



WSTIP Policy Manual			
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**WASHINGTON STATE TRANSIT INSURANCE POOL
Bylaws**

ARTICLE I: DEFINITIONS

Section 1. Definitions. The terms set forth below are defined as follows:

- a. **Board** -- The governing body of the **Pool** is composed of one representative from each **Member**.
- b. **Executive Committee** -- The committee which governs and controls the **Pool** except as set forth in Section 4.
- c. **Member** -- A local governmental public transit entity which participates in the **Pool's** self-funded insurance program.
- d. **Pool** -- The Washington State Transit Insurance Pool.

Defined terms are in bold throughout these bylaws.

ARTICLE II: OFFICES

Section 2. Principal office. The principal office of the **Pool** shall be located in Olympia, Washington.

Section 3. Other offices. The **Executive Committee** may, in its discretion, establish other offices for the **Pool**.

ARTICLE III: GOVERNING BOARD

Section 4. Governance. With respect to the following, the **Pool** shall be governed and controlled by the **Board**:

- a. Adoption and amendment of bylaws;
- b. Adoption of annual budget;

- c. Assessment of annual and special **Member** allocations and contributions;
- d. Admission and termination of **Members**;
- e. Selection of executive director and terms and conditions of employment;
- f. Purchase, lease, sale, and disposal of real property;
- g. Changes to the terms and conditions of coverages to be offered by the **Pool** to its **Members**; and
- h. New coverages or programs to be offered by the **Pool** to its **Members**; Provided, at least ninety days prior to voting upon whether or not to offer any new coverage or program, the **Pool** shall provide notice thereof to the governing bodies of the **Members**, which notice shall include a description of the proposed new coverage or program; and
- i. The definition and parameters of the Governance Documentation Procedure and WSTIP Policy Manual as set forth in Article XIII.

Section 5. Composition. The **Board** shall be composed of one representative appointed by each **Member**.

Section 6. Voting Rights. Each **Member** shall have one vote on each matter submitted to the **Board**. Unless a supermajority vote is required on some particular matter, a majority vote is sufficient to pass a matter. Voting by proxy is not permitted.

Section 7. Quorum. A majority of **Members** representatives is sufficient to constitute a quorum.

Section 8. Member representatives.

- a. Each **Member** shall appoint a primary representative, and one or more alternative representatives. A **Member's** representative is, authorized to exercise the **Member's** voting rights in the **Pool** and to act on behalf of the **Member** with respect to all matters pertaining to the **Pool**.
- b. If a primary representative is unable to serve or participate in proceedings for any reason an **alternative** representative shall represent the **Member**.
- c. **Members** shall designate representatives in writing and may change designations at any time, **Members** shall promptly notify the **Pool** of any changes.
- d. Representatives must be officers or employees of **Member**.
- e. Alternative representatives may serve on committees or as officers only if appointed or elected to the committee or office.

Section 9. Board meetings.

a. The annual meeting shall be held in November or December; Provided, if extraordinary circumstances require the cancellation of the annual meeting, the president may reschedule the annual meeting for some other time as a special meeting. The **Board** shall elect the secretary and new members of the **Executive Committee** and adopt its annual budget and **Member** allocations at the annual meeting.

b. In addition to the annual meeting, the **Board** shall meet quarterly. The annual meeting shall be the meeting for the fourth quarter.

Section 10. Membership not transferable. Membership in the **Pool** is not transferable or assignable.

ARTICLE IV: OFFICERS

Section 11. Designation. The officers of the **Pool** shall consist of a president, vice-president, and secretary. All officers shall be primary or alternative **Member** representatives.

Section 12. President. The president shall chair the **Board** and the **Executive Committee**.

Section 13. Vice-president. The vice-president shall perform the duties of the president in the absence or disability of the president.

Section 14. Secretary. The secretary shall certify **Pool** policy manual decisions as described in Article XIII, and minutes of the **Board** and **Executive Committee**.

Section 15. Election and Progression of Officers.

a. The **Board** shall elect a secretary every year at its annual meeting.

b. The secretary shall progress to vice-president and the vice-president shall progress to president.

Section 16. Terms. The term of office shall be one year and shall commence immediately following election of the secretary.

ARTICLE V: EXECUTIVE COMMITTEE

Section 17. Powers. The **Pool** shall be governed and controlled by the **Executive Committee** in all respects except for those matters reserved to the **Board** by Article III, Section 4. The **Executive Committee** shall make recommendations to the **Board** with respect to the annual budget, assessment of **Member** allocations and contributions, the purchase, lease, sale, and disposal of real property, and all other matters that may come before the **Board**.

Section 18. Composition.

- a. The **Executive Committee** shall consist of the president, immediate past president, vice-president, secretary, and four additional members elected by the **Board** at every annual meeting.
- b. All members of the **Executive Committee** shall be primary or alternative **Member** representatives.
- c. Of the four members elected annually, one shall be from a small transit system, one shall be from a medium transit system, and one shall be from a large transit system, and one shall be "at large"; Provided, if no eligible member from a small, medium, or large system is willing to serve, that position shall be open to any other **Member** representative . The criteria for small, medium, and large shall be established by the **Executive Committee**.

Section 19. Meetings. The **Executive Committee** shall meet every month. The president may cancel any monthly meeting. A majority of members of the **Executive Committee** shall be sufficient to constitute a quorum.

Section 20. Claims Review. The **Executive Committee** shall review and, if appropriate, approve proposed settlements for any claim or lawsuit against any **Member** which is proposed for settlement in an amount greater than the standing settlement authority of the executive director.

Section 21. Committees. The **Executive Committee** may, in its discretion, establish committees, either ad hoc or standing.

ARTICLE VI: VACANCIES, REMOVALS, AND RESIGNATIONS

Section 22. Vacancies.

- a. Vacancies in the **Executive Committee** shall be filled by the **Board** at its next regular meeting. The person appointed to fill the vacancy shall complete the term of his or her predecessor. The president may appoint a member of the **Executive Committee** as an interim officer prior to action by the **Board** to fill the vacancy.
- b. If an **Executive Committee** member ceases to be an officer or employee of **Member**, the position shall be considered vacant.

Section 23. Removal. An **Executive Committee** member may be removed by a two-thirds vote of all **Member** representatives.

Section 24. Resignation. An **Executive Committee** member may resign by providing written notice to the **Board** or president. Such resignation shall be effective upon receipt or at some other specified time. A resignation shall be effective without acceptance.

a. The **Board** shall engage an executive director upon mutually agreeable terms and conditions. The **Executive Committee** shall evaluate the performance of the executive director following input from the **Board** which may be through the small, medium, and large **Executive Committee** members.

b. The executive director shall be the chief executive officer of the **Pool** and shall be responsible for its efficient operation and overall direction.

c. The executive director shall execute the directives of the **Board** and the **Executive Committee**.

Section 34. General Counsel. The **Executive Committee** may engage general counsel for the **Pool** upon terms and conditions it deems appropriate. The general counsel shall be the legal advisor to the **Board, Executive Committee, and Pool** staff.

Section 35. Other Employees. The executive director shall employ such other individuals as may be authorized by the **Executive Committee** and consistent with the annual budget.

ARTICLE X: OPERATIONS

Section 36. Accounts. The **Pool** shall establish and maintain funds and accounts consistent with generally accepted accounting practices and as may be required by state laws and regulations.

Section 37. Internal Controls.

a. The books and records of the **Pool** shall be audited annually.

b. The **Executive Committee** shall establish policies with respect to internal controls, financial reports, audits, and investment policies.

Section 38. Annual report. The executive director shall submit an annual report to the **Board** as may be required by the **Executive Committee**.

Section 39. Inspection of records. All **Pool** records and files shall be available for inspection and copying by any authorized representative of any **Member** at any and all reasonable times.

Section 40. Fidelity bond. The **Pool** shall obtain a fidelity bond of one million dollars or such greater amount as may be required by the **Executive Committee** to cover all losses of misfeasance and malfeasance by the **Member** representatives and employees.

Section 41. Power to contract. The **Pool's** contractual powers are vested in the **Executive Committee**. The **Executive Committee** may delegate all or part of its contractual powers to the executive director or some other agent or employee.

Section 42. No compensation. **Member** representatives shall not receive compensation for time or services provided to the **Pool**; Provided, **Member** representatives shall be reimbursed for necessary and

ARTICLE VII: MEETINGS

Section 25. Meeting time, date and place. The president shall establish the time, date and place of the **Board's** annual meeting and for regular and special meetings of the **Board** and **Executive Committee**.

Section 26. Notice of meetings.

- a. Notice of all meetings shall be provided to all **Member** representatives.
- b. The notice shall specify the time, date, and place of each meeting and, in the case of a special meeting, the matters or topics which will be presented for consideration.

Section 27. Executive sessions. The **Board, Executive Committee, and any other duly established committee** may adjourn to executive session to consider those matters authorized by RCW 42.30.110 and RCW 48.62.101..

Section 28. Special meetings. Special meetings of the **Board** or **Executive Committee** may be called as authorized by RCW 42.30.080.

Section 29. Conduct of meetings. Meetings shall be conducted pursuant to Robert's Rules of Order to the extent not inconsistent with statutes, these bylaws, or the interlocal agreement through which the **Pool** was established.

ARTICLE VIII. APPOINTED POSITIONS

Section 30. Treasurer.

- a. The **Board** shall appoint a Treasurer pursuant to RCW 48.62.111 as now or hereafter amended. The **Board** may replace the Treasurer at any time.
- b. The duties of the Treasurer shall be as specified by the **Executive Committee**. The Treasurer must be a primary or alternative **Member** representative. If the Treasurer is not a member of the **Executive Committee**, he or she shall be an *ex officio*, non-voting member thereof.

Section 31. Auditor. The **Pool's** executive director shall serve as its Auditor. The duties of the Auditor shall be as specified by the **Executive Committee**.

Section 32. Other positions. The **Executive Committee** may appoint such other positions as it deems appropriate and, if it does so, shall specify the duties of the position.

ARTICLE IX: EMPLOYEES

Section 33. Executive Director.

ARTICLE XII: COVERAGE DETERMINATION

Section 49. Tender. Following receipt of a claim or complaint seeking monetary damages, a **Member** or other person who believes the **Pool** may have an obligation for such claim or complaint, may tender the claim or complaint to the executive director for a determination of coverage. The tender shall include a copy of the claim or complaint together with such other information as the **Member** or other person believes supports coverage.

Section 50. Decision by executive director.

- a. Following receipt of a tender the executive director shall promptly review the materials submitted and do whatever additional investigation is necessary to make a coverage determination.
- b. Following review of the materials and investigation, the executive director shall:
 - (1) Accept the tender, thereby acknowledging a defense and indemnity obligation;
 - (2) Accept the tender but with a reservation of rights, thereby acknowledging a defense obligation but reserving to the future the right to dispute an indemnity obligation; or
 - (3) Deny the tender, thereby denying a defense and indemnity obligation.
- c. If the executive director accepts a tender but under a reservation of the rights or denies a tender, he or she shall notify the **Member** or other person thereof in writing. The notice shall specify the reasons for the decision.

Section 51. Appeal to Executive Committee

- a. A **Member** or other person feeling aggrieved by the decision of the executive director regarding a tender decision, may appeal that decision to the **Executive Committee** by filing notice thereof with the president and executive director. The notice shall specify the identity of the appellant, the decision from which the appeal is taken, and the reasons why the appellant believes the decision of the executive director was wrong. Such notice must be filed within thirty days following such decision.
- b. The appeal shall be set for consideration at the next regular meeting of the **Executive Committee** or, in the discretion of the president, at the regular meeting following the next regular meeting.
- c. Any **Executive Committee** member employed by the **Member** taking the appeal shall recuse herself or himself from the proceedings.
- d. At the hearing before the **Executive Committee**, the appellant shall first present facts and argument followed by the executive director.
- e. Following the hearing or any continuation thereof, the **Executive Committee** shall issue a written determination on the appeal.

reasonable expenses incurred for activities authorized by the **Board** or **Executive Committee** in accordance with rules set by the **Executive Committee**.

Section 43. Indemnification.

a. The **Pool** shall indemnify any **Member** representative or employee of the **Pool** for all costs and expenses incurred in connection with any legal action or proceeding arising as a consequence of activities on the **Pool's** behalf so long as the **Member** representative or employee acted in good faith and without intentional wrongdoing.

b. Any determination whether a **Member** representative or employee is entitled to indemnification shall be made by the **Executive Committee**.

Section 44. Reporting claims. **Members** shall report all claims and losses to the **Pool** irrespective of whether the **Pool** has any indemnification obligation.

Section 45. Notice of proposed amendments to interlocal agreement.

a. Whenever there is a proposed amendment to the **Pool's** interlocal agreement, the **Pool** shall provide notice thereof to the **Members'** governing bodies.

b. The notice shall be directed to "Clerk [name of **Member** transit system]" to the address of the **Member's** primary administrative offices.

c. No proposed amendment shall become effective sooner than sixty days following notice as required herein.

ARTICLE XI: NEW MEMBERS

Section 46. Application. A local governmental public transit system situated in Washington desiring to become a **Member** of the **Pool** may apply for membership by submitting an application to the executive director. The application shall contain the information requested by the executive director. The application shall be accompanied by a fee in an amount determined by the executive director to cover the cost of analyzing the applicant's loss data, risk profile, and other information. The executive director shall forward the application first to the **Executive Committee** and then to the **Board** along with his or her recommendation.

Section 47. Consideration by Board. An applicant is approved for membership with the affirmative vote of at least three-fourths of all **Member** representatives.

Section 48. Consummation of membership. An applicant for membership as a **Member** shall become a **Member** following its subscription of the **Pool's** interlocal agreement.

ARTICLE XIII; GOVERNANCE DOCUMENTATION PROCEDURE

Section 52. Governance memorialization procedure. The **Board** and its **Executive Committee** may memorialize governance decisions by additions, amendments, or deletions to the "WSTIP Policy Manual," as described in section 54.

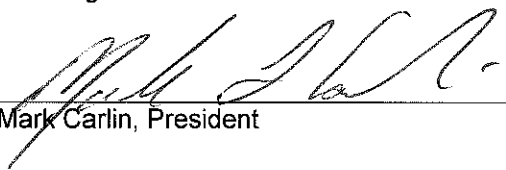
Section 53. Procedural requirements. In order for a section of the policy manual to have binding force, the section must be approved by a majority vote of the **Board** or **Executive Committee** unless a supermajority is required. The approval of a section shall be memorialized by the signatures of the **Pool's** president and secretary. The section may also be approved as to form by the **Pool's** counsel but such approval as to form is not necessary for the section to have binding force.

Section 54. WSTIP Policy Manual. The WSTIP Policy Manual shall be known as such. It shall be consistent with the **Pool's** interlocal agreement and bylaws. It shall include a section describing the purpose of the policy, the authority for the policy, a policy statement section which is the substantive portion of the policy, a section describing the historical background for the policy, and other sections as deemed appropriate by the **Board** or **Executive Committee**.

ARTICLE XIV: REPEALER

Section 55 Repealer. Bylaws previously adopted and all amendments thereto are hereby repealed.

Adopted this 9th day of December, 2011
Board of Directors
Washington State Transit Insurance Pool



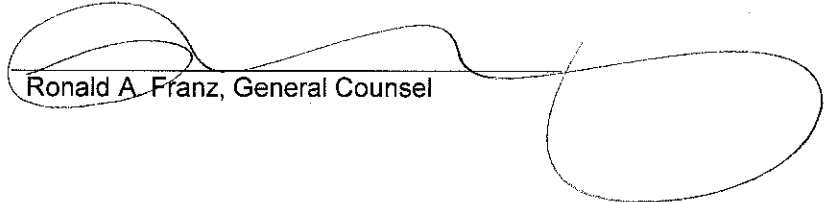
Mark Carlin, President

ATTEST:



Ben Foreman, Secretary

APPROVED AS TO FORM:



Ronald A. Franz, General Counsel