

BYLAWS

WASHINGTON CITIES INSURANCE AUTHORITY



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March 8, 1991

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FOOTNOTE: Dates and Resolution numbers shown in parentheses after a particular paragraph depict when the section/paragraph was amended. Paragraphs and section with no dates or resolutions following indicate original language.

BYLAWS

For the regulation of the Washington Cities Insurance Authority (Authority), except as otherwise provided by statute or the Agreement creating the Authority (Interlocal).

ARTICLE I. OFFICES**SECTION 1. PRINCIPAL EXECUTIVE OFFICE.**

(Amended 5/11/94 by Resolution 129-94 effective 5/11/94.)

The principal executive office for the transaction of the business of the Authority is hereby fixed and located at 320 Andover Park East, Suite 120, Tukwila, WA 98188. The Board of Directors of the Authority (Board) shall have the authority to change the location of the principal executive office from time to time. Any such change shall be noted on the Authority Bylaws (Bylaws) or this section may be amended to state the new location.

SECTION 2. OTHER OFFICES.

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

ARTICLE II. BOARD OF DIRECTORS**SECTION 1. COMPOSITION AND SELECTION.**

The Board shall be composed of one representative from each member of the Authority, who shall be an officer or employee of that member and shall be appointed by the city council, or commission or appointing official of that entity, as provided for in the Interlocal. Each city council, commission or appointing official shall also appoint at least one alternate, who shall be an officer or employee of that entity. The alternate may attend meetings and vote in the absence of the regular representative. "Absence", as the term is used in this section, includes "vacancy" as defined in Section 2 of this Article II.

If a member in the Authority is terminated for whatever reason and by whatever method, that entity shall no longer have a representative on the Board, or any Committee created by the Authority.

(Amended 10/10/85 by Resolution 50-85 effective 10/10/85.)

("Cities" was deleted throughout where applicable on 1/13/95 by Resolution 132-95 effective 1/13/95.)

SECTION 2. VACANCIES.

A vacancy or vacancies in the Board shall be deemed to exist in case of death, resignation, expiration of term, removal by the entity that made the appointment, or when the representative ceases to be an employee or official of the appointing entity. Vacancies in the positions of representative or alternate shall be filled in the manner provided for regular appointment of such persons in the Interlocal and the Bylaws.

SECTION 3. ANNUAL MEETING.

- (a) Time Held and Business to be Transacted – The annual meeting of the Board shall be held in January of each year at a date and time to be designated by the Board. At such meeting the President and Vice President of the Authority shall be elected, reports of the affairs of the Authority shall be considered, and any other business may be transacted which is within the powers of the Board.

(b) Notice – Written notice of each annual meeting shall be given to each member of the Authority by mail or other means of written communication, in the manner provided by the Revised Code of the State of Washington, Section 42.30, known as the Open Meetings Act. Such notice shall specify:

- (1) The place, the date, and the hour of such meeting;
- (2) Those matters which are intended to be presented for action by the Board;
- (3) Such other matters, if any, as may be expressly required by statute or by the Interlocal.

SECTION 4. REGULAR MEETINGS.

(a) Time Held and Business to be Transacted – The Board, unless delegated to the Executive Director of the Authority (Executive Director), shall establish the dates for the regular meetings. The annual meeting to be held in January shall serve as the first regular meeting.

(Amended 10/10/85 by Resolution 50-85 effective 10/10/85.)

(b) Notice – Written notice of each regular meeting shall be given to each member of the Authority by mail or other means of written communications, in the manner provided by the Revised Code of the State of Washington, Section 42.30, known as the Open Meetings Act. Such notice shall specify:

- (1) The place, the date, and the hour of such meeting;
- (2) Those matters which are intended to be presented for action by the Board;
- (3) Such other matters, if any, as may be expressly required by statute or by the Interlocal.

SECTION 5. SPECIAL MEETINGS.

Special meetings of the Board, for the purpose of taking any action permitted by statute and the Interlocal, may be called at any time by the President or by not less than seven (7) members. Upon request in writing that a special meeting of the Board be called for any proper purpose, directed to the President or Vice President by any person or persons entitled to call a special meeting of the Board, the officer receiving such request forthwith shall cause notice to be given to the members that a meeting will be held at a time requested by the person or persons calling the meeting, not less than twenty four (24) hours nor more than sixty (60) days after receipt of the request. Notice of any special meeting shall be given in compliance with the Open Meetings Act. Such notice shall specify the place, date, and hour of such meeting, and, if applicable, the names of nominees for officers intended at the time of the notice to be presented for election and the nature of the business to be transacted. No business other than that specified in the notice of a special meeting may be transacted at that meeting.

SECTION 6. PLACE OF MEETING.

All annual or other meetings of the Board shall be held at a place designated by the Board or approved by the written consent, given either before or after the meeting and filed with the President, of all members not present thereat.

SECTION 7. QUORUM.

At any meeting, the presence in person by the representative or alternate of a majority of the members shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal

from the meeting of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by a number of members at least equal to a majority of the members required to constitute a quorum.

SECTION 8. ADJOURNED MEETINGS.

- (a) Adjournment – Any Board meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members present, but in the absence of a quorum no other business may be transacted at such meeting, except as provided in Section 7 of this Article II.
- (b) Notice – When any Board meeting, either annual or special, is adjourned for forty-five (45) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as specifically provided herein, or by the Open Meetings Act, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken.

SECTION 9. VOTING.

Unless a record date for voting purposes be fixed by the Board, members which are members on the day of the meeting of the Board shall be entitled to vote at such meeting. Such vote may be viva voce or by ballot provided; however, that all elections for officers must be by ballot upon demand made by a member at any election and before the voting begins. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting shall be the act of the Board, unless the vote of a greater number is required by the Interlocal or by statute. Every member shall have one vote.

SECTION 10. RULE OF PROCEDURE FOR MEETINGS.

All meetings of the Board shall be conducted in accordance with Robert's Rules of Order, except where such are in conflict the Open Meetings Act, the Interlocal, or the Bylaws, whereupon the latter three shall govern over said Rules of Order.

SECTION 11. INSPECTORS OF ELECTION.

- (a) Appointment – In advance of any meeting of the Board, the Board may appoint any persons, other than nominee for office, as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of the election be not so appointed, the President or Vice President in the President's absence may, and on the request of any members' representative or alternate, shall make such appointment at the meeting. The number of inspectors shall be either one (1) or three (3), at least one of whom shall be a member of the Board. In case any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may, and on the request of any member, shall be filled by appointment by the Board in advance of the meeting, or at the meeting by the President or the Vice President in the President's absence.
- (b) Duties – The duties of such inspectors shall include: determining the current number of members, the members represented at the meeting, and the existence of a quorum; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all members.

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

ARTICLE III. OFFICERS AND EMPLOYEES

SECTION 1. OFFICERS.

The officers of the Authority shall be a President, a Vice President, a Treasurer, and a Secretary. The Board may, in addition, provide for other officers as it deems necessary for the performance of the business of the Authority.

SECTION 2. ELECTION AND TERM OF OFFICE.

The President and Vice President of the Authority shall be elected by the Board at its annual meeting, and each shall hold office for a term of one year or until he or she resigns or is removed or otherwise disqualified to serve, and until his or her successor is elected. The elected President and Vice President shall hold office each for a maximum of two consecutive one year terms. Nominations for the offices of President and Vice-President are opened and closed at the last full Board Meeting of the year, and nominations for Executive Committee positions are also opened at that said full Board Meeting, but not closed until after the January Annual Meeting, to allow those not elected to an office the opportunity to also run for an Executive Committee position.

(Section 2. amended 5/15/87 by Resolution 74-87 effective 5/15/87)
(Amended 11/9/90 by Resolution 114-90 effective 11/9/90)

SECTION 3. OTHER OFFICERS AND EMPLOYEES.

The Board shall appoint, or may empower the President to appoint, all officers other than the President and Vice President. Except as may otherwise be provided in the Interlocal or the Bylaws, such officers shall hold office for a term of one year. The Board shall also appoint an Executive Director and Authority Legal Counsel who shall serve at the pleasure of the Board for such term as the Board may provide by agreement. All officers and employees shall have such authority and perform such duties as are provided in the Interlocal, or the Bylaws, or as the Board may from time to time determine. The Board may provide for the payment of compensation to officers or employees for their services to the Authority.

SECTION 4. VACANCIES.

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

SECTION 5. REMOVAL, RESIGNATION AND RESIGNATION.

- (a) Removal – The President or Vice President may be removed, without cause, by the Board at any regular or special meeting thereof. An officer chosen by the Board may be removed, without cause, by the Board, or by an officer upon whom such power of removal may be conferred by the Board (subject, in each case, to the rights, if any, of an officer under any contract of employment).
- (b) Resignation – Any officer may resign at any time by giving written notice to the Board or to the President, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or

at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

- (c) Succession to the Office of President. In the event that the elected President dies, resigns or is unable to continue to serve, the elected Vice-President shall assume the office of President until the next scheduled Full Board Meeting. In the event that the serving President dies, resigns or is unable to serve and at the time the Office of Vice-President is vacant, the most senior in service to the Executive Committee of the then serving Executive Committee members shall become the President and shall serve until the next full Board meeting when an election for the Office of President shall occur. In this event, if there are two Executive Committee members with equal seniority the one oldest in age shall become the President.

(New sub-section (c) added by Executive Committee approval 10/10/2008, Full Board ratified 10/21/11)

SECTION 6. PRESIDENT.

The President shall be the Chairman of the Board, shall preside at all meetings of the Board and have such other powers and duties as may be prescribed by the Board in conformance with the Interlocal and the Bylaws.

SECTION 7. VICE PRESIDENT.

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

SECTION 8. EXECUTIVE DIRECTOR.

The Executive Director is the Chief Operating Officer of WCIA as provided for in ARTICLE 11(b) the Interlocal Agreement creating WCIA and shall have the duty of administering the Joint Protection Program of the Authority, and shall have such other and related duties as may be prescribed by the Board or the Bylaws. The Executive Director has final authority to hire and fire all other employees of WCIA (except for the General Counsel) for positions approved in the operating budget and has exclusive authority and responsibility to supervise, direct and train all other employees of WCIA. The Executive Director is responsible for carrying out the mission and purpose of WCIA as defined in the Interlocal Agreement, Bylaws and Resolutions and/or approved motions of the Full Board of Directors and/or Executive Committee and is responsible to oversee that the financial operations of WCIA are properly carried out in conformance with the laws governing WCIA operations. The Executive Director may only be hired or removed by approval of a vote of the majority of the Full Board of Directors.

(Section 8. amended 7/8/82 by Resolution 21-82 effective 7/8/82)

("Executive Director" was amended throughout where applicable on 10/10/85 by Resolution 50-85)

("Executive Director" was amended throughout where applicable on 7/8/05; Full Board ratified 10/20/06.)

SECTION 9. TREASURER.

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

SECTION 10. SECRETARY

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

The Secretary shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated representatives and alternate of each member.

The Secretary shall give, or cause to be given, notice of all the meetings of the Board required by the Bylaws or by law to be given.

The Secretary shall keep, or cause to be kept, at the principal executive office of the Authority, the official Authority documents and records, and shall distribute or cause to be distributed, to the appropriate members, copies of the same, and shall have such other and related duties as may be prescribed by the Board, Interlocal, or by the Bylaws.

(New Section 10. Secretary added 7/8/82 by Resolution 21-82 effective 7/8/82.)

SECTION 11: GENERAL COUNSEL

The General Counsel is the Chief Legal Officer and Attorney for WCIA as provided in ARTICLE 11(d) of the Interlocal Agreement creating WCIA and is the primary legal advisor to the Full Board of Directors, Executive Committee, President and Executive Director of WCIA. The General Counsel must be an attorney admitted to practice in the State of Washington, in good standing, and may be either an independent contractor to WCIA or an employee of WCIA. The General Counsel has primary responsibility to oversee and/or represent WCIA in any legal actions directly involving WCIA as a party. The General Counsel is to provide legal counsel and advice as he/she deems required to the Board or Directors, Executive Committee, President and Executive Director of WCIA on any and all matters of legal concern regarding the operations of WCIA or on such other related legal matters or tasks as any of them may request. The General Counsel may only be appointed/hired or removed by approval of a vote of the majority of the Full Board of Directors

(New Section 11. General Counsel, added 7/8/05)

SECTION 12. EXECUTIVE COMMITTEE.

(a) Establishment of the Executive Committee:

- (1) An Executive Committee of the Authority shall exist consisting of nine members including the President and Vice President by virtue of their office and seven other members nominated by-the Board and elected by the Board at its annual meeting in January. The elected Executive Committee member(s) shall each serve a three (3) year term of office and shall be limited to serving no more than two (2) consecutive elected terms in office, exclusive of any service as President, Vice President, or ex-officio member. Anyone appointed to complete a term on the Executive Committee created by a vacancy as authorized under Section 11(a) (5) of these Bylaws shall be eligible to serve two consecutive elected terms as an Executive Committee member thereafter, exclusive of any service as President or Vice President;
- (2) The Treasurer shall be an ex-officio member of the Executive Committee and shall attend all meetings. All official committee chairpersons shall be ex-officio members and shall be invited to attend all meetings;

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- (3) Candidates for Executive Committee shall be chosen for their personal knowledge and expertise and may be either a delegate or an alternate for the members. However, no member entity may have more than one representative (delegate or alternate) serving as a member and/or officer of the Executive Committee at any one time. Executive Committee members may not be substituted by alternates or proxy;
 - (4) The President shall serve as Chairman of the Executive Committee and in his/her absence, the Vice-President shall preside. In the event neither the President or the Vice President are able to attend, the Executive Committee shall elect a chairman pro tem as appropriate;
 - (5) Vacancies in membership to the Executive Committee, other than the President or Vice President, shall be filled by appointment made by the President and ratified by the Board at their next regular meeting. Any appointee appointed by the President and ratified by the full Board shall serve until the vacated term is completed; and
 - (6) The Executive Committee shall meet on a monthly basis (before any regular full Board meetings if coinciding on the same date) unless such meetings are cancelled by the President or Vice President acting as presiding officer.
 - (7) The full Board shall meet on a quarterly basis unless a special meeting shall be called by the President, Vice President, acting as the presiding officer, or a majority of the acting Board.
- (b) Powers of the Executive Committee – The Executive Committee shall have the following powers and duties to act on behalf of the full Board:
- (1) Power to approve new members admission to the Authority;
 - (2) Power to excuse a member from Executive Committee session due to conflict of interest of that member;
 - (3) Power to determine issues concerning the coverage or protection afforded to a member by the Authority, including hearing any appeals by a member to a letter of denial of coverage executed by the Executive Committee. Any decision of the Executive Board determining coverage or protection afforded a member may be appealed to the full Board by any member ;
 - (4) Power to select and approve the purchase of necessary insurance for the Authority and its members, including excess insurance, limits of liability, policy language and scope of coverage, when necessary, and when the Executive Committee determines, in its own discretion, that such action cannot await determination at the next full Board meeting;
 - (5) Power to authorize commencement of lawsuits in the name of the Authority;
 - (6) Power to authorize settlement of any claim or lawsuit made against the Authority or any member on a covered claim;
 - (7) Executive Committee Members who have three or more unexcused absences from scheduled meetings of the Executive Committee, in a row or within a twelve (12) month period of time, may be removed from office as an Executive Committee member by a majority vote of the Executive Committee. A members' attendance at a meeting of the Executive Committee may be excused at the discretion of the Committee by vote due to illness, unavoidable conflicts in schedule, family commitments or any other reason deemed justified by a majority of the Committee at a meeting. Any excused absence of a member shall be announced on the record at the meeting where the members' attendance has been excused.
 - (8) The power to terminate any and all insurance coverage afforded by the Authority, including but not limited to, any coverages under the Joint Protection Program and any policy of excess insurance, to any member whenever the Executive Board determines that the circumstances set forth in Article 21 of the Interlocal warrants such cancellation or whenever it appears to the Executive Committee that a member has failed to pay any premium or assessment within fifteen (15) days after the date upon which such premium or assessment was due to be paid to the Authority;

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- (9) Power to take any action on behalf of the full Board, at any scheduled full Board Meeting, whenever a quorum of the full Board shall not be present;
 - (10) Power to conduct any other authorized general business of the Authority as is necessary for its operation unless such power has been specifically preempted by the Bylaws, Interlocal or previous Resolutions of the Board. It is the intent of this Section that the Executive Committee shall not interfere or usurp the authority of the Executive Director which lies within the scope of the Executive Director's job description and Employment Agreement;
 - (11) Power to appoint an acting Executive Director and/or General Counsel. In the event of the death, disability, disappearance, termination, or resignation of the Executive Director or General Counsel in the event of the Executive Committee being presented with substantial credible allegations of serious misconduct by either, the Executive Committee may suspend the Executive Director and/or General Counsel with pay and/or appoint an acting Executive Director and/or General Counsel, who shall serve in that capacity for as long as the Executive Committee deems necessary, but, no longer than the date of the next Full Board meeting. At the next Full Board meeting following a suspension of either or appointment of an acting Executive Director and/or General Counsel by the Executive Committee, the Full Board shall be fully informed of the action taken by the Executive Committee and shall determine what appropriate further action shall be taken to either permanently replace the Executive Director and/or General Counsel or to reinstate either of them by ending the prior suspension of the Executive Committee;
 - (12) Authority to determine the amount of any initial charge of any proposed new member to the Authority and authority to establish or modify the member assessments or premiums to be paid to the Authority;
 - (13) Authority to approve the monthly register of expenditures upon recommendation by the Executive Director;
 - (14) Authority to authorize any officer or officers, agent or agents of the Authority to enter into contracts on behalf of the Authority; and the
 - (15) Authority to hear and determine grievances of any employee of the Authority according to the procedures and within the scope defined in Article IX of these Bylaws
 - (16) Power and authority for any reason and at any time within a current coverage year, or any future year, as deemed appropriate by the Committee, to modify the terms and conditions of membership and WCIA coverage for any Member or readmitted Member as follows:
 - a. Institute a per loss deductible or annual aggregate limits of coverage, elimination of an entire line of coverage or specific coverage language, term or condition to effect reduction(s) of individual member coverage, and/or
 - b. Restrict a current member's coverage renewal options applied towards a new coverage year based upon changes to a member's liability exposures, risk profile or management, and/or
 - c. Restrict or deny past members re-admission to WCIA membership due to the former Members past usage of any form of self insurance or insurance industry competition as a basis or reason for the previous withdrawal as a Member. The restriction for readmission may include, but not be limited to, requiring as a condition of readmission that the readmitted Members waive its right to withdraw from WCIA Membership for a period of up to five (5) years after readmission and/or be required to pay a surcharged assessment of up to 15% during such period.
 - (17) Authority to approve amendments to the annual budget of WCIA, as adopted by the Full Board, due to unforeseen events and/or emergencies and to increase the total annual budget in amounts up to and including one million dollars (\$1,000,000) without requirement of Full Board approval or ratification. Executive Committee budget amendments that would individually or cumulatively increase the total expenditures in the approved annual budget for any given fiscal year beyond the limit of one million dollars (\$1,000,000) requires Full Board approval or ratification. If the Executive Committee declares there to be an emergency, it may pass budget amendments cumulatively

exceeding one million dollars in any given fiscal year and may obtain emergency ratification for such amendments from the Full Board by a majority of the members of the Full Board signifying their consent via electronic media messaging sent to the President who shall report and record the results of said electronic messages publicly at the next scheduled meeting of the Executive Committee.

- (18) The Executive Committee may for any reason, upon request of the President or Executive Director, suspend a currently serving Secretary or Treasurer to the Board and may appoint an interim Secretary or Treasurer to serve until the next regularly scheduled Full Board meeting at which time the Full Board may reinstate or terminate and replace the Secretary or Treasurer.
- (19) The Executive Committee may elect an interim Secretary or Treasurer to the Board in the event of resignation, termination, death, illness or inability that prevents the currently serving person from performing the duties of the office held. Any interim appointee shall serve until the next regularly scheduled Full Board meeting at which time the Full Board may elect a permanent replacement for the office.

(Section 11. (b) amended 03/10/95 by Resolution 132-95 effective 03/10/95)

(Section 12. (b) (10) amended 7/8/05; Full Board ratified 10/20/06)

(Section 12. (b) (15) amended 3/12/2010 by Resolution 216-10 effective 3/12/2010)

(Section 12. (b) (7) new subsection approved by Resolution 220-11; Full Board ratified 10/21/2011)

(Section 12. (b) (17) new subsection approved by Resolution 223-11; Full Board ratified 2/3/2012)

(Section 12. (b) (18) & (19) new subsections approved by Resolution 246-18; Full Board ratified 10/19/2018)

(Section 12. (a) (3) amendment approved by Resolution 253-19; Full Board ratified 1/18/2019)

- (c) Powers Reserved to the Full Board – The Board shall continue to reserve and exercise the following authority and powers:
 - (1) Authority to establish other business offices where the Authority is qualified to do business;
 - (2) Authority to determine where the Book of Minutes of actions taken at all meetings of the Board is to be kept if other than the principal executive office;
 - (3) Authority to establish the time, date and place of the Annual Meeting in January of each year;
 - (4) Authority to elect the President, Vice President, Executive Committee and appoint or empower the President to appoint all other officers and committees, except the Executive Committee;
 - (5) Authority to prescribe duties and powers of the President, Vice President, Executive Director, Treasurer and the Executive Committee;
 - (6) Authority to remove the President and Vice President without cause and may remove any other officer or Committee member chosen by the Board without cause;
 - (7) Authority to review, modify or override actions of the Executive Committee upon a majority vote of the full Board;
 - (8) Authority to appoint an Executive Director and the Authority Legal Counsel to the Board on such terms and conditions as the Board may provide by agreement;
 - (9) Authority to review, modify if necessary, and approve the annual operating budget of the Authority as recommended by a committee appointed by the President;
 - (10) Authority to adopt, amend, or repeal the Bylaws by a majority vote of the full Board;
 - (11) Authority to adopt, amend, or revise the rules, regulations, and coverages of the Joint Protection Program;
 - (12) Authority to terminate any member 's membership in the Authority; and
 - (13) The authority to terminate, when appropriate, the services of the Executive Director and/or the Legal Counsel to the Board upon majority vote of the Board.

(Section 11. created and approved 5/12/88 by Resolution 90-88 effective 5/12/88.)
(Section 11. renumbered to Section 12. on 7/8/05)

SECTION 13. OTHER COMMITTEES.

Other standing committees consisting of volunteers from the membership, may be established, and/or assumed, by the Executive Committee. Members of the committees shall be appointed by the President and report to the Executive Committee. At least one member from the Executive Committee shall serve on each committee as a liaison person.

Standing committees may address specific areas of pool operation such as budget, long-range planning, investment and risk management/loss control, claims and legislation.

Committee activity, as assigned by the Executive Committee, may include:

Budget Committee: Reviews revenue and expenditure budget elements, actuarial confidence level, loss projections and funding, assessment formula elements and member assessment recommendations; recommends administrative and operations budgets to Executive Committee.

Investment Committee: Develops policy and annually reviews investment goals, strategies, portfolio development and apportionment by vendor; reviews third party investment firm's performance and transactions; recommends vendor contract renewal and policy changes to Executive Committee.

Audit Committee: Performs an in-house financial audit oversight function by annually reviewing elements of the Comprehensive Risk Financing Plan, State Accountability Audit, Assessment formula purpose and effect, investment strategy and effect, and annual financial report accuracy.

Loss Control Committee: Creates and monitors user-friendly generic risk management guidelines for specific and evolving municipal activities; develops as Loss Control Guideline binders for web-based application.

Long Rang Planning Committee: Employs visioning and strategic planning to areas of membership types and growth, COMPACT multi-year direction, creation of membership procedures such as the Member Action Plan (MAP) and other strategic plans; makes recommendations to the Executive Committee.

Risk Reduction Grant Committee: Reviews and awards risk management grants to Members in amounts not to exceed the total amount budgeted for this purpose in the annual approved operating budget of WCIA and consistent with the written guidelines for risk management grant applications and awards approved by the Executive Committee. The committee shall consist of a chairperson and six representatives from the Board of Directors selected by the President and who serve at the pleasure of the President.

(Section 12 renumbered to Section 13 on 7/8/05)

(Section 13 language change, 11/9/06 Executive Committee approval)

(Section 13 Audit Committee created and approved by Resolution 207-07 effective 4/13/07; Full Board ratified 10/21/11)

(Section 13 Risk Reduction Grant Committee, created and approved by Resolution 230-13 effective 1/17/2014)

ARTICLE IV. MISCELLANEOUS

SECTION 1. RULES AND REGULATIONS OF JOINT PROTECTION PROGRAM.

As soon as practicable after development of the details of the Joint Protection Program, the specific rules and regulations for the implementation of the program shall be adopted by the Board, which shall cause

them to be set forth in written form and copy thereof distributed to each member. Such rules and regulations may be included in any procedure manual prepared by the Authority for the members.

SECTION 2. ANNUAL REPORT.

The Board of the Authority shall cause an annual report to be sent to the members not later than 120 days after the close of each fiscal year. Such report shall contain a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year, and shall be accompanied by the annual audit report thereon and such other information as may be required by law.

SECTION 3. DEFENSE OF AGENTS OF THE AUTHORITY.

- (a) For the purposes of this Article, "agent" means any person who is or was an officer, employee or other agent of the Authority.
- (b) The Authority shall provide for the defense of any Authority agents and paying of any valid judgments and claims brought against any such agent of the Authority arising from their actions or conduct in his or her official or individual capacity or both, on account of an act or omission within the scope of his or her agency as an agent of the Authority; provided, however, this section shall not apply to those occurrences covered by an Authority policy of liability insurance.

SECTION 4. INSPECTION OF AUTHORITY RECORDS.

The accounting books and records, the list of member designated representatives, and minutes of proceedings of the Board shall be open to the inspection of any member at any reasonable time. Such inspection by a member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

SECTION 5. CHECKS AND DRAFTS.

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

SECTION 6. REGISTER OF EXPENDITURES.

A register of expenditures shall be submitted to the Board at the next Board meeting, for their review and approval, and shall have attached thereto the affidavit or declaration of the Treasurer and/or Executive Director certifying as to the accuracy of the demands and the availability of budgeted funds for payment thereof.

(Section 6. amended 7/8/82 by Resolution 20-82 effective 7/8/82)

SECTION 7. EXECUTION OF CONTRACTS.

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

SECTION 8. NEW MEMBER.

- (a) A new member, after approval by a vote of the Board, shall become an active participant member of the Authority commencing on the date so approved by the Board, provided that the new member has completed the following:
 - (1) Signing of the Interlocal by an authorized representative of the new member , signifying the new member's contractual commitment to abide fully with all provisions of the Interlocal in conjunction with all previously admitted active members; and
 - (2) Payment of new member fee, as determined by majority vote of the Board, in an amount necessary to cover the new member's share of all organizational expenses, expenses necessary

to analyze their loss data and risk profile and payment of their active membership with the Authority, which payment shall be made within fifteen (15) days of the following month commencing after signature of the Interlocal.

- (b) It shall not be necessary for existing members to re-sign or ratify the Interlocal in order to allow the joining to the Interlocal of new members. Once any member has signed the Interlocal, it shall represent said member's agreement to be bound, in the future, to all terms of the Interlocal, with any new member whose membership has been approved by vote of the Board and who has completed the requirements of membership as previously set forth in this section. Thereafter, the new member shall be considered a party to the Interlocal of the same extent as all original members and for all purposes.

(Section 8. paragraph (b) amended 9/9/84 by Resolution 38-84 effective 9/9/84.)

- (c) New members which sign the Interlocal shall become and remain participants in the Authority for the three (3) full years following, until and unless terminated as provided for in the Interlocal.

(New Section 8. New Member, created and approved 9/23/83, Resolution 29-83 effective 9/23/83.)

(Section 8. paragraph (c) amended 9/9/84 by Resolution 38-84 effective 9/9/84.)

SECTION 9. PREVIOUS MEMBER RE-ENTRY.

Any former member seeking to re-enter the Authority as a member shall be subjected to a waiting period of up to five (5) years maximum from the date of application for re-entry is received by the Authority before such application will be considered and voted upon for approval of membership. This waiting period shall be imposed unless modified by action of the Executive Committee.

Any former member applying for re-entry into the Authority shall be subject to the underwriting standards being used by the Authority at the expiration of any waiting period which may have been imposed and any other criteria which would be applicable to any potential new member seeking membership in the Authority at that time.

(New Section 9. created and approved 5/12/88 by Resolution 86-88, effective 5/12/88.)

SECTION 10. NONPAYMENT OF ASSESSMENT PROCESS.

Member assessments shall be billed and collected according to the following schedule:

Date	Action
Jan 1	Invoices mailed to members.
Jan 30	Assessments due.
Jan 31	Delinquent members notified by mail and included in agenda packet for Executive Committee action at the following Executive Committee monthly meeting.
	Delinquent members invited to attend Executive Committee meeting to appeal action or request loan process.
February Executive Committee Meeting	Executive Committee cancellation of coverage action. Ten-Day Notice of Cancellation sent by certified mail to City Clerk and Board Delegate.

End of Tenth Day Coverage cancelled. Certified Notice sent to City Clerk and Board Delegate, with notice of intent to terminate membership.

April Full Board Meeting Majority vote of Board termination action, effective immediately or up to May 18th, at the Board's discretion.

Notice sent to former member Delegate and City Clerk.

(New Section 10. created and approved 5/12/88 by Resolution 89-88 effective 5/12/88.)

SECTION 11. ASSOCIATE MEMBERSHIP

A pre-membership program shall be established as contemplated by Interlocal, subject to the following provisions:

- (a) The associate membership program is a tool towards full membership;
- (b) Associate member participation must be advantageous to the Authority;
- (c) Associate members must pay their full costs for services;
- (d) Program parameters must stay within the existing Interlocal and not endanger the IRS private letter ruling;
- (e) The Authority retains the right to terminate the associate member if it appears that full membership is not possible or the associate member is a poor risk.

(New Section 11. was created and approved 1/13/95 by Resolution 132-95 effective 1/13/95.)

ARTICLE V. AMENDMENTS

SECTION 1. POWER OF BOARD OF DIRECTORS.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote of a majority of the entire Board, except as otherwise provided by the Interlocal.

ARTICLE VI. ASSESSMENT DETERMINATION AND APPEAL

SECTION 1. ASSESSMENT DETERMINATION.

The Authority pre-funds its financial obligations by annually assessing its members their proportionate share of expected losses, expenses and reserve contributions. The total Authority assessment will be developed by an actuary. Funding is expected to keep pace with loss and expense projections to insure adequacy of reserves. Notices of new assessments shall be made by mid-year for member budget purposes.

- (a) Individual assessments are determined through a rating formula based on each member's own loss experience, multiplied by its reported worker hours for the preceding calendar year.
- (b) Stability of rates has value to a municipality and maximum and minimum rate changes are applied to decrease the effects of a single bad year.
- (c) A final modifier may then be applied by staff to reflect any unusual or significant changes in a member's risk profile.

- (d) Only the accuracy of the data used in an assessment determination (loss experience, number of worker hours or arithmetic error) and the application of the data to the assessment formula is appealable. Neither the actuary's methods of prediction nor the use of worker hours as the multiplier may be challenged, except in the event incorrect data or arithmetic error is claimed to have occurred. A member's choice to change the method of reporting worker's hours to the Department of Labor & Industries after the member has submitted its worker hour report to the Authority for assessment purposes is not a basis for appeal. Affordability of the assessment is not a valid basis for appeal.

(Article VI. Section 1. (d) created and approved 5/13/98, effective 5/13/98.)

SECTION 2. APPEAL PROCESS.

Any written notice of assessment determined through the process described in Section 1 of this Article VI shall be deemed final and uncontested unless the procedure for appeal, provided hereafter, is followed by the member. The following procedure for such appeal shall apply in all cases.

- (a) Any member in disagreement with the data used may appeal for reconsideration to the Executive Director. The appeal must be initiated within thirty (30) days following mailing of the written assessment notice. If an appeal is not initiated with thirty (30) days as provided herein, a member shall be deemed to have waived any further right to appeal the assessment.
- (b) An appeal is deemed initiated for purposes of this article when the member serves a written Notice of Appeal upon the Executive Director. The written Notice of Appeal shall include the following information:
- (1) The name of the member initiating the appeal;
 - (2) A brief statement of facts identifying what portion of the data base is being appealed and the reasons why the appealing party feels the data is incorrect. A copy of the assessment formula may be attached by reference; and
 - (3) The signature of the party initiating the appeal.
- (c) Within forty-five (45) days after an appeal has been initiated, a meeting of an Appeals Committee shall be convened to hear the appeal. The Committee shall be appointed by the President, made up of five members chosen from the Board with two (2) year terms from large/small and east/west members. Notice of the hearing date shall be sent to the appealing party not less than fifteen (15) days prior to the hearing date. The Committee chairperson shall have the authority to set hearing dates and grant continuances where good cause may be shown.
- (d) The hearing by the Appeals Committee may occur when a quorum of the Committee is present. Voting by the Committee and the procedures for the meeting of the Committee on the appeal hearing shall be as provided in Article II, Section 9 and 10 of these Bylaws, except if the member initiating the appeal is a member of the Appeals Committee, then the Committee Member from the appealing member shall abstain from participation in or voting on any aspect of the appeal.
- (e) The hearing of the Appeals Committee on the appeal shall proceed as follows:
- (1) The Committee Chairperson shall administer the hearing and make all necessary procedural rulings during the hearing;
 - (2) The appealing party or his legal representatives, if any, shall proceed first explaining the reasons why the party disagrees with the data used in the assessment determination. The appealing party shall present to the Appeals Committee all evidence, testimony, argument and legal authority

relevant to support his appeal to the Appeals Committee. Thereafter, the Executive Director may present all evidence, testimony, argument and legal authority relevant in opposition to the appealing party's position. The Committee Chairperson shall allow one opportunity for rebuttal and argument to each side thereafter;

- (3) Following the presentation of evidence, testimony, argument and legal authority the Appeals Committee may retire into executive session to discuss their consideration of the appeal. Thereafter, the Appeals Committee shall reconvene in public session to consider and vote on any motion made to determine the appeal. The decision of the Appeals Committee shall be transcribed and signed by the Committee Chairperson and a copy thereof sent to the appealing party within seven (7) days following the final decision of the Appeals Committee; and
 - (4) The Committee Chairperson may adjourn and reconvene any hearing on an appeal as may be necessary to preserve a fair hearing.
- (f) The decision of the Appeals Committee is final, with no further appeal process to either the Executive Committee or the full Board available.

(Article VI Section 1 & 2 created and approved 8/11/88 by Resolution 94-88 effective 8/11/88.)

ARTICLE VII COVERAGE DETERMINATION AND APPEAL

SECTION 1. COVERAGE DETERMINATIONS.

It shall be the duty and responsibility of the Executive Director, acting on behalf of the Authority, to make all initial determinations regarding rights to coverage and protections provided in the Joint Protection Program. Such determinations shall be made according to the procedures set forth in this Article and subject to the right of appeal set forth in Section II of this Article.

- (a) Upon receipt of notice of a Summons and Complaint against a member or person claiming coverage or protection rights under the Joint Protection Program the Executive Director shall, within a reasonable time after receipt of said notice, make a determination of any issue of coverage or right to protection afforded a member or person.
- (b) Upon making a determination of coverage or right to protection under the Joint Protection Program the Executive Director shall notify the affected member and/or person claiming coverage or protection of his determination in writing.
- (c) The written determination of coverage to be prepared by the Executive Director shall advise the affected member and/or person of one or more of the following:
 - (1) Whether the Authority will provide the affected member and/or person legal counsel for defense of the Summons and Complaint;
 - (2) Whether the Authority is reserving any rights to make subsequent determinations regarding coverages or protections to be afforded the affected member and/or person;
 - (3) Whether the Authority is denying rights to coverage or protection to the affected Member and/or person under the Joint Protection Program for the claims made in the Summons and Complaint under review. In the event that coverage for a claim or suit under the Joint Protection Program is denied to a member, the Executive Director shall inform the member in writing of the appeal process contained in Article VI, Section 2 of the Bylaws.
- (d) In the event that the Executive Director determines that the Authority should reserve its rights to make subsequent determinations regarding coverages or protections to be afforded a member and/or person, or; determines that coverages or protections should be denied a member and/or person, then

the written notice of such a determination shall also state in a concise form the reasons for any such reservation of rights or denial of rights to coverages or protections.

- (e) In the event that a final determination of a member or persons rights to coverages or protections under the Joint Protection Program cannot be made by the Executive Director until after the facts of the Complaint are determined in a trial in a court of law or other legal forum, it shall be the duty and responsibility of the Executive Director to make a determination of any undetermined issue of coverage or protection within a reasonable time following the final judgment of the court or other legal forum responsible for determining the facts of the Complaint. Such a determination shall be made in writing to the affected member and/or person and shall contain such necessary information as provided for in Section 1(c) and 1(d) of this Article.
- (f) All written determinations by the Executive Director of issues regarding coverages or protections afforded to a member and/or person sued in a Summons and Complaint shall be deemed final and binding upon all parties to the Joint Protection Program unless an aggrieved member and/or aggrieved person files a timely notice or appeal from the decision to the Board in the manner specified in Section II of this Article.
- (g) The Executive Director shall not be obligated to make any determinations of coverages or protections to be afforded by the Authority to a member and/or person until a Summons and Complaint has been served upon the affected Member and/or person and until the Executive Director has had notice thereof. However, the Executive Director may, in his discretion, issue tentative written determinations of coverage or protection issues before a Summons and Complaint has been filed, when it would appear to be in the best interest of the Authority to make such a tentative and advisory determination. Even if the Executive Director decides to make a tentative determination of a coverage or protection issue he shall remain obligated to provide a subsequent final written determination of coverage or protection issues after a Summons and Complaint has been served and notice thereof provided the Executive Director, as provided in Sections 1(a), (b), (c), (d), (e) and (f) herein.
- (h) The Executive Director may delegate to the Authority's Claims Administrator the authority to make on behalf of the Executive Director reservations regarding rights to coverages and protections provided in the Joint Protection Program.

(New Paragraph (h) created and approved 10/10/85 by Resolution 50-85 effective 10/10/85.)

SECTION 2. APPEAL.

Any written determination made by the Executive Director pursuant Section 1(c) and (d) of this Article denying coverages or protections of the Joint Protection Program to a member and/or affected person shall be final, as provided in Section 1(f) of this Article, unless the procedures for appeal, provided hereafter, are followed by the member and/or person affected by the denial of coverage or protection. The following procedures for such an appeal shall apply in all cases.

- (a) Any member or person aggrieved by the Executive Director's written determination to deny them coverages or protections under the Joint Protection Program may appeal the decision of the Executive Director to the Board. The appeal must be initiated by the aggrieved member or person within thirty (30) days following receipt of the Executive Director's written determination denying coverage or protection by the aggrieved member or person. If an appeal is not initiated within thirty (30) days, as provided herein, a member or person shall be deemed to have waived any further right to appeal the decision of the Executive Director.

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- (b) An appeal is deemed initiated for purposes of this Article when the aggrieved member or person, or their legal representative, serves a written Notice of Appeal upon the Executive Director or upon the President. The written Notice of Appeal shall include the following information:
- (1) The name of the aggrieved member or person initiating the appeal;
 - (2) A brief statement of facts identifying what determination of the Executive Director is being appealed from and the reasons why the party appealing feels the decision of the Executive Director was incorrect. (A copy of the Executive Director's written determination may be attached by reference to the Notice of Appeal); and
 - (3) The signature of the party initiating the appeal or the signature of the appealing party's legal representative.
- (c) Within thirty (30) days after an appeal has been initiated a meeting of the Board shall be convened by the President to hear the appeal. Notice of the date set for hearing of the appeal by the Board shall be sent to the appealing party not later than fifteen (15) days prior to the date set for the hearing. The President shall have the authority to set hearing dates for the appeal and to grant continuance of the hearing date where good cause for continuance may be shown.
- (d) The hearing by the Board may occur when a quorum of the Board, pursuant Article II, Section 7 of these Bylaws, is present. Voting by the Board and the procedures for the meeting of the Board on the appeal hearing shall be as provided in Article II, Section 9 and 10 of these Bylaws, except, if a member is a party initiating an appeal then the Board Member from the appealing member shall abstain from participation or voting on any aspect of the appeal.
- (e) The hearing of the Board on the appeal shall proceed as follows:
- (1) The President shall administer the hearing and make all necessary procedural ruling during the hearing;
 - (2) The appealing party or his legal representatives, if any, shall proceed first explaining the reasons why the party is aggrieved by the decision of the Executive Director. The appealing party shall present to the Board all evidence, testimony, argument and legal authority relevant to support his appeal to the Board. Thereafter, the Executive Director and/or the Authority Legal Counsel may present all evidence, testimony, argument and legal authority relevant in opposition to the appealing party's position. The President shall allow one opportunity for rebuttal evidence and argument to each side thereafter;
 - (3) Following the presentation of evidence, testimony, argument, and legal authority the Board may retire into executive session to discuss their consideration of the appeal. Thereafter, the Board shall reconvene in public session to consider and vote on any motion made to determine the appeal. The Board may vote to uphold the decision of the Executive Director or to modify or reverse the decision of the Executive Director determining any issue of coverage or protection afforded the appealing party under the Joint Protection Program. The decision of the Board shall be reduced to writing and signed by the President and a copy thereof sent to the appealing party within seven (7) days following the final decision of the Board; and
 - (4) The President may adjourn and reconvene any hearing on an appeal as may be necessary to preserve a fair hearing.
- (f) A final decision of the Board determining an appeal and not granting the appealing party the full relief sought by the appealing party shall not preclude the appealing party from seeking further, de novo, review of the Executive Director's determination and/or the Board determination of the disputed issues of coverage or protection claimed under the Joint Protection Program in any other legal forum or court. However, no member or person claiming coverage or protection under the Joint Protection Program may maintain any lawsuit or complaint against the Authority alleging any improper or incorrect denial of coverage or protections afforded to the member or person under the Joint Protection Program unless

the member or person has first exhausted the remedy of appeal to the Board provided to them herein. Exhaustion of this appeal process shall be a condition precedent to any subsequent legal action or suit by an aggrieved member or person.

(Article VII was created and approved 4/8/82 by Resolution 16-82 retroactively effective 1/1/82.)

ARTICLE VIII. CONFLICT OF INTEREST AND APPEARANCE OF FAIRNESS PROCEDURE

SECTION 1. POWER OF THE BOARD OF DIRECTORS.

The members recognize that the Authority is a public body subject to State law regarding conflict of interest provisions and the guidelines of the appearance of fairness doctrine. Should situations arise where conflicts of interest or appearance of fairness issues are in question, the affected members agree to respond to the advice of the Authority Legal Counsel in a manner consistent with said provisions and guidelines. However, if the affected member disagrees with the advice of the Authority Legal Counsel, the Board may vote by majority to excuse a member representative from a portion of any executive session where a matter of potential legal conflict between the Authority and the member or person has to be discussed.

(Article VIII. approved 4/8/82, by Resolution 18-82, Article effective 1/1/82.)

SECTION 2. PECUNIARY INTEREST

No current employee of the Authority, current Executive Committee member, or current member delegate shall:

- (a) receive directly or indirectly or be pecuniarily interested in any fee, commission, compensation, or emolument arising out of any transaction to which the Authority is or is expected to be a party except for salary or other similar compensation regularly fixed and allowed for because of services regularly rendered to the program.
- (b) receive compensation as a consultant to the Authority while also acting as an employee, Executive Committee member or member delegate.
- (c) have any direct or indirect pecuniary interest in any loan, investment or asset of the Authority.

(Article VII. Section 2. Pecuniary Interest approved by Resolution 134-95 on May 10, 1995)

ARTICLE IX. EMPLOYEE GRIEVANCE PROCEDURE AND SCOPE

SECTION 1. RIGHT TO GRIEVANCE.

It is the policy of the Authority that every employee of the Authority shall have certain rights to grievance proceedings for limited types of complaints arising out of their employment relationship with the Authority. The right of grievance shall be limited to those specific areas of complaint as defined herein. The nature of employee complaint which may be grievable under this process are as follows:

- (a) Termination, suspension or demotion of an employee by the Executive Director.
- (b) Actions or conduct of a fellow employee, supervisor, or board member against another employee which would constitute age discrimination, racial discrimination, sexual discrimination, sexual harassment, handicap discrimination, or any other form of proscribed discriminatory conduct in the work-place under the laws of the State of Washington and/or the laws of the United States.
- (c) Any complaint that an employee is being forced to work under conditions within the work-place that are hazardous to the health of the employee.

- (d) Any complaint that a fellow employee, supervisor, or board member is engaged in criminal conduct or acts of moral turpitude which are causing harm to the complaining employee or which threaten to cause harm to the employee if the acts are not stopped.

SECTION 2. GRIEVANCE PROCEDURE.

The Executive Committee shall be the body empowered on behalf of the Authority to make any final decisions on qualified grievances as defined in Section 1 above.

The procedures for instituting, investigating, and resolving a grievance complaint shall be as follows:

- (a) All requests to institute a grievance complaint shall be made in writing by the complaining employee and shall be signed and dated by said employee and shall set forth in full detail the nature of the complained-of action, event or condition along with an explanation of what, if any, steps or actions the aggrieved employee has taken to try and resolve the problem prior to instituting the formal grievance complaint.
- (b) All written grievance complaints shall be delivered to or mailed to the then current President unless the President is the subject of the complaint, in which case it shall be sent or mailed the Vice-President and, in either case, a copy shall also be delivered the Executive Director by the aggrieved employee. It shall be the duty of the President or Vice-President to deliver copies of the employee's written grievance complaint to all other members of the Executive Committee.
- (c) The President or, in the event the President is disqualified, the Vice-President, shall, within thirty five (35) days after receipt of a written grievance from an employee, schedule a grievance hearing before the Executive Committee. Written notice of the date of the grievance proceeding shall be delivered to all Executive Board members, the Executive Director, the employee who is bringing the grievance and the person whose conduct is being grieved against no later than ten (10) days prior to the scheduled hearing date. The notice of scheduling of the hearing date shall specifically invite the party bringing the grievance and the party against whom the grievance is brought to attend the scheduled meeting of the Executive Committee.
- (d) The meeting of the Executive Committee or such portion of a meeting which is dedicated to hearing the grievance complaint of an employee shall be conducted in executive session pursuant to the terms of RCW 42.30.110 unless the person against whom the grievance complaint is directed requests a public hearing.
- (e) The Executive Committee at a grievance hearing shall consider the written grievance complaint, any testimony of the employee bringing the grievance, and any testimony of the person against whom the grievance is directed. Furthermore, the Executive Committee may call additional witnesses as they deem necessary to determine the merits of the grievance. The Executive Committee may continue a grievance hearing for a period of up to thirty one (31) days to gather additional facts or for lack of a quorum before making a determination. A majority of a quorum of the Executive Committee shall have the authority to make a final determination on any written grievance within the scope of grievable events described in Section 1 (a), (b), (c) or (d) of Article IX of these Bylaws. The determination of the Executive Committee may be as follows:
- (1) That the grievance is not within the scope of grievable events described in Section 1 (a), (b), (c) or (d) of Article IX of these Bylaws.
 - (2) That the grievance is without merit and requires no corrective action by the Executive Committee.

- (3) That the grievance has merit in which case the Executive Committee is empowered to direct appropriate remedial action on behalf of the Authority to resolve the grievance.
- (f) The final decision of the Executive Committee on any grievance hearing shall be reduced to writing and copies shall be delivered to the party bringing the grievance, the Executive Director, and the party against whom the grievance was brought. There shall be no further appeal of any decision of the Executive Committee on any grievance hearing.

(Article IX approved 5/10/91, by Resolution 119-91, Article effective 5/10/91.)

ARTICLE X. MEMBER ACTION PLAN

SECTION 1. MEMBER ACTION PLAN

- a) **Definition** – A Member Action Plan is a formal action taken against a Member by vote a majority of a quorum of the Executive Committee at a scheduled meeting intended to correct the Member's conduct so as to improve the Member's liability risk profile to an acceptable level and/or punish the Member for non-compliance with WCIA rules, procedures or Compact requirements. A Member Action Plan may be initiated anytime the Executive Committee determines that a Member's conduct or omissions are creating undue and/or unnecessary financial risk to the risk pooled assets of WCIA or if such conduct or omissions violate existing WCIA rules, procedures or Compact requirements. A Member Action Plan may be used, but is not required to be used, as a prelude to possible termination of a Member's participation as a member of WCIA.
- b) **Components of a Member Action Plan** – The components of a Member Action Plan are determined at the discretion of the Executive Committee. The Executive Committee may, at its' sole discretion, suspend all or parts of any component of a Member Action Plan for any length of time and upon any conditions they deem reasonable under the circumstances.

The components may include, but are not limited to, the following:

- 1) Special increase of Members Annual monetary assessment.
 - 2) Elimination of WCIA coverage to a Member in some or all areas of the Liability Joint Protection Plan and /or Property Joint Protection Plan.
 - 3) Mandatory special training for a Member's employees and/or officers.
 - 4) Mandatory appointment of specified person or persons as the Member's delegate (Board Member) alternate and claims contact.
 - 5) Mandatory reversal of a Member's Executive Branch or Legislative Branch action that clearly violates existing law and which may expose WCIA to undue and/or unnecessary liability risk.
 - 6) Mandatory payment of any back due monies owed by a Member to WCIA with interest at the highest legal prevailing rate.
 - 7) Immediate termination of a Member's participation in and/or membership in WCIA.
- c) **Member Action Plan Procedural Steps** – The following steps will be taken before any formal adoption of a Member Action Plan by the Executive Committee:
 - 1) The Executive Director, on his or her own initiative or at the request of any current member of the Executive Committee will place the issue of consideration of a Member Action Plan against any Member on the printed and published agenda of any scheduled meeting of the Executive Committee.

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- 2) If the issue is properly on the agenda, the Executive Committee will consider and vote on whether to undertake consideration of adoption of a Member Action Plan.
 - 3) If the Executive Committee votes to undertake consideration of a Member Action Plan it will direct the Executive Director to draft a written Notice to the Member of Possible Member Action Plan Adoption which shall summarize the evidence and reasons then known to support adoption of a Member Action Plan, and shall attach any written or documentary evidence in support of adoption of a Member Action Plan, and shall include the recommendations, if any, that the Executive Director may suggest for the Executive Committee regarding the adoption of a Member Action Plan. The Notice shall include a meeting date for consideration of the action before the Executive Committee not more than 60 days in the future. The Notice shall be included in the Executive Committee packet for the meeting date scheduled and shall be mailed to the Member's delegate and Chief Executive Officer at least 30 days prior to the scheduled meeting date.
 - 4) Any Member receiving Notice to the Member of Possible Member Action Plan shall have the right to appear at the scheduled date in the Notice before the Executive Committee through its officers and/or legal counsel and present such relevant verbal testimony as they wish. If the Member wishes to present any written or documentary evidence to the Executive Committee it must be submitted to the Executive Director at least 10 days prior to the meeting date specified in the Notice and the Executive Director will have the information delivered to the Executive Committee Members no later than five days before the meeting date. The Executive Committee shall have no obligation to accept or consider written materials offered by a Member that are not in compliance with this required procedure.
 - 5) The President or Vice-President, in his or her absence, shall preside over the meeting where a Member Action Plan is being considered for adoption and shall rule on the admissibility of evidence to be considered by the Executive Committee with the advice of the Authority Counsel.
 - 6) If a Member Action Plan is adopted by vote of a majority of a quorum of the Executive Committee it shall be reduced to writing and signed by the President on behalf of the Executive Committee and mailed to the Members delegate and Chief Executive Officer within 10 days of the vote of the Executive Committee.

(Article X. added 6/9/06 by Executive Committee, Full Board ratified 10/20/06)