



**CALIFORNIA
ASSOCIATION
OF
JOINT POWERS AUTHORITIES
(CAJPA)**

BYLAWS

As Amended March 5, 2013

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TABLE OF CONTENTS

ARTICLE I - NAME	4
ARTICLE II – PRINCIPAL LOCATION	4
ARTICLE III – PURPOSE	4
ARTICLE IV - MEMBERSHIP	4
Section 1 - Regular Membership	4
<i>Section 2 - Affiliate Membership</i>	4
Section 3 - Associate Membership	4
Section 4 - Membership Dues.....	4
ARTICLE V – VOTING	5
<i>Section 1 – Regular Members</i>	5
<i>Section 2 – Affiliate Members</i>	5
<i>Section 3 – Associate Members</i>	5
ARTICLE VI – WITHDRAWAL	5
ARTICLE VII - MEETINGS OF THE ASSOCIATION	5
Section 1 - Meetings of the Association	5
Section 2 - Notice	5
Section 3 - Quorum - General Membership Meetings.....	5
ARTICLE VIII - BOARD OF DIRECTORS.....	6
Section 1 – Intent	6
Section 2 - Board Members	6
Section 3 - Eligibility	6
Section 4 - Duties.....	6
Section 5 - Meetings of the Board of Directors	6
ARTICLE IX - ELECTION OF THE BOARD OF DIRECTORS.....	6
Section 1 - Terms	6
Section 2 - Nominating Committee	7
Section 3 - Votes to Elect	7
ARTICLE X - DUTIES OF OFFICERS	7
Section 1 - Officers	7
<i>Section 2 – Election of Officers</i>	7
Section 3 - President	7
Section 4 - Vice President.....	7
Section 5 - Secretary	7
Section 6 - Treasurer.....	7
ARTICLE XI – VACANCIES	8
<i>Section 1 – Vacancies</i>	9
<i>Section 2 – Resignations</i>	9
<i>Section 3 – Removal from Office</i>	9
ARTICLE XII – COMMITTEES	9
Section 1 - Committees.....	9
Section 2 - Members	9
ARTICLE XIII – ACCOUNTS AND RECORDS	9
<i>Section 1 - Fiscal Year</i>	9
<i>Section 2 - Budget</i>	9

<i>Section 3 - Funds and Accounts</i>	9
<i>Section 4 - Treasurer's Report</i>	9
<i>Section 5 - Annual Audit</i>	10
<i>Section 6 - Costs</i>	10
ARTICLE XIV - LIMITATION OF ASSOCIATION'S LIABILITY	10
ARTICLE XV - INDEMNIFICATION	10
ARTICLE XVI - DISSOLUTION	10
ARTICLE XVII - AMENDMENTS OF BYLAWS	10
DEFINITIONS	11
<i>Affiliate Member</i>	11
<i>Associate Member</i>	11
<i>Board of Directors</i>	11
<i>Delivery</i>	11
<i>Designated Representative</i>	11
<i>Management Employee</i>	11
<i>Meeting</i>	11
<i>Regular Member</i>	12

CALIFORNIA ASSOCIATION OF JOINT POWERS AUTHORITIES
BYLAWS

ARTICLE I - NAME

The organization shall be known as the "California Association of Joint Powers Authorities" hereinafter referred to as CAJPA or the Association.

ARTICLE II – PRINCIPAL LOCATION

The principal office of the Association will be located at such place within the State of California as the Board of Directors may designate.

ARTICLE III – PURPOSE

The purpose of the Association:

1. To provide a forum for Joint Powers Authority (JPA) members to exchange information on mutual issues arising in the administration of self-funded and group purchasing insurance programs, and other programs associated with the operation of such JPAs;
2. To work effectively in initiating legislation and/or administrative policies and regulations, and provide support for or opposition to legislation affecting programs of JPAs;
3. To provide accreditation standards and award Certificates of Accreditation to JPAs which meet those standards;
4. To act as a peer resource to members in administering programs; and
5. To sponsor educational conferences and programs to benefit and enhance the administration of JPAs.

ARTICLE IV – MEMBERSHIP

Section 1 - Regular Membership

Regular Membership is open to all JPAs formed under California Government Code Section 6500, *et seq*, which provide self-funded, group purchase insurance, or other risk financing/risk management programs. Each JPA shall appoint one Designated Representative to receive mailings and official communications and to represent the Regular Member at general membership meetings. Regular Members are subject to policy, rules and procedures adopted by the Board of Directors relating to activities at Association meetings or conferences.

Section 2 - Affiliate Membership

Affiliate Membership is open to any government or non-profit entity that does not otherwise meet the criteria for Regular Membership. Affiliate Members may attend Association meetings. Affiliate Members are subject to policy, rules and procedures adopted by the Board of Directors relating to activities at Association meetings or conferences.

Section 3 - Associate Membership

Associate Membership is open to JPA service providers, including individuals. Associate Members may attend Association meetings. Associate Members are subject to policy, rules and procedures adopted by the Board of Directors relating to activities at Association meetings or conferences.

Section 4 - Membership Dues

Annual membership dues as established by the Board of Directors shall be payable no later than 90 days following the date of the invoice.

ARTICLE V – VOTING

Section 1 – Regular Members

Each Regular Member is entitled to one vote, which shall be cast by the Regular Member's Designated Representative at the general membership meeting.

Section 2 – Affiliate Members

Affiliate Members do not have voting privileges.

Section 3 – Associate Members

Associate Members do not have voting privileges.

ARTICLE VI – WITHDRAWAL

Any Regular, Affiliate or Associate Member may withdraw from membership at any time by filing a written notice of withdrawal with the Association. No dues shall be refunded in the case of withdrawal from membership.

ARTICLE VII - MEETINGS OF THE ASSOCIATION

Section 1 - Meetings of the Association

There shall be at least one meeting of the Association's Regular Members ("general membership meeting") held each year, which shall be called by the President. Additional general membership meetings may be called by the President or by a majority of the Board of Directors.

Section 2 - Notice

Notice of the time and place of all general membership meetings shall be delivered to all Designated Representatives at least two weeks prior to the meeting. The notice shall specify the place, date and hour of the meeting, and the means of electronic transmission by and to the Association or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board of Directors, at the time notice is given, 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.

Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, shall be valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (a) Removing a director without cause;
- (b) Filling vacancies on the board;
- (c) Amending the Association's articles of incorporation;
- (d) Electing to wind up and dissolve the Association.

Section 3 - Quorum - General Membership Meetings

Each Designated Representative of a Regular Member of the Association shall register prior to general membership meetings, and fifteen (15) of these registered Members shall constitute a quorum for the transaction of the business of the Association. Unless otherwise provided for in these Bylaws, action shall be by a majority

vote of the Designated Representatives present at the general membership meeting with each Regular Member limited to one vote. Proxy voting is not permitted.

ARTICLE VIII - BOARD OF DIRECTORS

Section 1 – Intent

It is the intent of the Association that it be governed by Board Members whose primary function is to participate in the management or governance of a JPA and that such Board Members are not also vendors who are providing additional products and/or services to the JPA or to the pooling community on a for-profit basis.

Section 2 - Board Members

There shall be a Board of Directors consisting of nine (9) voting members elected from among the Regular Members of CAJPA and elected by the Regular Members. Chairs of standing committees shall also serve as ex-officio, non-voting members of the Board of Directors.

Section 3 - Eligibility

Every CAJPA Board Member must be either a public employee who is a member of the management team of a Regular Member, a public employee who is a voting member of the governing board of a Regular Member, or an individual public employee whose primary duties are the operation of a Regular Member agency. A Board Member will become the Designated Representative of “his or her” Regular Member upon assuming office on the CAJPA Board, if he or she is not already so designated before that date.

Section 4 - Duties

The Board of Directors shall govern the Association and shall have such authority as is not inconsistent with these Bylaws to carry out all functions of the Association; to receive, accept, and utilize property, real or personal, from any members of the Association; and to receive, accept, and expend and disburse monies by contract or otherwise, for purposes consistent with the provisions of these Bylaws, which monies may be provided by any revenues of the Association. The Board of Directors shall annually, on or before the first day of the Association's fiscal year, adopt a budget showing each of the purposes for which the Association will need money and the estimated amount of money that will be needed for each such purpose for the ensuing fiscal year. The Board of Directors shall establish annual membership dues not later than 60 days prior to the ensuing dues fiscal year. The Board of Directors shall ensure that a complete and accurate system of accounting of the Association's funds shall be maintained at all times consistent with established accounting procedures and practices. The Board of Directors has the authority to delegate certain duties as it deems appropriate.

Section 5 - Meetings of the Board of Directors

Meetings of the Board of Directors shall be called by the President or may be called by a majority of the Board of Directors. Written notice of such meetings shall be delivered to members of the Board of Directors not less than three (3) days prior to such meeting. Five (5) or more voting members of the Board of Directors present at a meeting shall constitute a quorum. In the event action is necessary by the Board of Directors prior to a scheduled meeting, an affirmative vote of six (6) or more of the members of the Board of Directors by telephonic, electronic or mail poll conducted by the President shall be sufficient to constitute action. Issues decided by this voting method shall be reported at the next regular Board of Directors meeting.

ARTICLE IX - ELECTION OF THE BOARD OF DIRECTORS

Section 1 - Terms

Each director shall be elected to serve a three-year term. The term of office for each director shall commence on January 1, following the election and expire on December 31 of the elected term. The Board of Directors

positions shall be numbered One through Nine. The Secretary of the Association shall maintain a record of position numbers and the corresponding board member's name and term expiration dates.

Section 2 - Nominating Committee

There shall be a Nominating Committee appointed by the President of the Board of Directors and composed of no fewer than three (3) Designated Representatives of Regular Members. The Nominating Committee shall be responsible for seeking nominations; identifying one or more eligible candidates for each Director's position on the Board of Directors whose term is scheduled to expire; and recommending as many eligible candidates as there are Directors' positions up for election. At least two weeks prior to the election, a written report of the nominating committee stating the names of all eligible persons nominated, and the names of the persons recommended by the Nominating Committee, shall be delivered to all Designated Representatives.

Section 3 - Votes to Elect

Those nominees receiving the greatest numbers of votes cast by Designated Representatives of Regular Members shall be elected. In the case two or more candidates for one position receive an equal number of the votes, the election shall be determined by drawing.

ARTICLE X - DUTIES OF OFFICERS

Section 1 - Officers

Officers of the Association shall consist of a President, Vice President, Secretary and Treasurer. The officers shall have such duties as are herein prescribed.

Section 2 – Election of Officers

The Board of Directors shall elect a President and Vice President, each to hold office for a two-year term, except as hereinafter provided, and until a successor is elected. In the event the President or Vice President so selected ceases to be a member of the Board of Directors, or for other reasons is unable to serve, the resulting vacancy in the office of President or Vice President shall be filled at the next Board of Directors meeting held after such vacancy occurs. The offices of Secretary and Treasurer, shall be elected by the Board of Directors at the first Board meeting following the general election, and the persons so elected shall serve for a one year term from January 1 to December 31. The officers shall have such duties as are herein prescribed.

Section3 - President

The President shall preside at all meetings of the Association and the Board of Directors, and shall appoint, replace, or reaffirm committee chairperson(s). The President shall serve as an ex-officio member of all committees.

Section 4 - Vice President

The Vice President shall preside in the absence of the President and in case of vacancy in the office of President, perform the duties of that office until a President shall be elected.

Section 5 - Secretary

The Secretary shall maintain a record of proceedings of all meetings and shall be the custodian of official documents and records other than financial records for the Association.

Section 6 - Treasurer

The Treasurer shall maintain a record of the financial transactions of the Association, including but not limited to, income and expense statements, bank accounts and investments. Financial records shall be subject to an annual audit by an independent, Certified Public Accountant.

ARTICLE XI – VACANCIES

Section 1 – Vacancies

A vacancy or vacancies on the Board of Directors shall be deemed to exist upon the specific circumstances which may include any of the following: (i) the death, resignation or removal of a director; (ii) an increase in the number of authorized directors; or (iii) the failure of the Designated Representatives to elect directors by ballot. Vacancies on the Board of Directors shall be filled by appointment by a majority vote of the Board of Directors after they have considered the recommendations of the Nominating Committee. The replacement shall serve for the remainder of the term of the Board Member whose position was vacated.

Section 2 – Resignations

Any director or officer may resign by giving written notice of resignation to the President, Vice President or Board Member. Should a director no longer meet the eligibility criteria as provided in Article VIII, Section 3 of these Bylaws, that director shall immediately be deemed to have resigned.

Section 3 – Removal from Office

The Board of Directors, by an affirmative vote of five or more of the Board members, shall have the power and authority to remove an officer or director with or without cause and declare his or her office vacant if he or she (i) has been declared of unsound mind by a final order of court; (ii) has been convicted of a felony; (iii) has been found by a final order or judgment of any court to have breached any duty under Section 7230 through 7238 of the California Nonprofit Mutual Benefit Corporation Law (relating to the standards of conduct of directors); (iv) fails or ceases to meet any required qualification that was in effect at the beginning of that director's current term of office; (v) has three unexcused absences from Board of Directors meetings during a calendar year; or (vi) fails to fulfill the duties of a Board member.

ARTICLE XII – COMMITTEES

Section 1 - Committees

The Board of Directors may establish or dissolve committees or Ad Hoc committees as may be appropriate. Standing Committees are advisory to the Board of Directors. The Board of Directors may delegate certain duties to the committees as it deems appropriate.

Section 2 - Members

With the exception of the Nominating Committee, the chairpersons of each committee shall select members from among the Regular, Affiliate and/or Associate Members, subject to the approval of the Board of Directors.

ARTICLE XIII – ACCOUNTS AND RECORDS

Section 1 - Fiscal Year

The fiscal year of the Association shall be established by the Board of Directors.

Section 2 - Budget

The Board of Directors shall adopt an operating budget for the Association prior to the start of each fiscal year.

Section 3 - Funds and Accounts

The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Board of Directors. Books and records of the Association shall be open to inspection at all reasonable times by representatives of a Member.

Section 4 - Treasurer's Report

The Treasurer, 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board of Directors.

Section 5 - Annual Audit

The Board of Directors shall provide for a certified, annual audit of the accounts and records of the Association which audit shall conform to generally accepted auditing standards. When such an audit of the accounts and records is made by a Certified Public Accountant, such report shall be reviewed and approved by the Board of Directors.

Section 6 - Costs

Any costs of the audit, including contracts with, or employment of, Certified Public Accountants, in making an audit pursuant to this Article, shall be borne by the Association.

ARTICLE XIV - LIMITATION OF ASSOCIATION'S LIABILITY

No officer, director, or member shall make or incur any debt or liability in the name of the Association or on its behalf unless such debt or liability is authorized by the Board of Directors and is not inconsistent with these Bylaws.

ARTICLE XV – INDEMNIFICATION

Every director, officer or employee of the Association and such others as may be specified from time to time by the Board of Directors, shall be indemnified by the Association against all expenses and liabilities, including legal fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be made a party, or in which they may become involved, by reason of being or having been a director, officer or employee of the Association, or any settlement thereof, whether the person is a director, officer or employee at the time such expenses are incurred, except in such cases wherein the director, officer or employee is adjudged guilty of negligence, willful misfeasance or malfeasance in the performance of his or her duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which the indemnified person may be entitled (such as, by way of example and not limitation, the rights to be defended and indemnified under a policy or policies of insurance purchased for such purposes by the Association).

ARTICLE XVI – DISSOLUTION

The Association shall use its funds only to accomplish the purposes specified in these Bylaws. No part of the funds shall be used to the advantage of any single person or entity or be distributed to the members of the Association. In the event of the dissolution or final liquidation of the Association, its remaining net assets shall be distributed to such nonprofit corporations or associations as are exempt from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code, as deemed appropriate by the Board of Directors.

ARTICLE XVII - AMENDMENTS OF BYLAWS

Amendments to these Bylaws may be proposed at any time by a vote of two-thirds (2/3) of the Board of Directors, but any such amendment shall not be effective until approved by a majority vote of the Designated Representatives of the Regular Members voting at a general membership meeting or by a majority vote of the Designated Representatives of the Regular Members if the vote is by mail ballot. The Board of Directors may establish the effective date of the Bylaw amendments as any date on or after the date such amendments are approved by the Regular Members' Designated Representatives.

DEFINITIONS

Affiliate Member

Any government or nonprofit entity that does not otherwise meet the criteria for Regular Membership. Affiliate Members must be approved for membership by the Board of Directors and must be in good standing.

Associate Member

An individual or agency which is in the business of providing products or services to one or more Regular Members and/or other agencies. Generally, Associate Members operate on a for-profit basis and provide some services or products to Regular Members or other agencies. Associate Members must be approved for membership by the Board of Directors and must be in good standing.

Board of Directors

The governing body of the California Association of Joint Powers Authorities (CAJPA).

Delivery

The delivery of communications regarding Association meetings or other business either personally, by telegraph, teletype, or other form of wire or wireless communication; or by first class U.S. mail or private carrier. Notice given by electronic transmission by the Association shall be valid only if: (1.) Delivered by (i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the Association; (ii) posting on an electronic message board or network that the Association has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (iii) other means of electronic communication; (2.) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and (3.) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Designated Representative

The Designated Representative who is elected or appointed by the Board of Directors, Executive Committee, or other duly-empowered authorizing body of a Regular Member to represent the interests of the Regular Member at Association general membership meetings. This person is eligible to cast the sole vote of that Regular Member at general membership meetings.

Management Employee

An individual employed by a public agency in a management or leadership capacity who meets eligibility requirements for the Public Employees Retirement System (PERS) or State Teachers' Retirement System (STRS).

Meeting

A gathering of members of the Board of Directors, or of Designated Representatives of Regular Members of the Association, for purposes of transacting Association business. Any board or general membership meeting may be held either by attendance in person; or by attendance by conference telephone, video screen communication, or other communications equipment; or both by attendance in person and by attendance via electronic means. Whether effected by personal appearance or by electronic means, participation in a meeting shall constitute presence in person at the meeting if (1.) Each member participating in the meeting can communicate concurrently with all other members; and (2.) Each member is provided the means of participating in all

matters before the Board of Directors, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.

Regular Member

A public risk pool which is a Joint Powers Authority formed pursuant to California Government Code section 6500, *et seq* which provides self-funded, group purchase insurance, or other risk financing/risk management programs and services to a California public agency or agencies. Regular Members must be approved for membership by the Board of Directors and must be in good standing.