *Agency* every demand, notice, summons, or other process received by it or its representative.

(c) The *Covered Party* shall cooperate with the *Agency* and upon its request assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the *Covered Party* because of *Bodily Injury*, *Personal Injury*, *Property Damage*, or *Public Officials Errors and Omissions* with respect to which coverage is afforded under this Memorandum; and the *Covered Party* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

(d) The *Agency* shall be entitled to complete access of the *Covered Party's* claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The *Covered Party* shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the *Agency*, and to provide the *Agency* with simultaneous copies of all correspondence provided to the *Covered Party* by its defense attorneys and/or agents.

2. Bankruptcy or Insolvency

Bankruptcy or insolvency of the *Covered Party* shall not relieve the *Agency* of any of its obligations hereunder.

3. Other Coverage

If insurance or any other coverage with any insurer, joint powers authority or other source respectively is available to the *Covered Party* covering a loss also covered hereunder (whether on primary, excess, or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage.

This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a *Covered Party* herein as an additional *Covered Party* or additional insured party, where coverage is extended to a loss also covered hereunder.

4. Severability of Interests

The term *Covered Party* is used severally and not collectively, but the inclusion herein of more than one *Covered Party* shall not operate to increase the limits of the *Agency's* liability or the *Retained Limit* applicable per *Occurrence*.

5. Accumulation of Limits

A claim which contains allegations extending to a duration of more than one *Coverage Period* shall be treated as a single *Occurrence* arising during the first *Coverage Period* when the *Occurrence* begins.

6. Termination

This Memorandum may be terminated at any time in accordance with the Bylaws of the *Agency*.

7. <u>Changes</u>

Notice to any agent or knowledge possessed by any agent of the *Agency* or by any other person shall not effect a waiver or a change in any part of this Memorandum of Coverage, nor shall the terms of this Memorandum of Coverage be waived or changed, except by endorsement issued to form a part of this Memorandum of Coverage.

8. <u>Subrogation</u>

The *Agency* shall be subrogated to the extent of any payment hereunder to all the *Covered Parties'* rights of recovery thereof and the *Covered Parties* shall do nothing after loss to prejudice such right and shall do everything necessary to secure such right. Any amounts so recovered shall be apportioned as follows:

(a) The highest layer of coverage shall be reimbursed first, and if there are sufficient recoveries, then the next highest layer shall be reimbursed until all recoveries are used up.

(b) The expenses of all such recovery proceedings shall be paid before any reimbursements are made. If there is no recovery in the proceedings conducted by the *Agency*, it shall bear the expenses thereof.

9. <u>Arbitration</u>

Any dispute concerning a decision of the *Agency* as to negotiations, defense, settlement or appeal, or to deny coverage for all or part of a claim, shall not be subject to any court action, but shall instead be submitted to binding arbitration. The *Covered Party* must exhaust the right to appeal to the Board of Directors before requesting arbitration of a dispute. Any dispute concerning a decision of the *Agency* must be presented to *Agency* within sixty (60) days of written notice to the *Covered Party* that coverage for all or part of claim is denied.

Arbitration shall be conducted pursuant to the California Code of Civil Procedure by a single arbitrator who is a lawyer experienced in contract interpretation or a retired federal or California state judge. The arbitrator shall not be employed or affiliated with the *Agency* or the *Covered Party* or parties.

A request for arbitration shall be submitted within sixty (60) days of service of the decision of the Board of Directors of the *Agency* concerning an appeal taken by the *Covered Party* to the Board of Directors. The selection of the arbitrator shall take place within twenty (20) calendar days from the receipt of the request for arbitration. The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrator.

Each party shall pay one-half of the cost of the selected arbitrator. In addition, each party shall be responsible for its own costs and expenses of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the "parties" and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

The procedures set forth in California Code of Civil Procedure Section 1293.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph 9.

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with Section 1280).

The decision of the arbitrator shall be final and binding and shall not be subject to appeal.

VECTOR CONTROL JOINT POWERS AGENCY
MEMORANDUM OF COVERAGE

POOLED LIABILITY PROGRAM
ENDORSEMENT NO. 1

It is understood that the Named Covered Party of the Declarations is completed as follows:

Vector Control Joint Powers Agency,

Member	Retained Limit
Alameda County Mosquito Abatement District	$ 10,000
Burney Basin Mosquito Abatement District	$ 1,000
Butte County Mosquito and Vector Control District	$ 10,000
Coachella Valley Mosquito and Vector Control District	$ 25,000
Coalinga-Huron Mosquito Abatement District	$ 1,000
Colusa Mosquito Abatement District	$ 1,000
Compton Creek Mosquito Abatement District	$ 2,500
Consolidated Mosquito Abatement District	$ 10,000
Contra Costa Mosquito and Vector Control District	$ 50,000
Delta Mosquito and Vector Control District	$ 5,000
Durham Mosquito Abatement District	$ 1,000
Fresno Mosquito and Vector Control District	$ 5,000
Glenn County Mosquito and Vector Control District	$ 1,000
Greater Los Angeles County Vector Control District	$ 75,000
Kings Mosquito Abatement District	$ 5,000
Lake County Vector Control District	$ 2,500
Los Angeles County West Vector Control District	$ 25,000
Marin-Sonoma Mosquito and Vector Control District	$ 50,000
Monterey County Mosquito Abatement District	$ 5,000
Mosquito and Vector Management District of Santa Barbara County	$ 2,500
Napa County Mosquito Abatement District	$ 5,000
Northwest Mosquito and Vector Control District	$ 5,000
Orange County Mosquito and Vector Control District	$ 25,000
Pine Grove Mosquito Abatement District	$ 1,000
Placer Mosquito and Vector Control District	$ 1,000
Sacramento-Yolo Mosquito and Vector Control District	$ 50,000
San Gabriel Valley Mosquito and Vector Control District	$ 10,000
San Joaquin County Mosquito and Vector Control District	$ 50,000
San Mateo County Mosquito and Vector Control District	$ 10,000
Shasta Mosquito and Vector Control District	$ 2,500
Sutter-Yuba Mosquito and Vector Control District	$ 10,000
Tehama County Mosquito and Vector Control District	$ 1,000
Turlock Mosquito Abatement District	$ 10,000
West Valley Mosquito and Vector Control District	$ 10,000

Attached to and Forming Part of Policy No. VCJPA 2026-1GL

Effective Date: July 1, 2026

Authorized Representative