

**FDAC Employment Benefits Authority**



**Special Board of Directors Meeting  
Agenda**

**October 24, 2022**

**11:00 a.m.**

**[Zoom Link](#)**

**Dial-in Number:** 669 444 9171

**Meeting ID:** 829 5765 7948

**Passcode:** 668294

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All portions of this meeting will be conducted via teleconference in accordance with Government Code Section 54953. The teleconference locations are as follows: *Hilton Arden West, 2200 Harvard St., Sacramento, CA 95815; Alpine Fire Protection District, 1364 Tavern Rd., Alpine, Ca 91901; Valley of the Moon Fire Protection District, 630 Second Street West, Sonoma, CA 95476.*

Each location is accessible to the public, and members of the public may address the Board from any teleconference location.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Carmen Berry at (916) 231-2143 or [cberry@firebenefits.org](mailto:cberry@firebenefits.org). Requests must be made as early as possible, and preferably at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the FDAC EBA Board of Directors will be available for public inspection 24 hours prior to the meeting. Please contact Ms. Berry via phone or email.

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**Page**

- 1. CALL MEETING TO ORDER; ROLL CALL**
  
- 1 2. APPROVAL OF AGENDA AS POSTED OR AMENDED**
  
- 3. PUBLIC COMMENTS** - The Public may submit any questions by contacting Carmen Berry at [cberry@firebenefits.org](mailto:cberry@firebenefits.org). This time is reserved for members of the public to address the Board relative to matters of the FDAC EBA not on the agenda. No action may be taken on non-agenda items unless authorized by law.
  
- 3 4. Review of current new member underwriting and approval process**

\* Reference materials enclosed.

**5. Significant Legal Exposure – CLOSED SESSION**

Pursuant to Government Code Section 54956.9 (b)(1), the Board of Directors will recess to closed session to discuss with legal counsel significant exposure to litigation.

**6. FASIS CLAIMS MATTERS – REPORT FROM CLOSED SESSION**

The Board will reconvene into open session and report on any action(s), or lack thereof, taken with regard to the matter discussed under Agenda Item 5.

**7. ADJOURNMENT OF EBA SPECIAL BOARD MEETING**

**FIRST AMENDED JOINT POWERS AGREEMENT OF  
FIRE DISTRICTS ASSOCIATION OF CALIFORNIA  
EMPLOYMENT BENEFITS AUTHORITY**

This First Amended Joint Powers Agreement (the initial Joint Powers Agreement and this First Amended Joint Powers Agreement are collectively referred to as the “Agreement”) is made and entered into in the County of Sacramento, State of California, by and among various public agencies, hereafter collectively referred to as “Agencies” and individually as “Agency” who have or may hereafter execute this Joint Powers Agreement pursuant to the authority conferred by Government Code Section 6500 et seq.

**RECITALS**

WHEREAS, each of the Agencies who have executed this Agreement is a “public agency” as that term is defined in Section 6500 of the California Government Code; and

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

WHEREAS, California Government Code Sections 53200, 53201(a), 53202, 53202.2, 65205, 53205.1, 53205.16, 53206, 53208 and Health and Safety Code Section 13800 et seq. provides that a local public agency may provide for any health and welfare benefits for the benefit of its existing and retired officers, employees, and members of its legislative body, which health and welfare benefits include, but are not limited to hospital, medical, surgical, disability, legal expense, dental, vision, life, and income protection insurance or benefits, whether provided on an insurance basis, self-funded basis, or some combination of insurance and self-funding; and

WHEREAS, Government Code Section 53202 states that in providing such health and welfare benefits, a public agency may approve self-funded plans or may contract with one or more admitted insurers, health service organizations or legal service organizations for such plans of health and welfare benefits as the public agency determines to be in the best interest of the public agency and its existing and retired officers, employees and legislative body; and

WHEREAS, Government Code Section 53202.2 provides that a public agency may prescribe such rules, regulations and procedures as are necessary to properly implement a system to administer the provision of such health and welfare benefits; and

WHEREAS, Government Code Section 53205 provides that the legislative body of a public agency may expend public agency funds for the premiums, dues or other charges for health and welfare benefits of its existing and retired officers, employees, and members of its legislative body; and

WHEREAS, Government Code Section 53206 provides that a public agency may pay the premiums, charges or other costs of health and welfare benefits from amounts derived from either employer contributions, employee payroll deductions, or both, directly to the contracting insurers or service organizations providing such health and welfare benefits; and

WHEREAS, each of the parties hereto has the power to establish, administer, operate, manage and pay for health and welfare benefits for their respective existing and retired officers, employees, and members of its legislative body, in addition to other powers which are common to each of them; and

WHEREAS, each of the Agencies which are parties to this Agreement desire to join together with other Agencies in order to collectively establish, operate, manage, and administer health and welfare benefits for their existing and retired officers, employees, and members of its legislative body, either through collectively self-funding the cost of such health and welfare benefits, jointly purchasing insurance programs, benefits and services to provide such health and welfare benefits, or some combination thereof; and

WHEREAS, each of the Agencies which are parties to this Agreement find it to be to its mutual advantage and in the public benefit to utilize any power common to them, and all those powers available to a Joint Powers Authority pursuant to the Joint Powers Act at Government Code Section 6500 et seq., to coordinate the organization, management, administration and operation of health and welfare benefit programs for the benefit of its existing and retired officers, employees and members of its legislative body; and

WHEREAS, the Fire Districts Association of California is a non-profit public benefit corporation organized and existing to assist and promote the interests of its member Agencies which are public agencies in California providing one or more of the following services to the public: (1) fire suppression services; (2) emergency medical services; (3) hazardous material response services; (4) medical transport and ambulance services; (5) rescue services; and

WHEREAS, it is the desire of the Agencies which have executed this Agreement to enter into this First Amended Agreement to better define the existence, functions, and operations of this Joint Powers Authority and to specify a continuing working relationship between the Authority and the Fire Districts Association of California for the benefit of member Agencies of the Authority; and

WHEREAS, Section 14 of this Agreement provides that this agreement may be amended by an amendment in writing signed by two-thirds of the Agencies then parties to this Agreement; and

WHEREAS, it is to the mutual advantage of and in the best interest of the parties to this Joint Powers Agreement to establish this Joint Powers Authority for the purposes stated.

NOW THEREFORE, for and in consideration of the execution of this Agreement by other Agencies, each of the parties hereto does hereby agree as follows:

**SECTION 1: PURPOSE**

It is the purpose of this Agreement to establish, pursuant to the Joint Exercise of Powers Act, an authority to be known as the FIRE DISTRICTS ASSOCIATION OF CALIFORNIA EMPLOYMENT BENEFITS AUTHORITY (the “FDAC Employment Benefits Authority” or the “Authority”) for and with the purpose of establishing, operating, managing, and administering health and welfare benefit programs for existing and retired employees, officers, and members of legislative body of Agencies who execute this Agreement. This Agreement is entered into by Agencies in order to jointly fund and develop programs to provide health and welfare benefits for participating member Agencies either through a program of collective self insurance, the purchase of insurance coverages and/or programs, or a combination thereof. It is the further purpose of this Agreement to make more efficient use of the common powers of participating member Agencies to design, establish, acquire, purchase, fund, operate and administer health and welfare benefit programs for the benefit of existing and retired officers, employees, and members of the legislative body of participating member Agencies to increase the efficiency and decrease the cost of such health and welfare programs. To achieve such purposes, the Authority and its participating member Agencies who have executed this Agreement are hereby granted the authority to enter into agreements with themselves and third parties that specifically govern and define their respective rights, obligations, duties and entitlements related to the establishment, operation and administration of particular health and welfare benefit programs including, but not limited to hospital insurance, medical insurance, surgical insurance, long term and short term disability insurance, legal expense insurance, dental insurance, vision insurance, life insurance, and income protection insurance or benefits. These purposes shall be accomplished through a joint exercise of powers by said Agencies pursuant to the terms of this Agreement and the creation of a separate Joint Powers Authority.

**SECTION 2: CREATION OF JOINT POWERS AUTHORITY**

Pursuant to Section 6500 et seq. of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Fire Districts Association of California Employment Benefits Authority (FDAC Employment Benefits Authority). A notice of this Agreement shall be filed with the Secretary of State within 30 days after the effective date as required by Government Code Section 6503.5.

**SECTION 3: MEMBERSHIP**

Each Agency which is a party to this Agreement must be a public agency which is duly organized and existing under the laws of the State of California with the power to provide at least one of the following services: (1) fire suppression services, (2) emergency medical services, including emergency disease response, prevention and control services; (3) hazardous material response services (4) medical transport and/or ambulance services, including emergency transportation services (5) rescue services; (6) any other emergency response services provided

pursuant to the California Emergency Services Act (Government Code section 8550 et seq.). “Emergency” is defined as any condition of disaster or of extreme peril to the safety of persons and/or property caused by such conditions as air pollution, fire, flood, hazardous material incident, storm, epidemic, riot, drought, plant or animal infestations or disease, earthquake, terrorism, or sudden and severe energy shortage. Each Agency must be approved for participation in the Authority in the manner provided in the Bylaws of the Authority.

**SECTION 4: PARTIES TO AGREEMENT**

Each Agency which has signed this Agreement certifies that it intends to and does contract with the Authority, and with all other Agencies who have signed this Agreement, and, in addition, with each Agency which may later be added as a party to and may sign this Agreement. Each Agency which has or may hereafter sign this Agreement also certifies that the deletion of any Agency from this Agreement by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this Agreement nor each Agency’s intent to contract as described above with the then remaining Agencies.

**SECTION 5: TERM OF AGREEMENT**

After becoming effective upon the execution of the initial signatory Agencies who have been admitted to membership in the Authority, this Agreement shall continue thereafter until terminated as provided herein. This Agreement shall become effective as to each initial signatory Agency of the Authority upon the date of its execution by such Agencies; and shall become effective as to Agencies who later execute this Agreement upon approval of the Agencies membership by the Board of Directors of the Authority, execution of this Agreement by the Agency and by the Authority, and by payment by the Agency of its initial contribution for participation in one or more health and welfare benefit programs offered by the Authority.

**SECTION 6: POWERS OF THE AUTHORITY**

The Authority shall have all the powers common to its participating Agencies and all additional powers set forth in the Joint Powers Authority Act relating to the creation, establishment, financing, use, operation, and administration of health and welfare benefit programs for the benefit of existing and retired officers, employees, and members of the legislative body of participating member Agencies. This Joint Powers Authority hereby is authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

- (a) to make and enter into contracts;
- (b) to employ agents and employees and/or to contract for services from third party consultants;
- (c) to incur debts, liabilities and obligations;
- (d) to acquire property by gift, grant, exchange, devise, or purchase;
- (e) to hold, lease, convey, sell, encumber, or dispose of property;

- (f) to sue and to be sued in its own name;
- (g) to receive contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations, and other governmental entities;
- (h) to issue or caused to be issue bonded and other indebtedness, and pledge any property or revenues as security to the extent permitted by law by Articles 2 and 4, Chapter 5, Division 7, Title 1 of the Government Code or otherwise including, but not limited to, bonds or other evidences of indebtedness issued on behalf of the Authority or its member Agencies;
- (i) obtain in its own name all necessary permits, licenses, opinions and rulings;
- (j) whenever necessary to facilitate the exercise of its powers, to form and administer nonprofit corporations to perform one or more of the functions which the Authority is empowered to perform, or to perform any other proper corporate function, and to enter into agreements with such nonprofit corporations;
- (k) exercise all powers necessary and proper to carry out the terms and provisions of this Agreement or otherwise authorized by law.

**SECTION 7: BOARD OF DIRECTORS**

All powers of the Authority shall be exercised by and through its Board of Directors. Said Board of Directors is hereby designated as the agency to administer and execute this Agreement pursuant to Government Code Section 6506. The Board of Directors shall be composed of five members, each of whom is appointed by a member Agency which is elected by a majority vote of participating member Agencies as specified in the By-laws. Each member of the Board of Directors shall have one vote. The Board of Directors shall have the authority to conduct all business and govern all affairs of this Joint Powers Authority under the provisions hereof and pursuant to law and shall have such powers and functions as are provided for herein, in the Bylaws, or by law.

**SECTION 8: POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall have the following powers:

- (a) Exercise all powers and conduct all business of this Joint Powers Authority.
- (b) Determine the details of and select health and welfare benefit programs including, but not limited to, hospital insurance, medical insurance, surgical insurance, long term and short term disability insurance, legal expense insurance, dental insurance, vision insurance, life insurance, and income protection insurance or benefits to be offered by this Joint Powers Authority to existing and retired officers, employees, and members of the legislative body of participating member Agencies.

- (c) Contract for or develop various services for the Authority including, but not limited to, insurance consulting and brokerage services; claims adjustment services, loss control and risk management services; accountancy, auditing and actuarial services; and legal and legislative advocacy services.
- (d) Appoint committees, appoint staff, and employ such persons as the Board of Directors deems necessary for the administration of this Joint Powers Authority.
- (e) Determine and purchase all necessary insurance coverage to carry out the programs offered by the Authority.
- (f) Fix and collect contributions from participating member Agencies in consideration for participation in the health and welfare benefit programs offered by the Authority to such participating member Agencies.
- (g) Deposit all funds received in separate bank accounts in the name of FDAC Employment Benefit Authority.
- (h) Invest funds on hand in any manner authorized by law for the investment of funds of a public agency.
- (i) Direct the payment, adjustment, and defense of all claims for health and welfare benefits which are the liability of participating member Agencies during their period of membership in and participation in this Authority.
- (j) Expend funds of the Authority only for the purpose of carrying out the provisions of the Joint Powers Agreement and the Bylaws as they now exist or may hereafter be amended.
- (k) Provide administrative services, consulting services, claims management services, financial services, accountancy and actuarial services, legal representation and other services necessary or proper to carry out the purposes of the Authority either through its own employees or by contract with one or more third parties.
- (l) Purchase liability insurance, directors and officer's liability insurance, and such other insurance as the Board of Directors may deem necessary or proper in order to protect the Authority, its employees and the participating member Agencies.
- (m) Obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds of the Authority.
- (n) Acquire property by gift, grant, exchange, devise, or purchase; or hold, lease, convey, sell, encumber, or dispose of all property necessary or appropriate to carry out the powers and operations of the Authority.
- (o) Establish policies and procedures for the operation of the Authority.
- (p) Enter into any and all contracts or agreements necessary or appropriate to carryout the purposes and functions of the Authority.

**SECTION 9:     RESTRICTIONS ON POWER**

Such powers enumerated in Section 6 hereof are subject to the restrictions upon the manner of exercising power by a Fire Protection District formed and operating pursuant to the provisions of Health and Safety Code Section 13800 et seq. or its successor, pursuant to California Government Code Section 6509.

**SECTION 10: ADMINISTRATIVE SERVICES**

Pursuant to California Government Code Section 6506, the Fire Districts Association of California, a California non-profit public benefit corporation, shall provide all administrative services to the Authority under the direction of the Board of Directors of the Authority on a continuing basis. In consideration for such services the Fire District Association of California may charge the Authority an annual administrative fee as may be agreed upon from time to time by the Board of Directors of the Authority and the Board of Directors of the Fire District Association of California, as set forth in the Bylaws of the Authority.

**SECTION 11: BYLAWS**

The Bylaws of the FDAC Employment Benefits Authority, a copy of which is attached hereto and marked Exhibit A, are hereby incorporated into this Agreement and made a part hereof. Each party to this Agreement by the execution hereof agrees to be bound by and to comply with all the terms and conditions of this Agreement and of said Bylaws as they now exist or may hereafter be amended. The FDAC Employment Benefits Authority shall operate and conduct its business and affairs pursuant to the terms of this Agreement and said Bylaws.

**SECTION 12: WITHDRAWAL OR INVOLUNTARY TERMINATION**

Any Agency, after completing three full calendar years as a participating member Agency, may voluntarily withdraw from membership as provided in the Bylaws; or an Agency may be involuntarily terminated as a provided in the Bylaws. Such withdrawal or involuntary termination by any participating member Agency shall not terminate this Agreement as to the remaining participating member Agencies or the existence of the Authority. Said withdrawing or terminated Agency shall remain subject to any and all outstanding obligations arising out of any benefit program agreement to which said withdrawn or terminated Agency is a signatory.

**SECTION 13: TERMINATION OF FDAC EMPLOYMENT BENEFITS AUTHORITY**

The FDAC Employment Benefits Authority may be terminated at any time upon the Agreement of two-thirds of the then participating member Agencies, provided, however, that the Authority shall continue to exist for the purpose of disposing of all claims, distribution of all assets, and all other functions necessary to wind up the affairs of the Authority. Upon termination, and after making proper provisions for the winding up of the affairs of the Authority, the Authority shall pay to the then participating member Agencies their pro rata share of the net assets of the Authority pursuant to the provisions of the Bylaws.

**SECTION 14: AMENDMENTS**

This Joint Powers Agreement may be amended by an amendment in writing signed by two-thirds of the Agencies then parties to this Agreement. Upon signature of any amendment by two-thirds of the then participating member Agencies, any member Agency failing or refusing to sign such amendment may be involuntarily terminated as a party to this Agreement as provided in the Bylaws.

**SECTION 15: ENFORCEMENT**

The FDAC Employment Benefits Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any Agency which has signed this Agreement, the Agency agrees to pay such sums as the court may fix as attorney fees and costs in said action.

**SECTION 16: NON-LIABILITY OF MEMBER AGENCIES AND THE FIRE DISTRICTS ASSOCIATION OF CALIFORNIA**

Nothing in the Joint Powers Agreement or in the Bylaws adopted pursuant thereto shall be construed as imposing liability upon any member Agency, or any officer, employee or member of the legislative body thereof, or upon the Fire Districts Association of California, a non profit corporation, or any of its employees, officers, or directors, for the payment of any benefits claimed pursuant to the health and welfare benefit programs offered by the Authority to its participating member Agencies, the sole recourse of claimants being against funds of those insurance programs and/or self funded programs administered by the Authority for the payment of such benefits. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the FDAC Employment Benefits Authority shall not be the debts, liabilities or obligations of the Districts which are parties to the Joint Powers Agreement or of the Fire Districts Association of California, unless assumed in a particular case by resolution of the legislative body of a participating member Agency pursuant to specific benefit program agreements that the participating member Agency anticipates entering into in accomplishing the purposes of the Authority.

**SECTION 17: NON-LIABILITY OF DIRECTORS, OFFICERS, ADMINISTRATOR, AGENTS AND EMPLOYEES**

The Authority and its directors, officers, administrator, agents, and employees shall not be liable to the Authority, to any participating member Agency, or to any other person for any actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or admitted by any director, officer, administrator, agent, or employee, for loss incurred through the investment or failure to invest funds; or loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer, administrator, agent, or employee. No director,

officer, administrator, agent, or employee shall be liable for any action taken or omitted by any other director, officer, administrator, agent, or employee.

**SECTION 18: INDEMNIFICATION OF BOARD OF DIRECTORS, OFFICERS, ADMINISTRATOR, AGENTS, AND EMPLOYEES**

As a public entity, the Authority shall defend and shall indemnify and hold harmless its directors, officers, administrator, agents, and employees against any claim or action arising out of any act or omission occurring within the scope of employment pursuant to the provisions of Division 3.6, Title 1, of the California Government Code, commencing at Government Code Section 810. The Authority may purchase insurance to provide coverage for acts or omissions of its directors, officers, administrator, agents and employees.

**SECTION 19: MISCELLANEOUS PROVISIONS**

(a) This Agreement shall bind and inure to the heirs, devisees, assignees and successors in interest of the Authority and to the successors in interest of each participating member Agency in the same manner as if such parties had been expressly named herein.

(b) This Agreement shall be governed by the law of the state of California. This Agreement together with the documents incorporated into the Agreement by reference constitute the entire Agreement between the parties regarding its subject matter. If any provisions in this Agreement are held by any court to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall nevertheless continue in full force and effect.

**SECTION 20: EXECUTION IN COUNTERPARTS**

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

\_\_\_\_\_  
(Name of Public Agency)

By: \_\_\_\_\_  
President

By: \_\_\_\_\_  
Secretary

**EXECUTION BY FDAC EMPLOYMENT BENEFITS AUTHORITY**

The FDAC Employment Benefits Authority (the Joint Powers Authority created by this Joint Powers Agreement), hereby executes this Agreement and accepts the Agency named above as a member Agency in FDAC Employment Benefits Authority subject to all the terms and conditions set forth in this Joint Powers Agreement and in the Bylaws, effective on \_\_\_\_\_, 20\_\_\_\_.

FDAC EMPLOYMENT BENEFITS AUTHORITY

By: \_\_\_\_\_  
Chairman of the Board of Directors

By: \_\_\_\_\_  
Secretary of the Board of Directors

**BYLAWS  
OF  
FIRE DISTRICT ASSOCIATION OF CALIFORNIA  
EMPLOYMENT BENEFITS AUTHORITY**

THESE BYLAWS shall govern the operation and conduct of the business and affairs of the Fire District Association of California Employment Benefits Authority (hereinafter “FDAC Employment Benefits Authority” or the “Authority”).

**ARTICLE I  
MEMBERSHIP**

A. Eligibility

Any public agency organized under the laws of the State of California with the power to provide at least one of the following services: (1) fire suppression services, (2) emergency medical services, including emergency disease response, prevention and control services; (3) hazardous material response services, (4) medical transport and/or ambulance services, including emergency transportation services; (5) rescue services; (6) any other emergency response services provided pursuant to the California Emergency Services Act (Government Code section 8550 et seq.) is eligible for membership in FDAC Employment Benefits Authority subject to approval of its membership by the FDAC Employment Benefits Authority Board of Directors. For the purposes of these Bylaws “Emergency” means a condition of disaster or of extreme peril to the safety of persons and property caused by such conditions as air pollution, fire, flood, hazardous material incident, storm, epidemic, riot, drought, plant or animal infestations or disease, earthquake, terrorism, or sudden and severe energy shortage.

B. Participating Member

A “participating member agency” or “Member”, as that phrase is used herein is any eligible public agency in the State of California whose participation in FDAC Employment Benefits Authority has been approved by the members of its legislative body and the Board of Directors of FDAC Employment Benefits Authority; which has executed the Joint Powers Agreement of which these Bylaws are a part; which maintains compliance with the Underwriting Criteria of the Authority throughout the term of its membership, as determined by the Board of Directors, and which has paid all contributions and fees required for those health and welfare benefit programs offered by FDAC Employment Benefits Authority in which the participating member agency is enrolled.

C. Successor Members

Should any participating member agency reorganize in accordance with the statutes of the State of California, its successor in interest, or successors in interest, may be substituted as a participating member agency subject to approval by the members of its legislative body and the Board of Directors of FDAC Employment Benefits Authority.

D. Authority of Members

All participating member agencies shall have the right to vote, as set forth in these Bylaws, on the election of participating member agencies to select a director to serve on the Board of Directors of the FDAC Employment Benefits Authority, on the disposition of all or substantially all of the assets of FDAC Employment Benefits Authority, on any merger and its principal terms and any amendments of those terms, and on any election to terminate FDAC Employment Benefits Authority. Only participating member agencies in good standing are entitled to cast one vote on each such matter submitted to a vote of the Members. Participating member agencies who have maintained compliance with the Authority's Underwriting Criteria, as determined by the Board of Directors, who have timely paid the required contributions, fees and assessments in accordance with these Bylaws and the policies and procedures of FDAC Employment Benefits Authority, and who are not suspended as members, shall be members in good standing.

E. Admission Fee

Any agency approved for participation in FDAC Employment Benefits Authority after the effective date of the Joint Powers Agreement and these Bylaws may be required to pay an admission fee in such amount as may be established from time to time by the members of the Board of Directors of FDAC Employment Benefits Authority.

F. Annual Membership Meeting

An Annual Membership Meeting shall be held after the close of each fiscal year at such time, on such date, and at such place as shall be determined by the Board of Directors. The Secretary shall furnish to each participating member agency a written notice of the time, place and date of the annual meeting at least thirty (30) days before the date of the meeting. At each Annual Membership Meeting, the President shall submit a status report with respect to each of the health and welfare benefit programs offered by FDAC Employment Benefits Authority, a report of the claims experience within each such program, and an audited financial report for FDAC Employment Benefits Authority for the preceding fiscal year.

G. Membership Meeting Quorum Requirement

Fifty Percent plus one (50% plus one) of the total authorized number of participating member agencies shall constitute a quorum for the transaction of any item of business by the Members. If a quorum is present, the affirmative vote of a majority of the Members represented at the meeting entitled to vote and voting on any matter, shall be deemed an act of the Members. Each Member shall be entitled to one vote. No Member shall have the right to vote by means of a proxy.

#### H. Special Meetings

The Board, or the President of the Board, or five percent (5%) or more of the participating member agencies may call a special meeting of the Members for any lawful purpose at any time. Such a special meeting may be called by written request, specifying the general nature of the business proposed to be transacted and addressed to the attention of and submitted to the President of the Board. The President shall direct the Administrator to cause notice to be given promptly to the Members stating that a special meeting will be held at a specified time and date fixed by the Board. No business other than the business that was set forth in the notice of the special meeting may be transacted at a special meeting.

#### I. Notice of Meetings

Whenever member agencies are required or permitted to take any action at a meeting, written notice of the meeting shall be given to each Member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting and the means of electronic transmission by and to the Authority or electronic video screen communication, if any, by which Members may participate in the meeting. For the Annual Membership Meeting, the notice shall state the matters that the Board intends to present for action by the Members. For a special meeting the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

1. Notice Requirements. Written notice of any membership meeting shall be given at least ten (10) but no more than ninety (90) days before the meeting date either personally, by first class registered or certified mail, by electronic transmission, addressed to each Member entitled to vote at the address of that member agency's principal office.

2. Electronic Notice. Notice given by electronic transmission by the Authority shall be valid if delivered by either (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address for that member agency on record with

the Authority; (b) posting on an electronic message board or network that the Authority has designated for such communications, together with a separate notice to each member agency of the posting; or (c) any other means of electronic communication. Such electronic communication must be directed to a recipient member agency which has provided an unrevoked consent to the use of electronic transmission for such communications; and which electronic communication creates a record that is capable of retention, retrieval and review by the Authority.

All such electronic communications shall include a written statement to the recipient member agency that such agency has the right to have the notice provided in non-electronic form and the recipient member agency may withdraw its consent to receive electronic communications in the place of written communications by providing written notice to the Authority of such withdrawal of consent.

Notice shall not be given by electronic transmission by the Authority if the Authority is unable to deliver two (2) consecutive notices to the member agency by that means, or otherwise becomes aware of the fact that the member agency cannot receive electronic communications.

J. Electronic Meetings

Member agencies not physically present in person at a meeting of members may, by electronic transmission by and to the Authority or by electronic video screen communication, participate in a meeting of members, either annual or special, and be deemed present in person and vote at such a meeting whether that meeting is to be held at a designated place, or in whole or in part by means of electronic transmission by and to the Authority or by electronic video screen communication with participating member agencies.

Annual and special meetings of the Members may be conducted in whole or in part by electronic transmission by and to the Authority or by electronic video screen communication if the following criteria are satisfied: (1) the Authority implements reasonable procedures to provide member agencies attending in person a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including an opportunity to hear the proceedings of the meeting including comments of member agencies participating by means of electronic communication, substantially concurrently with such proceedings; and (2) if any member agency votes or takes other action at the meeting by means of electronic transmission to the Authority or electronic video screen communication, that a record of that vote or action is maintained by the Authority; and (3) in order to conduct electronic meetings the Authority must request Members to

provide written consent to conduct meetings of Members by electronic transmission. Such request for consent shall include a notice that absent consent of the member agency such meeting shall be held at a physical location in accordance with the provisions of these Bylaws.

K. Solicitation of Written Ballots from Members

All solicitations of votes by written ballot, whether by means of electronic communication or first class mail, shall: (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (3) specify the time by which the written ballot must be received by the Authority in order to be counted. Each written ballot so distributed shall: (1) set forth the proposed action; (2) give member agencies an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballots to the Authority either electronically or by first class mail.

L. Number of Votes Required for Approval

Approval by written ballot shall be valid only when (1) the number of votes cast by written ballot either by means of electronic communication or first class mail within the specified time equals or exceeds the quorum required to be present at a meeting authorizing the action; and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting of members, i.e. 50% plus one of those participating member agencies casting written ballots either electronically or by first class mail.

**ARTICLE II  
BOARD OF DIRECTORS**

A. Powers

The business and affairs of FDAC Employment Benefits Authority shall be managed, and all powers of this Joint Powers Authority shall be exercised by or under the direction of the Board of Directors. The specific powers of the Board of Directors in managing the affairs of this Joint Powers Authority are specified in the Joint Powers Agreement.

B. Election of Directors

The Board of Directors shall consist of five directors selected by those participating member agencies which are elected by those member agencies who have executed the Joint Powers Agreement and are participating in the FDAC Employment Benefits Authority. A majority of the authorized number of directors shall be appointed by elected participating member agencies with the power to provide fire suppression services. The remaining number of authorized directors shall be appointed by any elected participating member agency. The election of participating member

agencies shall take place by a written ballot in each odd-numbered year as specified below. At the election of participating member agencies designated to select individuals to serve as directors on the Board of Directors, each participating member agency shall have one vote for each Board position to be filled at that election among those participating member agencies nominated to be elected. Those participating member agencies receiving the greatest number of votes corresponding to the number of Board positions to be filled at such election shall each designate one individual to serve as a director on the Board of Directors.

When a participating member agency is elected and selects an individual to serve as a director on the Board of Directors, at that time, and at all times thereafter, that individual designated to serve as a director on the Board of Directors must be, and must continue to be during his/her entire term of office, either a member of the Board of Directors of the participating member agency or a management employee of that participating member agency. In each instance, the appointing participating member agency shall certify to the FDAC Employment Benefits Authority the person who has been appointed by that participating member to serve as a director on the Board of Directors of the FDAC Employment Benefits Authority. The appointing district may change its representative to serve as a director on the Board of Directors at any time by certifying to the FDAC Employment Benefits Authority the name and position of the new representative designated by that participating member agency to serve as a director on the Board of Directors, which designation shall be effective no earlier than five days after mailing of such a certificate. Only one director from any participating member agency may serve on the Board of Directors at the same time.

Each director shall serve for a term of four years which term shall commence January 1 of the year following written ballot election. The members of the Board of Directors serve staggered 4-year terms. The written ballot of participating member agencies to elect districts to designate an individual to serve as a director on the Board of Directors shall take place every two years in order to maintain such staggered terms. A director may be selected or appointed to additional terms of office.

The following provisions shall apply to a written ballot procedure for election of districts to designate individuals to serve as directors on the Board of Directors:

1. Written notice of the use of a written ballot for election of participating member agencies to designate individuals to serve as directors on the Board of Directors in any odd-numbered year shall be sent either by registered mail or electronic mail to each participating

member agency no later than 120 days prior to the date scheduled for such election. Said notice shall: (a) inform each participating member agency of the positions to be filled on the Board of Directors at such election; (b) inform each participating member agency of its right to nominate participating member agencies to select an individual to serve in any director position to be filled at such election; (c) inform each participating member agency regarding those board seats up for nomination for which nominations are limited to those participating members agencies with fire suppression powers, to ensure that a majority of board members are selected by member agencies with fire suppression powers pursuant to Article II Section B above; and (d) inform participating member agencies that nominations may be made by filing with the Administrator of FDAC Employment Benefits Authority at least sixty (60) days prior to the date scheduled for such election, a letter making such nomination. A participating member agency can be nominated for only one position on the Board of Directors at each election.

When the nomination period for participating member agencies to select directors is closed, a written ballot specifying all member agencies nominated shall be distributed to each participating member agency in good standing as of that date. The form of written ballot and any related material may be sent by electronic transmission by the Authority, and completed ballots may be returned to the Authority by electronic transmission by participating member agencies that meet the requirements of Article I, sections G through L of these Bylaws. If a member agency does not consent to electronic communication their form of written ballot will be mailed to such participating member agency no later than 45 days prior to the date scheduled for such election. Said written ballot shall indicate that each participating member agency may return the ballot by electronic communication or first class mail to the principal business address of FDAC Employment Benefits Authority and that only those written ballots received either electronically or by mail prior to close of business on the date designated for the election shall be valid and counted. Written ballots received after the specified date shall not be counted.

2. All solicitations of votes by written ballot shall: (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots for election of participating member agencies to designate individuals to serve as directors, that those nominee member agencies receiving the highest number of votes for each Board position subject to election will be certified as elected and qualified to designate an individual to serve as Director in that Board position.

Election of a nominee to a Board position shall be valid only when: (1) the number of votes cast by written ballot, transmitted either electronically or by first class mail, within the time specified, equals or exceeds the quorum required to be present at a meeting of Members authorizing such action, and (2) the number of written ballots approving the election of a nominee equals the number of votes that would be required for election of a nominee at a meeting of the member agencies; i.e. the nominee receiving the highest number of votes for each Board position subject to election.

3. In the event of a tie vote, a supplemental written ballot containing only the names of those participating member agencies receiving the same number of votes shall be forwarded either by electronic communication or first class mail to each participating member agency in accordance with the written ballot procedures specified in these Bylaws. Those supplemental ballots received either by means of electronic communication or first class mail from participating member agencies prior to the close of business on the date designated in the ballot as the election date shall be considered valid and counted. All supplemental written ballots received after the designated date for the election will be deemed invalid. The district receiving the highest number of votes is entitled to designate an individual to serve as a director on the Board of Directors. In the event that the supplemental written ballot also results in a tie vote, the successful participating member agency candidate will be chosen by drawing by lot.

4. In the event there is only one nominee for a Board position to be filled at such election at the time the nomination period for participating member agencies to select directors is closed, no written ballots for that Board position shall be prepared or distributed, and such nominee shall be deemed to be duly elected to such Board position by acclamation of the member agencies.

C. Vacancy

Upon the death, resignation or ineligibility of any member of the Board of Directors, or upon the withdrawal or involuntary termination of the membership of any participating member agency that designated an individual to serve as a director on the Board of Directors, a vacancy shall occur. A member of the Board of Directors will become ineligible to serve as a director if that director is no longer a member of the Board of Directors or a management employee of a participating member agency in good standing with the FDAC Employment Benefits Authority. Such a vacancy in the Board of Directors shall be filled for the balance of the unexpired term by the appointment of an individual by the participating member agency that originally selected the deceased, resigned or ineligible director within thirty (30) days after the

occurrence of the vacancy. However, in the event that a participating member agency is no longer a member of FDAC Employment Benefits Authority or remains a participating member agency but does not fill the vacancy within thirty (30) days after the vacancy occurs, the vacancy in the Board of Directors shall be filled by the remaining members of the Board of Directors of the FDAC Employment Benefits Authority by appointment of a participating member agency to select an individual to serve as a director on the Board of Directors.

In the event no nominations are received for a position to be filled on the Board of Directors at a written ballot election conducted either by electronic communication or first class mail, a vacancy in that position shall occur upon the expiration of the term of the current member agency occupying the position subject to such election. Such a vacancy shall be filled for the entire balance of the new term by the Board of Directors of FDAC Employment Benefits Authority by appointment of a participating member agency which, in turn, will select a Board member or management employee of that participating member agency to serve as a member of the Board of Directors of FDAC Employment Benefits Authority.

D. Meetings of the Board of Directors

An organizational meeting of the Board of Directors shall be held as soon as possible after the commencement of each calendar year. This business shall be for the purpose of election of officers and transaction of other business as required.

Regular meetings of the Board of Directors shall be held at any place within the State of California that has been designated by the Board in the notice of the meeting.

Special meetings of the Board of Directors, for any purpose, may be called at any time by the President. Notice of the time and place of special meeting shall be given to each Director by (a) personal delivery of written notice; or (b) first class mail, postage prepaid; or (c) telephone, including voicemail; or (d) facsimile; or (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to each Director's last known address as shown on the records of FDAC Employment Benefits Authority. Notice of the special meeting must be provided 24-hours in advance of the meeting to all members of the Board of Directors. The notice should indicate that the meeting called is a special meeting, and shall state the time, place and business to be transacted at the meeting. No other business shall be considered at the special meeting.

Notice of any regular or special meeting of the Board of Directors need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent

to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents and/or approvals shall be filed with the Secretary and made a part of the minutes of the meeting.

All meetings of the Board of Directors, including regular, adjourned, and special meetings shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (*Government Code* section 54956 et seq.).

E. Quorum and Required Vote

A quorum of at least three members of the Board of Directors must be present at any meeting before the business of the Board of Directors can be transacted. The vote of a majority of the authorized number of members of the Board of Directors shall be required for any act or decision of the Board of Directors.

F. Board Meetings by Telecommunication

Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this section shall constitute presence in person at the meeting if both of the following apply: (1) each Board member participating in the meeting can communicate concurrently with all other members; and (2) each member of the Board is provided the means of participating in all matters before the Board, including the capacity to propose or interpose an objection to, a specific action to be taken by the Authority.

G. Expenses

The members of the Board of Directors shall be reimbursed for all reasonable and necessary travel expenses when required and incurred in connection with attendance at a meeting of the Board of Directors or a committee thereof. Travel expenses shall include all charges for transportation, meals, and lodging, other than first-class airfare. The cost of travel by private automobile shall be at a rate per mile established by the Board of Directors, but reimbursement for the cost of travel by automobile shall not exceed the applicable airfare charge.

### **ARTICLE III OFFICERS**

At the first meeting of the Board of Directors, and thereafter at the first meeting following January 1 of each year, the Board of Directors shall elect a President, a Vice-President, and a Secretary to serve for a one-year term or until a successor is elected. Such officers shall serve at the pleasure of the Board of Directors. In the event the President, Vice-President, or Secretary so

elected ceases to be a member of the Board of Directors, the resulting vacancy in office shall be filled at the next regular meeting of the Board of Directors after such vacancy occurs.

The President shall preside at and conduct all meetings of the Board of Directors, and shall carry out the resolutions and orders of the Board of Directors, and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. In his/her absence, the Vice-President shall carry out the duties of the President. The Secretary shall record the minutes of all meetings, prepare agendas, records and correspondence, attest documents requiring the execution by authorized representatives of FDAC Employment Benefits Authority, and to fulfill other duties normally required of the Secretary.

The Board of Directors shall appoint an Administrator who shall have general administrative responsibility for the activities of this Joint Powers Authority, and shall be responsible for all minutes, notices and records of meetings and shall perform such other duties as may be assigned by the Board of Directors. The Administrator shall serve as Treasurer of FDAC Employment Benefits Authority pursuant to *Government Code* section 6505.6, and perform those duties specified in *Government Code* section 6505.5.

#### **ARTICE IV CONTRIBUTIONS**

A. Payment of Contributions

Each participating member agency shall comply with all enrollment requirements specified in the Authority's Underwriting Criteria, as determined by the Board of Directors. Each participating member agency shall pay to FDAC Employment Benefits Authority or its designee the monthly contributions for each health and welfare benefit program offered by FDAC Employment Benefits Authority during each Program Year in which the participating member agency is enrolled, calculated by FDAC Employment Benefits Authority or its designee.

Payment of each monthly contribution shall be delinquent if not received by FDAC Employment Benefits Authority or its designee by the close of business on the tenth day following the month for which payment is due.

B. Calculation of Contributions

The amount of the monthly contribution for each participating member agency for each health and welfare benefit program in which such Member is enrolled shall be calculated by reference to the FDAC Employment Benefits Authority rates for each health and welfare benefit program offered for each Program Year as adopted by the FDAC Employment Benefits Authority

Board of Directors based upon the advice, consultation and negotiations between the Board of Directors, the Authority's insurance brokers and consultants, and various providers of health and welfare benefit programs. Such program rates will be adopted by the Board of Directors for each health and welfare benefit program offered by the Authority on Program Year (calendar year) basis. The amount of the monthly contribution for each participating Member agency for each health and welfare benefit program in which such Member is enrolled for each Program Year shall be calculated by multiplying such Authority rates by the number and type of enrollees of that member agency as determined by the Authority's Underwriting Criteria. The Board of Directors has authority to modify the contributions so computed for any Member agency based upon criteria developed and established by the Board of Directors.

The Administrator will determine the contribution for each Member agency for all of its enrollees with respect to each health and welfare benefit program in which such Member is enrolled for the next Program Year, and shall promptly notify such Member of the amount of such contribution for each such benefit program in which such Member is enrolled in accordance with the FDAC Employment Benefits Authority Rate Policies. Open Enrollment material will be distributed to each Member agency in accordance with such Rate Policies.

## **ARTICLE V FINANCIAL AFFAIRS**

### A. Accounts and Records

FDAC Employment Benefits Authority shall establish and maintain such bank accounts and maintain such books and records as determined by the Board of Directors and as required by good accounting practice. Books and records of FDAC Employment Benefits Authority shall be open to inspection at all reasonable times by authorized representatives of participating member agencies. Periodic financial reports shall be made to all participating member agencies.

### B. Audit

FDAC Employment Benefits Authority shall obtain an annual certified audit of its accounts and records which audit shall be made by a certified public accountant and shall conform to generally accepted auditing standards. A copy of said report shall be filed as a public record with each of the participating member agencies. Such audit shall be obtained and filed within nine months after the end of the fiscal year under examination.

### C. Fiscal Year

FDAC Employment Benefits Authority shall operate on the fiscal year commencing July 1 and ending on the following June 30.

D. Agency Funds

All funds received for the purposes of FDAC Employment Benefits Authority shall be utilized solely for the purposes of FDAC Employment Benefits Authority, and all expenditures of funds shall be made only upon signatures authorized by the Board of Directors, which shall establish the necessary procedures for doing so. Any funds not required for the immediate need of FDAC Employment Benefits Authority, as determined by the Board of Directors, may be invested in any manner authorized by law for the investment of funds of a public agency.

E. Contributions

Without in any way limiting the powers otherwise provided for in the Joint Powers Agreement, these Bylaws, or by statute, FDAC Employment Benefits Authority shall have the power and authority to receive, accept, and utilize the services of personnel offered by any Members, or their representatives or agents; to receive, accept, and utilize property, real or personal, from any Member or its agents or representatives; and to receive, accept, expend, and disburse funds by contract or otherwise, for purposes consistent with the provisions of FDAC Employment Benefits Authority, which funds may be provided by any participating Members, their agents, or representatives.

## ARTICLE VI

### DIVIDENDS AND ASSESSMENTS

A. Dividends

Any surplus from the operation of FDAC Employment Benefits Authority may be distributed to the participating Member agencies under such terms and conditions as may be determined by the Board of Directors. The amount of any dividends shall be determined by the Board of Directors based upon appropriate actuarial information, including the cash reserves on hand, the reserves for unpaid claims, the reserves for incurred but not reported claims, the contributions paid and to be paid, the difference between revenues and expenses, and other relevant information.

B. Assessments

If, in the opinion of the Board of Directors, medical claims from employees of participating member agencies in a self-funded or self-insured program of the FDAC Employment Benefits Authority are of such a magnitude as to endanger the ability of FDAC Employment Benefits Authority to continue to meet its financial obligations in such self-funded or self-insured program, each Member agency which has participated in that FDAC Employment Benefits Authority self-funded or self-insured program during the current fiscal year and/or during any portion of the prior two fiscal years shall be assessed by the FDAC Employment Benefits Authority a pro rata share of the additional amount determined necessary by the Board of Directors to restore the ability of FDAC Employment Benefits Authority to continue to meet its financial obligations in such self-funded or self-insured program. Each Member agency=s pro rata share of the total assessment shall be in the same proportion as the total contributions paid by that agency into that self-funded or self-insured plan during the current fiscal year and the last two fiscal years bear to the total contributions paid by all participating Member agencies in that self-funded or self-insured program during that period of time. Failure of any participating Member agency to pay any regular contribution or assessment when due shall be cause for the involuntary termination of that agency=s membership in FDAC Employment Benefits Authority. Such assessment shall be a debt due by each Member agency which has participated in that self-funded or self-insured program of FDAC Employment Benefits Authority during said three-year period.

**ARTICLE VII**  
**TERMINATION OF MEMBERSHIP**

A. Voluntary Termination of Membership in a Program

After completing three full calendar years of participation in any health and welfare benefit program offered by FDAC Employment Benefits Authority, any participating Member agency may voluntarily withdraw or terminate its participation in such a program effective at the beginning of the next calendar year by sending to the Authority a written Notice of Intention to Withdraw from a program no later than August 15 of the current year. No withdrawal shall become effective until the beginning of the next calendar year. A Member may rescind its Notice of Intention to Withdraw by filing written notification of such rescission with the Authority no later than October 1 of the current year.

A Member agency voluntarily withdrawing and/or terminating its membership in any health and welfare benefit program offered by the Authority shall remain liable to the

Authority for all contributions and assessments levied in any program in which such Member was enrolled that may become due pursuant to the terms of this terms of the Joint Powers Agreement, these Bylaws, or Authority policies. No participating member agency that has voluntarily withdrawn or terminated its membership in any health and welfare benefit program offered by the Authority shall be entitled to any refund of contributions or to any return of loss reserve contribution by virtue of its participation in such program. Any participating member agency that has voluntarily withdrawn or terminated its membership in any program offered by the Authority shall also continue to be liable for any assessments levied by the Authority pursuant to these Bylaws or Authority policies after the date of such agency's withdrawal and/or termination of membership in a program that pertains to a year during which the withdrawn or terminated member agency was a participating member agency in such program offered by the Authority.

Any participating member agency that voluntarily withdraws or terminates its participation in any program offered by the Authority shall be entitled to receive its pro rata share of any dividends declared by the Board of Directors for that particular program after the date of its withdrawal and/or termination that pertains to a year during which the withdrawn or terminated Member agency was a participating member agency in such program offered by the Authority.

B. Voluntary Withdrawal from the Authority

After completing three full calendar years of participation in FDAC Employment Benefits Authority, any participating member agency may voluntarily withdraw from FDAC Employment Benefits Authority at the end of any calendar year by sending to the Authority a written Notice of Intention to Withdraw its membership in the Authority no later than August 15 of the current year. No withdrawal shall become effective until the beginning of the next calendar year. A Member may rescind its Notice of Intention to Withdraw by filing written notification of such rescission with the Authority no later than October 1 of the current year.

A Member agency voluntarily withdrawing and/or terminating its membership in the Authority shall remain liable to the Authority for all contributions and assessments levied in any program in which such Member was enrolled that may become due pursuant to the terms of the Joint Powers Agreement, these Bylaws or Authority policies. No participating member agency that has voluntarily withdrawn or terminated its membership in the Authority shall be entitled to any refund of contributions or to any return of loss reserve contribution by virtue of its participation

in the Authority. Any participating member agency that has voluntarily withdrawn or terminated its membership in the Authority shall continue to be liable for assessments levied by the Authority, and shall continue to be entitled to receive its pro rata share of any dividends declared by the Board of Directors pursuant to the provisions of Article VII Section A above.

C. Involuntary Termination of Membership in the Authority

Any participating member agency may be involuntarily terminated as follows for any of the following reasons:

1. Failure to pay any contribution, surcharge or assessment when due.
2. Failure to maintain compliance with the Authority's Underwriting Criteria as determined by the Board of Directors.
3. Failure to comply promptly with any requirements established by the FDAC Employment Benefits Authority Board of Directors concerning loss control or other programs or procedures of the agency.
4. Failure to comply with the Bylaws or any other policies or procedures established by the FDAC Employment Benefits Authority Board of Directors.
5. Failure to sign any properly adopted amendment to the Joint Powers Agreement when requested to do so.
6. For cause, based upon a determination by the Board of Directors that such cause is detrimental to the FDAC Employment Benefits Authority and/or to the effectiveness of any of the health and welfare benefit programs offered by the Authority.

In the event a participating member agency fails to pay any contribution, surcharge, or assessment when due, or fails to comply with any of the other membership requirements specified in these Bylaws or Authority policies FDAC Employment Benefits Authority may immediately mail to the delinquent agency a notice stating the delinquency and stating that coverage by FDAC Employment Benefits Authority will be canceled and terminated upon a date not less than thirty (30) days thereafter unless during that period of time the stated delinquency is corrected. Termination will be effective pursuant to the notice if the delinquency is not corrected within the time stated.

Involuntary terminations may also be effected by FDAC Employment Benefits Authority giving written Notice of Intention to Terminate to the participating member agency upon

a date not less than thirty (30) days thereafter for the reason or reasons set forth in the notice. The termination may be effective upon the date set forth in the notice unless prior to that effective date the participating member agency being terminated requests a hearing by the Board of Directors of FDAC Employment Benefits Authority. At the hearing evidence will be received regarding the reasons for the termination and the reasons why the termination should not be completed. After such hearing, the vote of four (4) members of the FDAC Employment Benefits Authority Board of Directors shall be required to terminate a participating member agency as a member of the Authority. If, following the hearing, the FDAC Employment Benefits Authority Board of Directors decides to involuntarily terminate the participating member agency, then FDAC Employment Benefits Authority shall give such agency thirty (30) days written notice of its decision to involuntarily terminate such Member after hearing and the effective date of the termination. If no request for hearing by the Board of Directors is received, then the termination shall be effective upon the date set forth in the Notice of Intention to Terminate. A terminated Member agency shall remain liable to FDAC Employment Benefits Authority for all contributions and assessments that may become due as a result of its membership in FDAC Employment Benefits Authority and/or its participation in any of the health and welfare benefit programs offered by the Authority.

All notices provided for above shall be mailed “certified mail, return receipt requested”.

D. Payment Upon Involuntary Termination

Any Member agency which is involuntarily terminated from FDAC Employment Benefits Authority shall have no residual rights in any funds or other assets of FDAC Employment Benefits Authority, whether or not resulting from participation by the Member agency, and the Member agency shall continue to be responsible for the amount of any costs, contributions, liabilities, assessments, surcharges or contingencies required because of the Member agency’s participation in FDAC Employment Benefits Authority or any of its health and welfare benefit programs as set forth in these Bylaws. An involuntarily terminated Member agency shall not be entitled to share in any dividends declared in any program offered by the Authority during those years in which the involuntarily terminated Member agency was a participant in that program.

**ARTICLE VIII  
INSURANCE**

The Authority shall have the right, and shall use its best efforts to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising from the Officer's, Director's, employee's or agent's status as such.

The Authority shall maintain, at a minimum, the following insurance policies:

- (1) a general liability insurance policy protecting the Authority and its directors, officers and employees from damage claims by third parties alleging personal injury and/or property damage;
- (2) Director's and Officer's Liability Coverage with Fiduciary Liability and Employee Dishonesty endorsements;
- (3) a fidelity bond covering employees and/or agents of the Authority as deemed necessary and reasonable by the Board of Directors.

**ARTICLE IX  
TERMINATION OF FDAC EMPLOYMENT BENEFITS AUTHORITY**

Upon termination of FDAC Employment Benefits Authority pursuant to the Joint Powers Agreement, provision shall be made for the payment of all known claims in each of the health and welfare benefit programs offered by the Authority; for insuring, reinsuring or making other provision for the payment of any and all unknown claims covered by any insurance coverage or coverage program provided by FDAC Employment Benefits Authority to a Member agency and occurring during its period of coverage by FDAC Employment Benefits Authority; and for the payment of all debts, liabilities, administrative expenses and obligations of FDAC Employment Benefits Authority. After having paid or made provision for all such matters, FDAC Employment Benefits Authority shall pay to each Member agency who was a member of FDAC Employment Benefits Authority at the time of termination its pro rata share of the remaining assets of FDAC Employment Benefits Authority. An agency's pro rata share shall be in the same proportion as the total contributions paid by that agency to FDAC Employment Benefits Authority during its period of participation in any or all of the programs offered by the Authority bears to the total contributions paid to FDAC Employment Benefits Authority during its period of operation by all

agencies participating in any or all of the programs offered by the Authority and who are members of FDAC Employment Benefits Authority at the time of termination.

## **ARTICLE X AMENDMENTS**

Participating member agencies in good standing may propose amendments to the Bylaws to the Board of Directors of the FDAC Employment Benefits Authority at any time by submitting a written request for amendment of the Bylaws to the Administrator together with proposed language constituting the requested Bylaws amendment. The Board of Directors will agendaize at its next regular Board meeting consideration of the proposed amendment to the Bylaws, and will make a determination as to whether the proposed amendment to the Bylaws would conflict in any way with the terms and provisions of the Joint Powers Agreement of the FDAC Employment Benefits Authority. If the Board of Directors determines that the proposed Bylaw amendment does conflict with the terms and provisions of the Joint Powers Agreement, then the Board of Directors shall so notify the participating member agency requesting the Bylaw amendment of that fact and of the Board's determination that the proposed Bylaw amendment will not be submitted to a vote of the participating member agencies due to such conflict.

Should the directors determine that the proposed Bylaw amendment does not conflict with the terms and provisions of the Joint Powers Agreement, or should the Board of Directors determine to propose an amendment to the Bylaws, the Board of Directors shall schedule a written ballot election to be conducted by means of electronic communication or first class mail in the same manner as specified in Articles I and II of these Bylaws for written ballot elections conducted pursuant to annual or special meetings of member agencies. The Board of Directors shall have the discretion to shorten the time period specified in Article II for a written ballot election to approve or disapprove a proposed Bylaw amendment. The form of written ballot for a proposed Bylaw amendment shall be sent by electronic communication pursuant to Article I, sections G through L of these Bylaws to each participating member agency no later than 30 days prior to the date scheduled for the written ballot election, shall contain the Bylaw amendment language proposed by a participating member agency or the Board as the case may be, and shall contain boxes in which participating member agencies may indicate approval or disapproval of the proposed Bylaw amendment. Approval of a Bylaw amendment by written ballot shall be valid

only when (1) the number of votes cast by ballot, either by means of electronic communication or first class mail within the time specified equals or exceeds the quorum required to be present at a membership meeting authorizing the action (50% plus one of participating member agencies); and (2) the number of approvals equals or exceeds 50% plus one of the number of votes cast by written ballot.

A participating member agency proposing a Bylaw amendment, the Board of Directors of the FDAC Employment Benefits Authority, and any other participating member agency may each submit an argument not to exceed one page in length, setting forth reasons for adoption or rejection of the proposed Bylaw amendment. All such ballot arguments shall be received by the Administrator on or before the date of transmitting the written ballot for a proposed Bylaw change to all participating member agencies by means of electronic communication or first class mail. Such ballot arguments shall be communicated electronically or by first class mail together with a written ballot to all participating member agencies. The submission of such a written ballot argument is voluntary.

#### **ARTICLE XI EFFECTIVE DATE**

These Bylaws shall become effective immediately upon the effective date of the Joint Powers Agreement. Any amendments to these Bylaws shall be effective immediately upon confirmation of a majority vote of a quorum of member agencies casting written ballots in favor of the proposed Bylaw amendment.

#### **CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting Secretary of FDAC Employment Benefits Authority, California Joint Powers Authority; these Bylaws, consisting of 20 pages are the Bylaws of this corporation as adopted by the Board of Directors of FDAC Employment Benefits Authority on, 2017; and that these Bylaws have not been amended or modified since that date. Executed on , 2017 at Sacramento, California

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Secretary of  
FDAC Employment Benefits Authority



## UNDERWRITING CRITERIA

### ELIGIBLE MEMBER PUBLIC AGENCIES

To be eligible for benefits through the FDAC EBA JPA, your public agency must sign the JPA Agreement and be approved as a member public agency by the Board of Directors. Eligible employees of your member public agency are active employees, retirees, elected board members, and their eligible dependents.

In order to participate in the medical, dental and vision program, your member public agency must have active paid staff. Descriptions of eligible employees are shown below.

### ACTIVE EMPLOYEES

To be eligible for benefits, you must be employed with a member public agency as a regular employee and work at least 30 hours per week. Part time employees who work at least 20 hours per week may also be eligible depending on your member public agency benefit eligibility criteria.

### RETIREES

Your member public agency has the option to offer coverage through the FDAC EBA to retirees, but only at the time your member public agency initially becomes a member of the FDAC EBA.

- Retirees must elect coverage at the time of retirement. Once coverage is elected a retiree must have continuous coverage. If a retiree elects to opt-out of the member public agency group health plan, the retiree will not be allowed to join the plan at a later time.
- Retirees not covered by a member public agency's health plan at the time a member public agency is admitted to membership in FDAC EBA cannot later be covered. Those who retire after the effective date of FDAC EBA membership are eligible for coverage but must elect coverage at the time of retirement.
- Retirees and Spouses are required to enroll in Medicare Part A & B in order to remain on the member public agency sponsored health plan.
- Retirees will be billed directly through the FDAC EBA Administrator for premiums.
- Retired board members are not eligible for coverage.

## BOARD MEMBERS

Your member public agency has the option to offer coverage to their elected Board Members or Council Members. This option must be requested at the time your member public agency initially joins the FDAC EBA.

- Current Board Members and Council Members must elect coverage at the time their member public agency initially joins the FDAC EBA. Future Board Members and Council Members must elect coverage at the time their term of office begins. Once covered, a Board or Council Member must have continuous coverage. If a Board or Council Member elects to opt-out of the member public agency group health plan, they will not be able to join the plan at a later time.
- Board or Council Members that are not currently covered by the member public agency's health plan at the time their member public agency initially joins the FDAC EBA cannot be retroactively covered. Only those Board or Council Members who are actively serving or voted into office after the effective date of the FDAC EBA membership are eligible for coverage.
- Benefits are available for the duration of the Board or Council Member's term of office. If a Board or Council Member is not reelected or resigns, coverage will terminate as of the end of that Board or Council Member's term of office and they will be offered coverage continuation benefits under COBRA.
- Board or Council Members must have medical coverage immediately prior to the effective date of membership of their member public agency in the FDAC EBA program to be eligible for enrollment in a FDAC EBA plan.

## DEPENDENTS

Eligible Active Employees, Retirees and Board or Council Members have the option to enroll their dependents at the time of their initial enrollment.

### Medical

Participants may enroll their eligible dependents at initial enrollment. For existing employees of member public agencies, this is within 31 days of the effective date of the public agency's membership in the FDAC EBA. For new employees of member public agencies, this is within 31 days of commencement of employment.

If an employee does not elect to cover their dependents at initial enrollment, they will have the option to enroll them during open enrollment or within 31-days of a qualifying event. Example; employee's eligible dependents are covered through their spouse's employer sponsored group health plan so they waive coverage for them at the initial enrollment. The spouse is terminated and therefore loses coverage. The spouse and dependents will be allowed to join the member public agency's sponsored health plan as dependents within 31 days of losing coverage. Otherwise, they will have to wait until open enrollment.

## Dental/Vision and Voluntary Life Products

There are different requirements imposed by the carriers for these lines of coverage. Please refer to Benefit Program Specific Requirements.

### DEFINITION OF DEPENDENTS:

Your eligible dependents are:

1. Your legal spouse or registered domestic partner.
  - A. A registered domestic partnership is established between: (1) two adults of the same sex; or (2) two adults of opposite sex if both persons are over the age of 62 and meet the eligibility requirements of California Family Code section 297(b)(6)(B); and (3) both persons have a common residence; and (4) both persons agree to be jointly responsible for each other's basic living expenses incurred during the domestic partnership; and (5) both persons file a Declaration of Domestic Partnership in the form prescribed by the California Secretary of State (hereinafter the "Secretary") and provide a copy to the member public agency and the FDAC EBA .
  - B. A member public agency may elect to extend domestic partnership coverage to domestic partnerships of persons of opposite sexes who are under the age of 62 pursuant to federal law by requiring that the domestic partnership (1) provide written notice of such election to the member public agency; and (2) provide copies of a Declaration of Domestic Partnership signed by both parties in the form prescribed by the FDAC EBA which is attached hereto as Exhibit A and incorporated herein by this reference. Such Declarations of Domestic Partnership shall be filed with the member public agency and a copy provided to the FDAC EBA.
    - (1) For the current Program Year, certain insurance providers may require additional conditions to be satisfied in order to provide domestic partnership coverage to domestic partners of opposite sex who are under the age of 62. Employees of member agencies affected by this provision should promptly contact the member public agency and/or the FDAC EBA for additional information.
  - C. A covered employee may terminate a registered domestic partner as an eligible dependent by executing a Notice of Termination of Domestic Partnership form in the form prescribed by the FDAC EBA which is attached hereto as Exhibit B and incorporated herein by this reference. Such Notice of Termination of Domestic Partnership shall be filed with the member public agency and a copy provided to the FDAC EBA.

- D. Documentation of an employee's legal spouse as an eligible dependent may be satisfied by providing a copy of the employee's Marriage Certificate to the member public agency.
- 2. Your dependent children under age 26 who do not qualify for their own employer sponsored group health plan.
- 3. Your unmarried child of any age who is physically or mentally handicapped as long as the disability occurred before the age of nineteen while he or she was covered by your current medical plan.