



WSTIP Policy Manual			
Document Name:	Member Corrective Action and Termination Policy	Date Adopted:	6/26/2009
Category:	Governance	Revision Date:	5/18/09
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Member Corrective Action and Termination Policy

Purposes

1. To implement a process to require Pool members to take action to correct identified deficiencies.
2. To establish a procedure for the orderly consideration of termination of a member of the Pool and, concurrently, to provide a member under consideration for termination with the opportunity to oppose it.

Authority

1. Interlocal Agreement, Section 3 (“all things necessary and proper” and “all powers and . . . all functions . . . to accomplish all lawful programs”);
2. Bylaws, Sections 4 (“admission and termination of members”) and 17 (“recommendations to the Board”); and
3. Interlocal Agreement, Section 15 (member termination).

Policy Statement

1. Pool members must implement and observe governance, management, and operations programs so as to not jeopardize the accreditation, legal obligations, or fiscal integrity of the Pool.
2. When a member falls short in governance, management, or operations, the Pool needs a process to identify the problem and provide the member an opportunity to correct it. Corrective action may include, but is not necessarily limited to, orders to comply with Pool best practices, Pool coverage documents, Pool governance documents, and monetary sanctions for failure to undertake or complete corrective action.
3. The Pool’s executive director or any member may initiate proceedings for member corrective action or termination by providing written notice thereof to the Executive Committee. The notice shall specify the grounds for corrective action or termination. Copies of the notice shall be provided to the member’s representative to the Pool, the member’s chief executive officer, and to the governing body of the member.
4. Following receipt of the written notice seeking corrective action or termination, the Executive Committee shall make whatever investigation it believes appropriate.
5. Following its investigation the Executive Committee shall provide the results thereof to the member that is the subject of the investigation. If there is a recommendation for corrective action or termination the Executive Committee shall set the matter for hearing at a regular or special meeting. The proponents of corrective action or termination shall first present facts and argument followed by the member’s facts and argument. Both the proponents and the member may present facts and argument in rebuttal.
6. Following the hearing the Executive Committee shall vote to recommend or not recommend corrective action or termination. If it votes to recommend corrective action, it shall specify the corrective action required, the time for compliance, and whatever other conditions it believes are appropriate. The recommendation for corrective action or termination shall be forwarded to the Board.
7. The Board shall set a hearing on the Executive Committee’s recommendation at a regular or special meeting. The Executive Committee or its designee shall first present facts and argument in favor of the

recommendation followed by the member's facts and argument in opposition. Each side may present facts and argument in rebuttal.

8. By a three-fourths vote of all Board directors, the Board may terminate a member. Termination shall be effective six months following the termination vote. If the vote on termination fails to pass, the Board may nevertheless require corrective action by majority vote.
9. By majority vote the Board may require corrective action. It may adopt the recommendation of the Executive Committee or may impose different corrective action and conditions. The Board's decision on corrective action, conditions, time for compliance shall be memorialized in writing and signed by the President. A member wishing to avoid a hearing before the Board regarding corrective action may do so by agreeing in writing to abide by the corrective action and conditions recommended by the Executive Committee.
10. A member failing to implement the corrective action and associated conditions may be subject to further corrective action, enforcement through judicial proceedings, or termination.
11. Proceedings for corrective action are not a prerequisite to proceedings for member termination.
12. The member that is the subject of the proceedings for corrective action or termination shall not vote on the matter before the Executive Committee but may vote on the matter before the Board..

Amendment

The Pool's Board may amend this policy.

Policy History

None.

Passed this 26 day of June, 2009

Board of Directors

Washington State Transit Insurance Pool



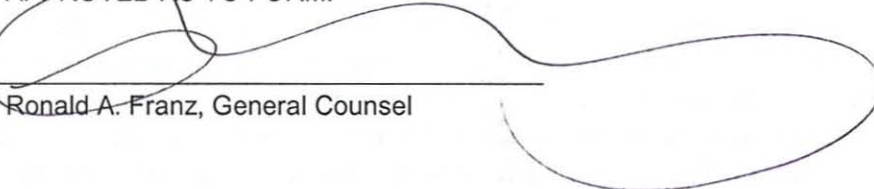
Jim Plaster, President

ATTEST:



Mark Carlin, Secretary

APPROVED AS TO FORM:



Ronald A. Franz, General Counsel