

AGREEMENT BIBLIOGRAPHY

Agreement With:	CalPERS
Agreement Type:	Employee Retirement System
Date Approved:	06 18 1991
Start Date:	06 18 1991
End Date:	N/A
Contract Amount:	N/A
Comments:	Joint Powers Agreement creating the Joint Powers Employee Benefit Authority
Insurance Expiration:	N/A
Date Archived:	

78.12

Councilman Williams moved, seconded by Councilman Kessler, that full reading of Resolution No. 7380-91 be waived, and said Resolution entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT FOR THE JOINT EXERCISE OF POWERS WITH OTHER PUBLIC AGENCIES TO ESTABLISH, MANAGE, OPERATE AND MAINTAIN EMPLOYEE BENEFIT PROGRAMS AS PROVIDED IN SAID AGREEMENT, be and hereby is adopted. Upon the following vote:

AYES: COUNCILMEMBERS: (5) DINSEN, KESSLER, LEYES, WILLIAMS,
DONOVAN
NOES: COUNCILMEMBERS: (0) NONE
ABSENT: COUNCILMEMBERS: (0) NONE

said Resolution No. 7380-91 was declared adopted.

CITY COUNCIL MINUTES

6/18/91

City of Garden Grove
INTER-DEPARTMENT MEMORANDUM

To: George L. Tindall
Dept: City Manager
Subject: MEDICAL PREMIUM BENEFIT PLAN
FOR RETIREES

From: Steven A. Larson
Dept: Personnel Services
Date: May 7, 1991

OBJECTIVE

This is to request approval of City Council for the City to become a member of the Joint Powers Employee Benefit Authority for the primary purpose of participating in a medical premium benefit plan for retirees.

BACKGROUND

For the past few years, the represented employee groups have requested during contract negotiations that the City increase its contribution for medical insurance premiums for retirees. Since this type of benefit can be very expensive, the City has previously been unwilling to approve this request.

It has recently come to our attention that there is a program currently provided through the Joint Powers Employee Benefit Authority that will benefit employees during their retirement by providing a mechanism for pre-retirement funding of post-retirement medical insurance premiums for themselves and their dependents. This is a deferred compensation program that allows for deferral on a pre-tax basis while the employee is still working and then will reimburse the employee after retirement on a pre-tax basis for payment of medical insurance premiums.

DISCUSSION

Participation in this program requires the City to become a member of the Joint Powers Employee Benefit Authority (JPEBA). The JPEBA was established in 1987 with the cities of Newport Beach and Costa Mesa becoming the initial members for the purpose of establishing, operating and maintaining a comprehensive program of employee benefits. Currently, there are four cities, two school districts and one special district throughout the state that are members of JPEBA. The JPEBA is governed by a Board of Directors that is comprised of one member from each participating agency. The joint powers agreement creating the JPEBA is attached as "Exhibit A".

The JPEBA operates a number of different employee benefit plans for its member agencies. Each agency may select only those plans in which it desires to participate. The City's membership in this joint powers authority will not require a change to any existing employee benefit programs.

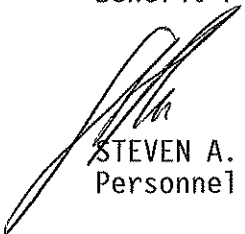
Medical Premium Benefit Plan for Retirees
May 7, 1991
Page Two

To become a member of JPEBA and to participate in the medical premium benefit plan for retirees, the City Council must adopt the attached Resolution. Additionally, there is a one-time charge of \$500 to join, which is in the current year budget.

The JPEBA Medical Premium Retirement Benefit Plan document is attached as "Exhibit B". The plan allows for voluntary participation of employees, using employee-only money and/or City money. At this time, the City's participation in the plan will be designed to include employee-only money. Specific details of the City's plan design and administrative requirements will be determined at a later date and specified in a separate Subscription Agreement.

RECOMMENDATION

It is recommended that City Council adopt the attached resolution authorizing the City to become a member of the Joint Powers Employee Benefit Authority for the purpose of participating in the JPEBA Medical Premium Retirement Benefit Plan.



STEVEN A. LARSON
Personnel Services Director

Attachments

RECOMMENDED FOR APPROVAL:



George L. Tindall
City Manager

7812

RESOLUTION NO. 7380-91

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT FOR THE JOINT EXERCISE OF POWERS WITH OTHER PUBLIC AGENCIES TO ESTABLISH, MANAGE, OPERATE AND MAINTAIN EMPLOYEE BENEFIT PROGRAMS AS PROVIDED IN SAID AGREEMENT

BE IT RESOLVED by the Council of the City of Garden Grove as follows:

WHEREAS, an agreement entitled "Joint Exercise of Powers Agreement Creating the Joint Powers Employee Benefit Authority" has been prepared, in the form attached as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, the Authority would establish, operate, and maintain a comprehensive program of employee benefits including but not limited to retirement, pension, death, medical, health, disability, deferred compensation, insurance, group plans, and other programs and mechanisms of the provisions thereof; and

WHEREAS, an agreement entitled "Joint Powers Employee Benefit Authority Medical Premium Retirement Benefit Plan", has been prepared, in the form attached as Exhibit "B", and incorporated herein by reference; and

WHEREAS, the public interest requires and it is to the benefit of this City to join other public agencies to establish and operate a cooperative program of management for employee benefit funds.

NOW, THEREFORE, the City Council of the City of Garden Grove hereby resolves as follows:

Section 1. The City Council hereby approves and adopts that certain "Joint Exercise of Powers Agreement Creating the Joint Powers Employee Benefit Authority" as attached hereto as Exhibit "A" and authorizes the City Manager to execute said agreement on behalf of the City.

Section 2. The City Council hereby approves that certain "Joint Powers Employee Benefit Authority Medical Premium Retirement Benefit Plan", attached hereto as Exhibit "B", and authorizes the City Manager to execute said agreement on behalf of the City.

Section 3. City hereby expressly agrees to be bound by all terms and conditions of said Agreements.

Section 4. The City Manager is hereby authorized in accordance with the Agreements to act as Director and the City's representative. The City Manager shall take all actions necessary on behalf of the City to carry out and implement the provisions of the Agreements.

ADOPTED this 18th day of June, 1991.

/s/ WALT E. DONOVAN
MAYOR

ATTEST:

/s/ CAROLYN MORRIS, CMC
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, CAROLYN MORRIS, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the Council of the City of Garden Grove, California, at a regular meeting thereof held on the 18th day of June, 1991, by the following vote:

AYES: COUNCILMEMBERS: (5) DINSEN, KESSLER, LEYES, WILLIAMS, DONOVAN
NOES: COUNCILMEMBERS: (0) NONE
ABSENT: COUNCILMEMBERS: (0) NONE

/s/ CAROLYN MORRIS, CMC
CITY CLERK

EXHIBIT "A"

JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE JOINT POWERS
EMPLOYEE BENEFIT AUTHORITY

OCTOBER 19, 1987

Res. No. 7380-91

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EXHIBITS:

Exhibit A -- List of Public Agencies

JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE JOINT POWERS
EMPLOYEE BENEFIT AUTHORITY

This Agreement is made and entered into this _____ day of _____, 1987, in the County of Orange, State of California, by and among the public agencies organized and existing under the Constitution or laws of the State of California, hereinafter collectively referred to as "Public Agencies" and individually as "Public Agency," which are parties signatory to this Agreement and listed in the "List of Public Agencies" attached hereto as Appendix "A" and incorporated herein by this reference. Said Public Agencies are sometimes referred to as "Parties" or "Members".

RECITALS

WHEREAS, California Government Code Sections 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 Section 45000 provides that cities may establish a personnel system, which personnel system may include employee benefit programs containing health, medical, disability, deferred compensation, insurance, group plans, and other programs and mechanisms for the provision thereof; and

WHEREAS, California Government Code Sections 45300, et seq. provides that cities may establish, manage, operate and maintain employee benefit programs, including but not limited to retirement allowances, pensions, death benefits, disability payments, and others, and provide for the investments, care and administration of retirement funds; and

WHEREAS, California Government Code Sections 53201, et seq. permit a Public Agency to provide health and welfare benefits for the benefit of its officers, employees, and retired employees, and to contract with insurers, health service organizations, or legal service organizations for plans of health and welfare benefits; and

WHEREAS, California Government Code Section 1157 permits officers and employees of a Public Agency to authorize deductions from their salaries or wages for payment of premiums for life, accident, health, disability, and other purposes; and

WHEREAS, California Government Code Section 53212 permits Public Agencies to establish deferred compensation

JOINT EXERCISE OF POWERS AGREEMENT

plans for their officers and employees and to make deductions from the salaries and wages of such officers and employees to participate in a deferred compensation plan; and

WHEREAS, the charters of those member cities not formed under the general law of the State of California empower the legislative body to provide employee benefit programs for retirement, death, medical, health, disability, deferred compensation, insurance, group plans, and other programs and mechanisms for the provision thereof; and

WHEREAS, certain non-municipal public agencies may have authority under state law to establish, manage, operate and maintain similar benefit programs and such Public Agencies may wish to become Parties to this Agreement; and

WHEREAS, the public interest requires and it is to the mutual benefit of the Parties hereto to join together to establish and operate a cooperative program of management for employee benefit funds; and

WHEREAS, it is desirable to provide a means by which other public agencies may become Parties to this Agreement in the future whereby the resources and capability of the organization may be expanded.

NOW, THEREFORE, for and in consideration of the mutual advantages, covenants and agreements contained herein the Parties hereto agree as follows:

ARTICLE 1.00 DEFINITIONS.

Words beginning with lower case letters are being used with their common ordinary meanings. The following capitalized names and terms shall have the following respective meanings:

1.01 Agreement.

"Agreement" means this Agreement between the Public Agencies, as specified on Exhibit A hereto, for the creation of the Joint Powers Employee Benefit Authority and any subsequent amendments thereto.

1.02 Annual Meeting.

"Annual Meeting" means the regular yearly meeting of the Board held in June in accordance with this

JOINT EXERCISE OF POWERS AGREEMENT

Agreement at which officers are elected and other business is transacted as described herein.

1.03 Auditor.

"Auditor" means an independent certified public accountant designated by the Board.

1.04 Authority.

"Authority" means the Joint Powers Employee Benefit Authority created by this Agreement and may sometimes be referred to as "JPEBA" or "EBA" as the case may be.

1.05 Benefit Plan.

"Benefit Plan" means the individual benefit agreement as negotiated by a Public Agency through collective or individual contract bargaining with its officers and/or employees.

1.06 Benefits.

"Benefits" means those monies payable on behalf of or to an Individual Plan Participant or his beneficiary, according to the Benefit Plan provisions, as a result of termination, retirement, disability, accident, illness, death, or periodic accrual.

1.07 Board.

"Board" means the Board of Directors of the Authority who are the governing body.

1.08 Chief Administrative Officer.

"Chief Administrative Officer" means that executive officer of each Public Agency responsible to the governing body of the Public Agency for the supervision, administration, and operation of the Public Agency.

1.09 Director.

"Director" means a person who is a Member of the Board.

JOINT EXERCISE OF POWERS AGREEMENT

1.10 Executive Committee.

"Executive Committee" means that Committee of the Board of Directors elected by the Board pursuant to Article 10 hereof to exercise general and continuous oversight over the Executive Director and the operations of the Authority.

1.11 Fiscal Agent.

"Fiscal Agent" means a custodian as approved by the Board of Authority funds, which may include but is not limited to a bank, insurance company, or other responsible financial institution qualified to serve in such capacity.

1.12 Fiscal Year.

"Fiscal Year" means the period of time commencing July 1, and ending June 30, of each year.

1.13 Fund.

"Fund" means the pooled or segregated monies held and/or invested under the terms of each Benefit Plan as administered by the Authority.

1.14 Party or Member.

"Party" or "Member" means a Public Agency which is a Party to this Agreement and Member of the Authority.

1.15 Plan Document.

"Plan Document" means a document provided to the Authority by a Member delineating its Benefit Plan.

1.16 Plan Participant.

"Plan Participant" means the individual employee of a Public Agency who is a participant in a Benefit Plan under the terms his agreement with the Public Agency.

1.17 Public Agency.

"Public Agency" means any state agency, county agency, city, district, joint powers agency/authority, or other Public Agency which has authority to establish,

JOINT EXERCISE OF POWERS AGREEMENT

manage, operate and maintain an employee benefit system, as provided herein, and to become a Party to this Agreement.

ARTICLE 2.00 PURPOSE.

The purpose of this Agreement is to create a Joint Powers Employee Benefit Authority to establish, operate and maintain a comprehensive program of employee benefits, both retirement and other employee benefits, including but not limited to pension, death, medical, health, disability, deferred compensation, insurance, group plans and other programs and mechanisms for the provision thereof in order to achieve economies of scale, more efficient administration and a maximum return within authorized parameters. This purpose shall be accomplished through the exercise of the powers of the Public Agencies jointly by pooling their investments and jointly purchasing administrative and other services, including but not limited to, plan development, claim investigation, data processing, investment consultation, legal and related services.

ARTICLE 3.00 PARTIES TO AGREEMENT.

Each Party to this Agreement certifies that it intends to and does contract with all other Parties who are signatories of this Agreement and, in addition, with such other Parties as may later be added as Parties to and signatories of this Agreement pursuant to Article 16.00. Each Party to this Agreement also certifies that the deletion of any Party from this Agreement, pursuant to Article 16.00 shall not affect this Agreement or such Party's intent to contract as described above with the other Parties to the Agreement then remaining.

ARTICLE 4.00 CREATION OF JOINT POWERS EMPLOYEE BENEFIT AUTHORITY.

Pursuant to Government Code Section 6500 et. seq., there is hereby created a public entity separate and apart from the Parties hereto, to be known as the Joint Powers Employee Benefit Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any Party to this Agreement.

JOINT EXERCISE OF POWERS AGREEMENT

ARTICLE 5.00 TERM OF AGREEMENT.

This Agreement shall become effective on the date of execution hereof by at least two Public Agencies and shall continue until and unless terminated as hereinafter provided.

ARTICLE 6.00 POWERS OF THE AUTHORITY.

The Authority shall have the powers common to the Public Agencies and is hereby 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) Authorize the allowance, compromise, arbitration, rejection, or settlement of benefit claims;
- (b) To make and enter into contracts;
- (c) To incur debts, liabilities or obligations and issue bonds, notes and other evidence of indebtedness;
- (d) To invest and manage funds;
- (e) To employ agents and employees;
- (f) To acquire, hold or dispose of real or personal property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (g) To acquire, construct, manage, maintain or operate any building, works or improvements;
- (h) To sue and be sued in its own name;
- (i) To develop and administer employee benefit plans and programs as described herein; and
- (j) To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

JOINT EXERCISE OF POWERS AGREEMENT

ARTICLE 7.00 BOARD OF DIRECTORS.

7.01 Establishment of Board and Designation of Directors.

The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one voting Director from each Member. The Director for each Member is hereby designated to be the Chief Administrative Officer of each Member who shall automatically assume the office of Director. Any person serving as Chief Administrative Officer, whether in a permanent, acting or interim capacity shall serve as Director upon selection as Chief Administrative Officer and shall continue as Director so long as he or she serves as Chief Administrative Officer.

7.02 Designation of Alternates.

The Director shall appoint at least one (1) alternate who shall generally be that officer or employee of the Member responsible for employee benefits. The alternate shall have the authority to attend, participate in and vote in any meeting of the Board when the Director for whom he or she is an alternate is absent from said meeting.

7.03 Vote Allocation.

Each Member shall have one (1) vote which shall be cast personally by their Director or alternate.

7.04 Organizational Meeting.

Within sixty (60) days following the effective date of this Agreement, the Directors representing the Parties to this Agreement shall hold the initial Board meeting and organize the Authority by electing and appointing officers and taking such other actions as may be appropriate.

ARTICLE 8.00 POWERS OF THE BOARD OF DIRECTORS.

8.01 Approval of Operating Budget.

At the Annual Meeting the Board shall review, modify if necessary, and approve the annual operating budget of the Authority, prepared by the Executive Director pursuant to Section 12.07.

JOINT EXERCISE OF POWERS AGREEMENT

8.02 Review Fund Accountings.

The Board shall receive and review periodic accountings of all funds received pursuant to this Agreement.

8.03 Power to Conduct Business.

The Board shall have the power to conduct on behalf of the Authority all business of the Authority including that assigned to the Executive Director. The Board may review all acts of the Executive Committee and/or Executive Director and shall have the power to modify and/or override any decision or action upon a majority vote of the entire Board, provided that the Board may not impair any obligation of any valid contract.

8.04 Authority Procedures.

The Board may cause to be developed Bylaws for the Authority. In addition, a Manual of Procedures to govern the day-to-day operations of the Authority may thereafter be developed. Each Member shall receive a copy of the Bylaws, and any Manual developed under this Article. The Board may establish such other policies, rules, regulations, and procedures to govern its operations as it deems appropriate. The foregoing Bylaws, Manual, policies, rules, regulations, and procedures may be amended by the Board from time to time.

8.05 Annual Audit.

The Board shall arrange and provide for an annual audit of the accounts and records of the Authority by an independent certified public accountant which audit shall meet the minimum requirements specified in Sections 6505 and 26909 of the California Government Code and conform to generally accepted auditing standards. Copies of such audit shall be distributed to all Members within ninety (90) days following the close of the fiscal year.

8.06 Establishment of Committees.

The Board may establish committees to make recommendations to it. The committees shall conduct their meetings in the same manner as meetings of the Board and in accordance with such other procedures as the Board may prescribe.

JOINT EXERCISE OF POWERS AGREEMENT

8.07 Development of Services.

The Board shall have the authority to develop plans and programs, including employee benefit programs, for the Members and to contract to provide services for the Authority.

8.08 Employees.

The Board shall have the power to authorize the employment of persons on a full or part-time basis and to establish the terms and conditions of their employment, as necessary to carry out the purposes of the Authority.

8.09 Residual Powers.

The Board shall have such other powers and functions as are provided for in this Agreement.

ARTICLE 9.00 MEETINGS OF THE BOARDS OF DIRECTORS.

9.01 Meetings.

The Board shall provide for its regular, adjourned regular and special meetings; provided, however, that it shall hold at least one (1) regular meeting annually. All such meetings shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950, et seq.).

9.02 Quorum.

A quorum of the Board shall consist of a majority of Directors or their designated alternates. A vote by a majority of those present at a meeting shall be sufficient to constitute action by the Board, unless otherwise specified herein.

9.03 Minutes.

The Secretary for the Board shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting cause a copy of the minutes to be forwarded to each Director.

9.04 Attendance.

All Directors or their alternates shall attend all meetings of the Board. If a Director or his or her alternate

JOINT EXERCISE OF POWERS AGREEMENT

fails to attend three (3) consecutive meetings without good cause, the Board may declare a vacancy, which shall be filled by the Member.

9.05 Meeting Notices.

Regular meetings shall be held at the time and place specified in the Bylaws, resolution, or order of adjournment of the Board. Notices of such regular meetings shall, if possible, be sent by mail to each Director no less than ten (10) days before the meetings, but failure to give such notice shall not vitiate the meeting or any business transacted thereat. Notice of any special meeting shall be sent by mail at least ten (10) days before the meeting unless the meeting is called for an emergency requiring immediate action by the Board, in which case the meeting shall meet the minimum notice requirements of the Brown Act. Special meetings may be called by any elected officer or the Secretary.

9.06 Meeting Agenda.

An agenda of the meeting shall be prepared and posted pursuant to the Brown Act.

9.07 Conduct of Meeting.

Unless otherwise determined by the Board, meetings shall be conducted pursuant to the most current edition of "Robert's Rules of Order".

ARTICLE 10.00 EXECUTIVE COMMITTEE.

10.01 Establishment of Executive Committee.

When the membership of the Authority becomes ten (10) or more Public Agencies, the Board may establish an Executive Committee consisting of an odd number of not less than five (5) nor more than nine (9) members, as determined by the Board.

10.02 Authority.

Except as otherwise specifically provided herein, when established, the Executive Committee may exercise any right or power of the Board as set forth herein. The Executive Committee shall have policy control as well as general supervisory authority over the day-to-day decisions and administrative activities of the Executive Director and the

JOINT EXERCISE OF POWERS AGREEMENT

Authority. Notwithstanding the foregoing, the Board shall still be required to hold the Annual Meeting and may itself only conduct the business required to be transacted at the Annual Meeting.

10.03 Membership.

The membership of the Executive Committee shall include the President, Vice President, and Treasurer of the Authority, and two to six additional Directors, as necessary, to complete the full membership of the Executive Committee as such membership has been established by the Board pursuant to Sections 10.01 and 10.06.

10.04 Procedures of Executive Committee.

Except as otherwise specifically provided herein, all policies, rules, regulations, and procedures of the Executive Committee shall be as provided herein for the Board, including, but not limited to those governing elections, vacancies, meetings, notices, duties, authorities, and so forth. The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Executive Committee.

10.05 Term of Directors.

The Directors serving on the Executive Committee (other than the President, Vice President and Treasurer) shall serve a term of two (2) years, except as provided in Section 10.06, or until their successor is elected and qualified.

10.06 Initial Terms and Expansion of Executive Committee.

- (a) Upon the admission of the tenth (10th) Member, and with the addition of every fifth (5th) Member thereafter, within one hundred twenty (120) days following such event, the Board shall, at a regular or special meeting, consider the establishment and membership of the Executive Committee, but only if the then membership of the Executive Committee is less than the maximum number permitted.
- (b) At any such meeting the Board may establish the number of members of the Executive Committee, within the limits set in Section 10.01, and elect Directors to the seats thereby established. Upon the initial creation of the seats, one-half (1/2)

JOINT EXERCISE OF POWERS AGREEMENT

shall be designated by the Board as serving until the next Annual Meeting, with the remainder serving until the following Annual Meeting. After the initial term, each seat will have a two (2) year term so that staggered seats are thereby created.

- (c) After the initial establishment of the Executive Committee, seats may only be eliminated from the Executive Committee at the Annual Meeting by a vote of a majority of all Members. The elimination of such seats may only become effective upon completion of the terms of office which shall next expire, unless otherwise determined by the membership.

ARTICLE 11.00 OFFICERS.

11.01 Officers.

The officers of the Authority shall be as follows:

- (a) President. The elected chief officer of the Authority who shall preside as chairperson and conduct all meetings of the Board. The President shall execute all contracts, deeds, warrants, and other official documents on behalf of the Authority.
- (b) Vice President. The elected officer who in the absence or inability of the President to act shall act in the President's capacity.
- (c) Treasurer. The elected officer who shall have those duties described in Article 13.00.
- (d) Director Members of Executive Committee. Those Directors elected by the Members pursuant to Section 10.06.
- (e) Secretary. The Executive Director shall serve as Secretary to the Board. The Secretary shall keep and maintain the records of the Authority and minutes of all Board meetings. The Secretary shall attest to the proper execution of all resolutions, minutes, contracts, and other documents.

JOINT EXERCISE OF POWERS AGREEMENT

- (e) Executive Director. The person appointed by the Board to perform the executive and administrative functions of the Authority, as described in Article 12.00.
- (f) Controller. The Executive Director or such other person as may be appointed by the Board shall be the Controller who shall administer the finances of the Authority and perform all duties delegated by the Treasurer.
- (g) General Counsel. The member of the California State Bar appointed by the Board who by contract serves as the legal advisor to the Authority.

11.02 Elections.

The elected officers of the Authority shall be elected at the Annual Meeting of the Board. Except as otherwise specified herein, elections shall be conducted in accordance with Robert's Rules of Order. The first election shall be for the office of President, and thereafter for each successive office in descending order, as listed above. Names shall be placed in nomination until nominations are closed. Vote shall be by roll call and successive ballots shall be taken until one nominee receives a majority vote of those present. Directors may be elected to more than one office, but only so long as there are an insufficient number of Directors so that all offices may be separately filled.

11.03 Term.

Term of office for the President, Vice-President, and Treasurer shall be one (1) year, or until their successors are elected and qualified, while the appointed officers shall serve at the pleasure of the Board and may be terminated at any time, with or without cause. Officers may be elected to successive terms, but not more than five (5).

11.04 Vacancies.

In the event that any office becomes vacant due to resignation, death, disability, removal from office, or other cause, a successor shall be elected at a regular or special meeting of the Board held within sixty (60) days of such event. Officers may be removed at any time by a majority vote of all Members taken at any meeting. Officers may

JOINT EXERCISE OF POWERS AGREEMENT

resign from the Board with thirty (30) days' written notice to the Board, or such lesser time as the Board may approve.

ARTICLE 12.00 DUTIES OF EXECUTIVE DIRECTOR.

12.01 General Duties of Executive Director.

The Executive Director shall have general authority to administer the Authority under the direction and control of the Board. The Executive Director shall have authority to hire, manage, discipline, and terminate all employees for such positions as may be authorized by the Board, and administer all consulting and other contracts, when approved by the Board. The general duties and responsibilities of the Executive Director shall be established in the Bylaws, resolutions, policies, rules, regulations, and procedures of the Authority as approved by the Board and as otherwise provided herein. The general duties described herein may be delegated to subordinate employees or performed through contractual services.

12.02 Accounts and Management Reports.

The Executive Director shall maintain accounts and provide management reports on, among other areas, contributions, investments, return of contributions, and actuarial analysis and special reports for each Member and for the Authority as well as provide a strict accountability of all funds and a record of all receipts and disbursements.

12.03 Maintenance of Records.

The Executive Director shall prepare and maintain Benefit Plan files for each Plan Participant and other records necessary to the administration of this Agreement.

12.04 Benefit Payments.

The Executive Director shall provide for payments of benefits in accordance with the pertinent Plan Document and this Agreement.

12.05 Investigation of Claims.

The Executive Director shall determine when investigation of benefit claims is necessary and oversee such investigations.

JOINT EXERCISE OF POWERS AGREEMENT

12.06 Preparation of Employee Benefits Policies and Manual.

The Executive Director shall prepare employee benefits policies and programs and direct the preparation of an Employee Benefits Policy and Procedures Operating Manual to be followed by each of the Members.

12.07 Annual Budget.

The Executive Director shall direct the preparation of an Annual Operating Budget to be approved by the Board at the Annual Meeting.

12.08 Development of Programs.

The Executive Director shall periodically investigate the needs of Members for new and modified employee benefit programs and develop additional programs and services to be approved by the Board and offered to Members.

ARTICLE 13.00 FINANCES.

13.01 Funds and Accounts.

The Treasurer of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Board. The Treasurer shall have the custody of and disburse the Authority's funds. He or she shall have the authority to delegate the signatory function of the Treasurer to such persons as authorized by the Board, but any disbursements shall require at least two (2) signatures.

13.02 Bond Requirement.

A bond paid by the Authority, in the amount determined by the Board to be adequate shall be required of all officers and personnel authorized to disburse funds of the Authority.

13.03 Duties of Treasurer.

The Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5 as it may be amended, including:

- (a) Receive and receipt for all money of the Authority and place it in the treasury of the Treasurer to the credit of the Authority;

JOINT EXERCISE OF POWERS AGREEMENT

- (b) Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;
- (c) Pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority;
- (d) Pay any other sums due from the Authority only upon warrants signed by the Authority officer or employee performing the functions of Controller; and
- (e) Verify and report in writing to the Authority and to the Members on the first day of July, October, January, and April of each year the amount of money held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.
- (f) To report in writing to the Authority and the Members at the Annual Meeting and within one hundred twenty (120) days following the close of the fiscal year on all financial activities for the fiscal year.

ARTICLE 14.00 PROGRAM DEVELOPMENT AND FUND CONTRIBUTIONS.

14.01 Program Development.

The Board, through the Executive Director, shall develop employee benefit programs in the areas of retirement and pension, death, medical, health, disability, deferred compensation, insurance, group plans, and other programs and mechanisms for the provision thereof in response to the Members and their employees' needs. The employee benefit programs shall be compatible with defined levels of contribution from Members and their employees. The Members shall assist in the analysis, evaluation, and development of employee benefit programs and Plan Documents.

14.02 Adoption and Administration of Plan Document.

No Plan Document may be adopted or effective as to any Member, nor may it be modified, amended, or terminated, without the mutual approval of the Member and the Authority. The Authority shall have the right to approve or disapprove any Plan Document and any allocation of contributions on the basis of its validity, prudence, feasibility, and investment

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compatibility. The administration of the Plan shall be in accordance with the Plan Document. The Plan Document shall provide for the method of modification, amendment, or termination of the Plan and no Plan may be modified, amended, or terminated except in accordance with said Plan Document.

14.03 Contributions According to Plan Documents.

Each Member and each Plan Participant shall pay to the entity designated in the Plan Documents contributions in the amounts determined in said Plan Documents. Allocations of Plan Participant contributions shall be designated in the Plan Documents. The Member shall demonstrate to the satisfaction of the Authority that due to an agreement with a collective bargaining unit, its own personnel policies, rules, regulations, and procedures, or otherwise, that it or the Authority has the power to obtain the Plan Participant contributions.

ARTICLE 15.00 RESPONSIBILITIES OF MEMBERS.

15.01 Service by Directors and Other Representatives.

Each Director and/or their alternate shall actively participate in the activities of the Authority. In addition, the Director shall appoint an employee of the Member to be responsible for the employee benefit function within that Member, and to serve as a liaison between the Member and the Authority as to employee benefit issues.

15.02 Payment of Contribution.

Each Member shall pay its contribution pursuant to its approved Plan Documents, and any readjusted amount, promptly to the Authority when due. After withdrawal or termination, each Public Agency shall pay promptly to the Authority its share of any additional contributions, when and if required of it by the Board under Article 16.00 of this Agreement.

15.03 Books and Records.

Each Member shall maintain its own set of reports and records concerning its participation and contribution and that of its employees to the employee benefit program.

15.04 Information Concerning Employee Benefit Programs.

Each Member shall provide information concerning the employee benefit program and take appropriate action to

JOINT EXERCISE OF POWERS AGREEMENT

encourage employee participation in the approved employee benefit program.

15.05 Cooperation and Assistance.

Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint employee benefit program under this Agreement. Such assistance may include payments or advances of public funds to defray the costs of Authority programs or services, or the provision of personnel, equipment or property in lieu of such payments or advances but in each such case assistance must be authorized by the Member. Each Public Agency shall comply with all Bylaws, resolutions, policies, rules, regulations, and procedures adopted by the Board.

ARTICLE 16.00 CHANGE IN ORGANIZATION.

16.01 New Parties.

Any Public Agency wishing to become a Member of the Authority shall, by its governing body, first adopt a Resolution For Admission requesting admission and agreeing to be bound by all terms and conditions of this Agreement. A true and correct copy of such Resolution shall be sent to the Board. Within one hundred twenty (120) days following the adoption of the Resolution, at a regular or special meeting of the entire Board called for such purpose, the Members shall consider the membership of the applicant. If a majority of all Members approve admission of the Public Agency, then such Public Agency shall become a Member with all rights and obligations of any other Member. The effective date of membership shall be the first date an addendum hereto is executed by the new Member. The Secretary shall certify on the addendum as to the date and vote when the Members approved said new membership. Public Agencies entering under this Article will be required to pay their share of organizational expenses as determined by the Board, including those necessary to prepare their Plan Documents and determine their contributions.

16.02 Withdrawal of a Member.

- (a) No Party to this Agreement may withdraw until it has been a Member for at least one (1) full fiscal year.

JOINT EXERCISE OF POWERS AGREEMENT

- (b) Prior to withdrawal from this Agreement, a Member by its governing body, shall adopt a Resolution of Intention to Withdraw. A true copy of the Resolution of Intention to Withdraw, shall be sent to the Board not later than the first (1st) day of January before the close of the fiscal year.
- (c) The effective date of a Party's withdrawal shall be at the end of the fiscal year in which it gave the Notice of Intention to Withdraw, but at any time prior to the effective date the governing body may rescind its Resolution of Intention to Withdraw and upon such rescission, the Resolution of Intention to withdraw shall be considered null and void.
- (d) The withdrawal of any Public Agency from this Agreement shall not terminate the Agreement and no Public Agency by withdrawing shall be entitled to payment or return of any contribution, consideration or property paid, or donated by the Public Agency to the Authority, or to any distribution of assets.
- (e) The withdrawal of any Public Agency after the effective date of the employee benefit program shall not terminate its responsibility to contribute its share of contributions or funds to any employee benefit program created by the Authority until all claims, or other unpaid liabilities, covering the period the Public Agency was signatory hereto have been finally resolved and a determination of the final amount of payments due by the Public Agency or credits to the Public Agency for the period of its membership has been made by the Board. In connection with this determination, the Board may exercise similar powers to those provided for in Article 17.00 of this Agreement.

16.03 Cancellation of a Member.

Any Public Agency's membership in the Authority may be cancelled if within any one hundred twenty (120) day period the governing bodies of three-quarters (3/4) or more of the Members adopt a Resolution of Cancellation. The effective date of cancellation shall be the date of action by the governing body of the Member necessary to establish the three-quarters (3/4) vote. Any Public Agency so cancelled

JOINT EXERCISE OF POWERS AGREEMENT

shall on the effective date of the cancellation be treated the same as if the Public Agency had voluntarily withdrawn from this program.

ARTICLE 17.00 TERMINATION OF AGREEMENT.

17.01 Procedure to Terminate.

The governing bodies of the Members may determine that the public interest will not be served by the continuance of this Agreement. If within any one hundred twenty (120), day period the governing bodies of three quarters (3/4) or more of the Members adopt a Resolution of Termination, then this Agreement shall be terminated effective at the end of the fiscal year specified by such Parties at the time of voting, provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to wind up the affairs of the Authority.

17.02 Distribution of Assets.

Upon termination of this Agreement, all assets of the Authority shall be distributed among the Parties including any of those Parties which previously withdrew pursuant to Article 16.00 of this Agreement, in accordance with and proportionate to their cash (including contribution) payments and property (at market value when received) contributions made during the term of this Agreement. The Board shall determine such distribution within six (6) months after the last pending claim or obligation covered by this Agreement has been finally disposed of.

17.03 Dissolution.

The Board is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Public Agencies, including those which were Parties at the time the claim arose or at the time the obligation was incurred, to pay their share of any additional amount of contribution deemed necessary by the Board for final

JOINT EXERCISE OF POWERS AGREEMENT

disposition of all claims or obligations covered by this Agreement.

ARTICLE 18.00 TORT LIABILITY AND INDEMNIFICATION.

18.01 Indemnification.

Each Party to this Agreement shall hold harmless, be responsible for, and indemnify other Parties to the Agreement for any loss, cost, or expense that may be imposed upon such other Parties as a result of the individual Party's failure to abide by the terms of this Agreement, the Plan Documents, audit, or other governing procedures.

The Directors, officers, and employees of the Authority are hereby indemnified by the Authority and held harmless severally and jointly, against and free from all claims, expenses, demands, penalties, fines, forfeitures, judgments, settlements, attorney fees, and any other amounts whatsoever actually and reasonably incurred as a result of their participation in this Agreement and the operation of the Authority created hereunder, providing that the indemnitee was determined by the Board to have acted in good faith.

This provision of indemnity shall not be construed to obligate the Authority to pay any liability, including but not limited to punitive damages, which by law would be contrary to public policy or otherwise unlawful.

18.02 Tort Liability.

Section 895.2 of the Government Code imposes certain tort liability jointly upon Public Agencies solely by reason of such Public Agencies being Parties to an Agreement as defined in Section 895 of said Code. Therefore, the Parties hereto, as between themselves, pursuant to the authorization contained in Sections 895.4 and 895.6 of the Government Code, each assume the full liability imposed upon it or any of its officers, agents, or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said code. To achieve this purpose, each Party indemnifies and holds harmless the other Party for any loss, cost or expense, including reasonable attorney's fees, that may be imposed upon or incurred by such other Party solely by virtue of section 895.2 of the Government Code.

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18.03 Insurance.

The Authority shall obtain necessary bonding, fiduciary liability, and other insurance coverage on a pooled basis as deemed necessary by the Board for all Directors, officers, and employees. Such coverage shall be an administrative expense and shall be on a pro rata share basis.

18.04 Privileges and Immunities.

All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation, and other benefits which apply to the activity of officers, agents or employees of any Member when performing their respective functions within the territorial limits of the Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially hereunder.

ARTICLE 19.00 MISCELLANEOUS.

19.01 Conflicts of Interest.

No officer or employee of the Authority or any Member shall have any financial interest, direct or indirect, in the Authority nor shall any such officer or employee participate in any decision relating to the Authority which affects his or her financial interests or those of his or her corporation, partnership, or association in which he or she is directly or indirectly interested, in violation of any State law or regulation.

19.02 Books and Records.

All books, records, accounts, and documents of the Authority shall be available at any reasonable time to the Members of the Authority, and, also, to the extent provided by State law (the Public Records Act, California Government Code Sections 6250, et seq.), shall be public records available to the public. This Section shall not authorize the release of any confidential documents which would constitute a personnel record of an officer or employee of the Authority or any Individual Benefit Plan Participant, the disclosure of which would constitute an unwarranted invasion of privacy.

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19.03 Notices.

Notices shall be sufficient if sent by regular first class mail, postage prepaid, to each Director and to each Member. Notices to the Member may be sent to the City Clerk or other official designated by the Member where the Agency lacks a City Clerk position. Notices shall be in writing, dated, and signed.

19.04 Amendments.

Except as otherwise provided in Section 16.01, any amendments to this Agreement shall be approved if, within one hundred twenty (120) days, approved by resolutions adopted by a majority of the governing bodies of the Members, and an amendment to this Agreement is executed by such approving Members. Unless otherwise stated in the Amendment, the effective date of any amendment shall be on July 1, following its adoption.

19.05 Severability of Terms.

Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise unenforceable or ineffectual, the remaining portions, terms, conditions and provisions shall not be affected thereby.

19.06 Reasonableness Standard.

Whenever in this Agreement consent or approval by a Member is required, the same shall not be unreasonably be withheld.

19.07 Successors.

Should a Party to this Agreement reorganize in accordance with State law, the successor or successors in interest to such Party may be substituted as a Party to this Agreement, and such substitution shall become effective upon the filing with the Board of an assignment by such Party to its successor or successors in interest of all said Party's rights and obligations hereunder, provided such assignment is fully executed by the Party to this Agreement and its successor or successors.

JOINT EXERCISE OF POWERS AGREEMENT

19.08 Effect of Execution of Agreement.

The foregoing constitutes the full and complete Agreement of the Parties. There are no oral understandings or agreements not set forth in writing herein. By execution of this Agreement the executing Party agrees to comply with the terms of the Agreement, and with future amendments as approved by the Board. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Joint Powers Agreement to be executed as original counterpart by its duly authorized Party on the respective dates indicated below.

FIRST ADDENDUM

THIS FIRST ADDENDUM ("First Addendum") to that certain JOINT EXERCISE OF POWERS AGREEMENT CREATING THE JOINT POWERS EMPLOYEE BENEFIT AUTHORITY ("Agreement"), which Agreement became effective on December 1, 1987, provides for the expansion of the Joint Powers Employee Benefit Authority by the addition of the Coast Community College District ("District"). Pursuant to Section 16.01 of the Agreement, the governing body of the District has adopted a resolution requesting admission and agreeing to be bound by all terms and conditions of the Agreement. A true and correct copy of such resolution is attached hereto as Exhibit "A". The governing body has approved an agreement establishing the terms and conditions for admission. In becoming a Member, the District is hereby entitled to all rights and subject to all obligations of any other Member of the Authority. All terms and conditions of the Agreement shall remain in full force and effect.


IN WITNESS WHEREOF, this Addendum has been executed by its duly authorized Party on the respective dates indicated below:

COAST COMMUNITY COLLEGE DISTRICT

April 19, 1988
Date

By: 
Name: Chancellor
Title:


ATTEST:


Name:
District Secretary

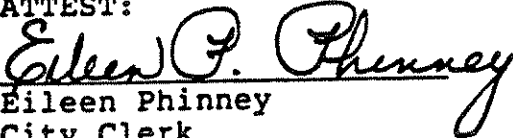
AUTHORIZING RESOLUTION AND DATE OF APPROVAL: MARCH 16, 1988

JOINT EXERCISE OF POWERS AGREEMENT

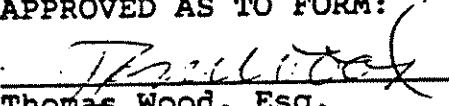
CITY OF COSTA MESA

Date November 16, 1987 By 
Donn Hall, Mayor

ATTEST:


Eileen Phinney
City Clerk

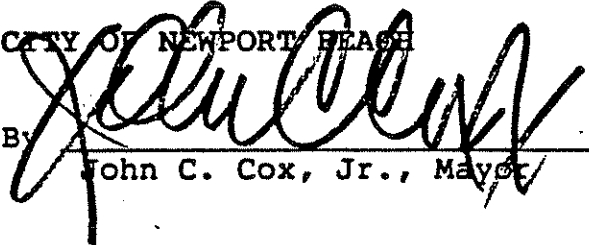
APPROVED AS TO FORM:


Thomas Wood, Esq.
City Attorney

Resolution 87-107

AUTHORIZING RESOLUTION AND DATE OF APPROVAL: November 16, 1987


CITY OF NEWPORT BEACH

Date December 1, 1987 By 
John C. Cox, Jr., Mayor

ATTEST:


Wanda Raggio
City Clerk

APPROVED AS TO FORM:


Robert Burnham, Esq.
City Attorney

AUTHORIZING RESOLUTION AND DATE OF APPROVAL: 87-167, November 23, 1987

5/276/011763-0001/004

SECOND ADDENDUM

THIS SECOND ADDENDUM ("Second Addendum") to that certain JOINT EXERCISE OF POWERS AGREEMENT CREATING THE JOINT POWERS EMPLOYEE BENEFIT AUTHORITY ("Agreement"), which Agreement became effective on December 1, 1987, provides for the expansion of the Joint Powers Employee Benefit Authority by the addition of the HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT ("District"). Pursuant to Section 16.01 of the Agreement, the governing body of the District has adopted a resolution requesting admission and agreeing to be bound by all terms and conditions of the Agreement. A true and correct copy of such resolution is attached hereto as Exhibit "A". The governing body has approved an agreement establishing the terms and conditions for admission. In becoming a Member, the District is hereby entitled to all rights and subject to all obligations of any other Member of the Authority. All terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Addendum has been executed by its duly authorized Party on the respective dates indicated below:

HUNTINGTON BEACH UNION
HIGH SCHOOL DISTRICT

5-23-89
Date

By: Lawrence Kemper
Lawrence Kemper, Ed.D.
Superintendent

ATTEST:

Charmayne Bohman
Charmayne Bohman
Clerk of the Board
of Trustees

AUTHORIZING RESOLUTION NO. 37
DATE OF APPROVAL: APRIL 11, 1989

THIRD ADDENDUM

THIS THIRD ADDENDUM ("Third Addendum") to that certain JOINT EXERCISE OF POWERS AGREEMENT CREATING THE JOINT POWERS EMPLOYEE BENEFIT AUTHORITY ("Agreement"), which Agreement became effective on December 1, 1987, provides for the expansion of the Joint Powers Employee Benefit Authority by the addition of the CITY OF SOUTH GATE ("City"). Pursuant to Section 16.01 of the Agreement, the governing body of the City has adopted a resolution requesting admission and agreeing to be bound by all terms and conditions of the Agreement. A true and correct copy of such resolution is attached hereto as Exhibit "A". The governing body has approved an agreement establishing the terms and conditions for admission. In becoming a Member, the City is hereby entitled to all rights and subject to all obligations of any other Member of the Authority. All terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Addendum has been executed by its duly authorized Party on the respective dates indicated below:

CITY OF SOUTH GATE

10/3/89
Date

By: Bruce L. Spragg
Mr. Bruce Spragg
Chief Administrative Officer

ATTEST:

Gary N. Baco
Name: Mr. Gary Baco
Title: Assistant to the Chief Administrative Officer

AUTHORIZING RESOLUTION NO. 4789
DATE OF APPROVAL: AUGUST 15, 1989

FOURTH ADDENDUM

THIS FOURTH ADDENDUM ("Fourth Addendum") to that certain JOINT EXERCISE OF POWERS AGREEMENT CREATING THE JOINT POWERS EMPLOYEE BENEFIT AUTHORITY ("Agreement"), which Agreement became effective on December 1, 1987, provides for the expansion of the Joint Powers Employee Benefit Authority by the addition of the CITY OF VALLEJO ("City"). Pursuant to Section 16.01 of the Agreement, the governing body of the City has adopted a resolution requesting admission and agreeing to be bound by all terms and conditions of the Agreement. A true and correct copy of such resolution is attached hereto as Exhibit "A". The governing body has approved an agreement establishing the terms and conditions for admission. In becoming a Member, the City is hereby entitled to all rights and subject to all obligations of any other Member of the Authority. All terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Addendum has been executed by its duly authorized Party on the respective dates indicated below:

July 18, 1989
Date

CITY OF VALLEJO

By:

Edward A. Wohlenberg
Mr. Edward Wohlenberg
City Manager

ATTEST:

Michael R. Watson
Name:
Title:

AUTHORIZING RESOLUTION NO. 89-409 N.C.
DATE OF APPROVAL: JULY 18, 1989

FIFTH ADDENDUM

THIS FIFTH ADDENDUM ("Fifth Addendum") to that certain JOINT EXERCISE OF POWERS AGREEMENT CREATING THE JOINT POWERS EMPLOYEE BENEFIT AUTHORITY ("Agreement"), which Agreement became effective on December 1, 1987, provides for the expansion of the Joint Powers Employee Benefit Authority by the addition of the LEUCADIA COUNTY WATER DISTRICT ("District"). Pursuant to Section 16.01 of the Agreement, the governing body of the District has adopted a resolution requesting admission and agreeing to be bound by all terms and conditions of the Agreement. A true and correct copy of such resolution is attached hereto as Exhibit "A". The governing body has approved an agreement establishing the terms and conditions for admission. In becoming a Member, the District is hereby entitled to all rights and subject to all obligations of any other Member of the Authority. All terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Addendum has been executed by its duly authorized Party on the respective dates indicated below:

LEUCADIA COUNTY WATER DISTRICT

12/1/89
Date

By:

Joan Geiselhart
Ms. Joan Geiselhart
Manager

ATTEST:

Bonnie L. Savill
Name: Bonnie L. Savill
Title: Executive Secretary

AUTHORIZING RESOLUTION NO. 986
DATE OF APPROVAL: SEPTEMBER 13, 1989

EXHIBIT B

JOINT POWERS EMPLOYEE BENEFIT AUTHORITY

MEDICAL PREMIUM RETIREMENT

BENEFIT PLAN

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JOINT POWERS EMPLOYEE BENEFIT AUTHORITY
MEDICAL PREMIUM RETIREMENT
BENEFIT PLAN

SECTION 1. PURPOSE

WHEREAS, the Member Agencies of the Joint Powers Employee Benefit Authority desire to promote the retention and morale of employees; and

WHEREAS, it is the Member Agencies' belief that one desirable method for achieving the foregoing objective is to assist employees in providing pre-retirement funding of post-retirement medical coverage premium costs for themselves and their dependents.

THEREFORE, by action of the Joint Powers Employee Benefit Authority this medical premium retirement plan is hereby adopted effective January 1, 1988.

SECTION 2. DEFINITIONS

When used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- 2.1 Account - means the account established for crediting Member Agency Contributions, Participant Contributions, and earnings or losses allocated to a Participant's account.
- 2.2 Authority - means the Joint Powers Employee Benefit Authority.
- 2.3 Code - means the Internal Revenue Code of 1986.
- 2.4 Dependent - means a Participant's natural or adopted child under age 18 and dependent upon the Participant for support and maintenance. Upon attaining age 18 such child ceases to be a dependent for purposes of entitlement to receive any benefit provided under Section 4 of this Plan.
- 2.5 Disability - means a physical or mental inability to perform work resulting from injury or disease, which is expected to be permanent and which entitles the Participant to a disability benefit under the Member Agency's Retirement Plan and/or the Member Agency's long term disability plan.
- 2.6 Effective Date - means the date specified in the Member Agency's Subscription Agreement.
- 2.7 Employee - means: i) persons employed by a Member Agency on a full-time basis; and ii) a participant in the Member Agency's Retirement Plan.

- 2.8 Medical Premium - means the amount remitted to a health care provider to provide medical coverage on behalf of a Participant, his Spouse and Dependents (if any).
- 2.9 Member Agency - means those government agencies which have agreed to participate in the Joint Powers Employee Benefit Authority.
- 2.10 Member Agency Contribution - means those monies paid into the Plan by a Member Agency.
- 2.11 Member Agency Subscription Agreement - means the agreement between the Member Agency and the Authority pursuant to which the Member Agency adopts this Plan.
- 2.12 Participant - means an Employee who satisfies the eligibility requirements of Section 3 and elects to participate in the Plan.
- 2.13 Participant Contribution - means those monies paid into the Plan by a Participant. For purposes of this Plan, a contribution to the Plan pursuant to a salary deferral agreement is considered a Participant contribution.
- 2.14 Plan - means this Joint Powers Employee Benefit Authority Medical Premium Retirement Benefit Plan.
- 2.15 Plan Administrator - means the employing Member Agency or its designee as provided in Section 8.
- 2.16 Plan Year - means the twelve month period beginning on January 1 and ending on December 31.
- 2.17 Retirement - means the cessation of employment with a Member Agency because of retirement under the Member Agency's Retirement Plan.
- 2.18 Retirement Plan - means the Retirement Plan for a participating Member Agency.
- 2.19 Spouse - means the lawful wife or husband of a Participant on the date the Participant retires, becomes disabled or dies.

SECTION 3. ELIGIBILITY AND PARTICIPATION

3.1 Eligibility. Only those Employees employed on or after the Effective Date by a Member Agency, and meeting the minimum age and eligibility requirements specified in the Member Agency Subscription Agreement are eligible to become Participants in the Plan. An Employee who retired or separated from employment prior to the Effective Date shall not be entitled to participate in this Plan unless the Employee is rehired and then becomes eligible for participation hereunder.

3.2 Participation. An Employee may elect to become a Participant in the Plan as of the first day of any pay period which commences after the waiting period specified in the Member Agency Subscription Agreement.

3.3 Termination of Participation. Except in the event of a Participant's retirement, death or disability as provided in Sections 4.1 and 4.2 below, a Participant shall cease to be a Participant on the day after he terminates employment with a Member Agency, or fails to make any contribution due under Section 5.

SECTION 4. BENEFITS

Medical Premium benefits are payable under this Plan only in the following circumstances.

4.1 Retirement. Commencing on the date of Retirement, a sum equivalent to the premium charged for coverage shall be paid on behalf of Participant retiring on or after October 1, 1988 under the Member Agency's Retirement Plan to one of the following health coverage providers.

- i) Any Member Agency provided health plan;
- ii) Blue Cross/Blue Shield;
- iii) Any plan available through the American Association of Retired Persons; or
- iv) Any plan approved by the Joint Powers Employee Benefit Authority.

Such sum shall be paid for the life of the Participant, and then to his Spouse and/or Dependents, until the value of Participant's Account balance is exhausted.

4.2 Disability and Death. If a Participant terminates participation prior to retirement because of disability or death, then commencing on the date of disability or death, the benefit described above will be paid to one of the listed health coverage providers on behalf of the Participant (or his Spouse and/or Dependents in the event of the Participant's death) until the Participant's account balance is exhausted.

4.3 Termination of Participation. If a Participant terminates participation for any reason other than Retirement, Disability, or Death, and he is employed by another Member Agency within 180 days after termination of his participation, his Participant Contributions and earnings thereon will be credited to a new Plan Account established to reflect his participation through this other Member Agency. His interest in Member Agency Contributions will be forfeited. If the former Participant is not so employed by another Member Agency within 180 days, his interest in Member Agency Contributions will be forfeited and, subject to sole discretion of the Member Agency, his interest in Participant Contributions and earnings thereon also will be forfeited. Should a former Participant be reemployed by a Member Agency more than 180 days after he terminated employment with a Member Agency, he shall only be eligible to participate as a new employee.

4.4 Source of Benefit Payments. All payments to provide benefits shall be made first from Participant Contributions and earnings thereon, then from Member Agency Contributions and earnings thereon.

4.5 Special Rule for Payment of Undistributed Participant Contributions and Earnings Thereon. If all of the Participant Contributions and earnings thereon have not been paid from the Participant's Account at the time when there is no longer any person entitled to receive (or to continue to receive) the benefit provided under this Plan, such remaining funds will be distributed, in the following order of priority, to:

- i) the estate of the Participant, in the event the Participant, at the time of death, was not survived by a Spouse or Dependents;
- ii) the estate of the Participant's Spouse, in the event such Spouse survived the Participant, but at the time of his or her death, is not survived by any Dependents of the Participant; or
- iii) the Dependents of the Participant (or the estate of any deceased Dependent), on the principle of representation.

At the time there is no longer any person entitled to receive (or continue to receive) the benefit provided under this Plan, any undistributed Member Agency Contributions and earnings thereon in the Participant's Account will be forfeited.

4.6 Forfeitures. Any Member Agency's Contributions and earnings thereon or Participant's Contributions and earnings thereon which are forfeited under this Section 4 will be applied to reduce such Member Agency's future funding obligation under Section 5.

SECTION 5. FUNDING THE PLAN

All Participants are required to contribute to this Plan. The amount of a Participant's Contribution shall be specified in the Participant's deferral agreement. Contributions may also be made by the Member Agency to the Plan. Participant Contributions and earnings or losses thereon and any Member Agency Contribution and earnings or losses thereon shall be separately accounted for by the Member Agency pursuant to the requirements of Section 8.1 hereof. The amount of both Participant Contributions and Member Agency Contributions may be subsequently adjusted through the collective bargaining process. All Contributions and earnings thereon shall remain an asset of the Member Agency at all times.

SECTION 6. NON-ALIENATION OF BENEFITS

No benefit payable under the provisions of the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge shall be void; nor shall such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of, or claims against, any Participant, Dependent, or Beneficiary, including claims of creditors, or any like or unlike claims. Any funds credited to the Plan shall continue for all purposes to be a part of the general funds of the Member Agency, and no person other than the Member Agency and Joint Powers

Employee Benefit Authority, by virtue of the provisions of this Plan, shall have any interest in such funds. To the extent that any person acquires a right to receive benefits under this Plan, such rights shall be no greater than the right of any unsecured or general creditor of the Member Agency.

SECTION 7. CHANGES IN THE PLAN

7.1 Amendment, Modification and Termination of the Plan. The Member Agencies and the Joint Powers Employee Benefit Authority expects the Plan to be permanent, but since future conditions affecting the Plan cannot be anticipated or foreseen, the Member Agencies and the Joint Powers Employee Benefit Authority reserve the right to amend, modify or terminate the Plan at any time. The Joint Powers Employee Benefit Authority may adopt an amendment, modification, or termination of the Plan as provided by the Joint Exercise of Powers Agreement. It is the intent of the Joint Powers Employee Benefit Authority and its Member Agencies that the Plan assets shall not at any time be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their Beneficiaries, and consequently no amendment, modification, or termination of the Plan shall divest any person of his interest herein, except as may be otherwise required by the law or other governmental authority.

7.2 Distributions on Termination. In the event of termination of the Plan, the assets of Plan which remain after all expenses associated with such termination have been paid will be allocated among, and distributed to, the Participants at such time and in the form as determined by the Member Agencies and the Joint Powers Employee Benefit Authority.

SECTION 8. ADMINISTRATION

8.1 Administration. The Member Agencies shall administer the Plan and shall have the authority to exercise the powers and discretion conferred upon them by the Plan and shall have such other powers and authorities necessary or proper for the administration of the Plan as shall be determined from time to time. The Member Agencies shall keep complete records and accounts as necessary or proper to administer the Plan and shall render such statements to the Joint Powers Employee Benefit Authority as may be requested. The Member Agencies shall maintain accounts and records with respect to the Participants and the benefits provided under the Plan. Each Participant agrees to provide at such times and in such manner as may be requested by the Member Agencies, such information as may be necessary for each Member Agency to prepare any reports required by the Internal Revenue Service, the Department of Labor or any other governmental agency. The Member Agencies may adopt such rules and procedures for the administration of the Plan as they shall consider advisable and shall have full power and authority to enforce, construe, interpret and administer the Plan. The Member Agencies may adopt such rules and procedures for the conduct of business as they deem advisable and may employ such agents, attorneys, accountants, investment advisors or other persons in their opinion may be desirable for the administration of the Plan, and may pay any such person reasonable compensation. The Member Agencies may delegate to any agent, attorney, accountant or other person selected by them, any power or duty vested in, imposed upon, or granted to them by the Plan, where such delegation is not inconsistent with the law.

8.2 Investment Power of Member Agency. The Member Agencies shall have all those powers, duties and obligations conferred or imposed by the law upon a fiduciary regarding management and investment of Plan assets.

8.3 Appeal from Denial of Claims. If any claim for benefits under the Plan is wholly or partially denied, the claimant shall be given notice in writing of such denial within 90 days after receipt of the claim (or if special circumstances require an extension of time, written notice of the extension shall be furnished to the claimant and an additional 90 days will be considered reasonable). The denial shall set forth the following information:

- (a) The specific reason or reasons for such denial;
- (b) Specific reference to pertinent Plan provisions on which the denial is based; and
- (c) A description of any additional material or information necessary for the claimant to perfect the claim.

8.4 Notification of Employees. The Member Agencies shall communicate in writing to all eligible Employees the terms and conditions of the Plan. Any notice, accounting or other communication which a Member Agency may give the Participant shall be deemed given when mailed to the Participant at the latest address which has been furnished to the Member Agency. Any notice or other communication which the Participant may give to the Member Agency shall not become effective until actual receipt of said notice by the Member Agency.

8.5 Rights Against the Joint Powers Employee Benefit Authority and/or Member Agencies. Neither the establishment of the Plan, nor any modification thereof, nor any distributions hereunder, shall be construed as giving to any Participant, or any person whomsoever, any legal or equitable rights against the Joint Powers Employee Benefit Authority, a Member Agency, any director, or officer, employee or agent of either, or as giving any person the right to be retained in the employ of any Member Agency.

SECTION 9. MISCELLANEOUS

9.1 Incompetency. In the event a guardian, conservator or other person legally vested with the care of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, payments shall be made as directed and consistent with Section 4, providing that proper proof of appointment is furnished in a form and manner acceptable to the Member Agency. To the extent permitted by law, any such payment so made shall be a complete discharge of any liability therefore under the Plan.

9.2 Illegality of Particular Provision. The illegality of any particular provision of this Plan shall not affect the other provisions, but the Plan shall be construed in all respects as if such invalid provision were omitted.

9.3 Applicable Law. This Agreement shall be construed, administered and enforced according to the laws of the State of California and any applicable federal law.

9.4 Pronouns. Whenever used in this Agreement, the masculine pronoun is to be deemed to include the feminine. The singular form, whenever used herein, shall mean or include the plural form where applicable, and vice versa.

9.5 Annual Statement of Asset; Valuation. The Member Agency shall prepare for the Participants and the Joint Powers Employee Benefit Authority an annual statement of Plan assets, including the fair market value of all Plan assets, as of June 30 of each Plan Year.

9.6 Incorporation by Reference of Member Agency Subscription Agreements. The terms and provisions of each Member Agency Subscription Agreement are hereby made a part of this Plan document.