WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION
2629 12th Court SW | Olympia, WA 98502 | 360-786-1620 | www.wstip.org

RAF: 3/10/14

Washington State Transit Insurance Pool
2014 Interlocal Agreement

Whereas, RCW 48.62 empowers local government entities to join together to form a joint self-insurance program; and

Whereas, the transit systems identified in Section 1 have previously joined together through an interlocal agreement to form the Washington State Transit Insurance Pool (**Pool**); and

Whereas, the transit systems desire to continue the **Pool** but to revise and clarify certain provisions through the adoption of this new interlocal agreement;

Now, therefore, in consideration of the mutual covenants set forth herein, it is hereby agreed as follows:

Section 1. Members. The local governmental entities set forth in the attached Membership Appendix are parties to this interlocal agreement and are **Members** of the **Pool**. The **Pool's** executive director shall update the appendix as necessary to reflect additions or deletions to membership.

Section 2. Definitions. The following terms are defined as follows:

a. **Board**—the Board of Directors of the **Pool.**
b. **Member**—a Washington public transit entity that has joined the **Pool** through the subscription of this interlocal agreement.
c. **Pool**—the Washington State Transit Insurance Pool.

Throughout this agreement defined terms are in bold.

Section 3. Powers. The **Pool** is empowered to:

a. Do all things necessary and proper for the establishment of self-insurance programs for property and liability risks.
b. Investigate the establishment of self-insurance programs for risks in addition to those identified in subsection 3a. Following such investigation the **Pool** may establish such additional self-insurance programs so long as the requirements of section 12 are met.
c. Establish a self-insurance program for **Members** through joint funding.
d. Purchase insurance, excess insurance, and reinsurance.
e. Provide for risk management, loss control, and other services.
f. Provide legal counsel for the defense of claims and other legal services.
g. Consult with the state insurance commissioner and the state risk manager.
h. Exercise all powers and perform all functions necessary to accomplish all lawful programs.
i. Enter into contracts and incur debts, liabilities, and obligations.
j. Sue and be sued.

k. Invest funds.
l. Provide administrative and financial services to **its Members** and others.

Section 4. Board of Directors.

a. The **Pool** shall be governed by its **Board**.
b. Each **Member** shall appoint one representative and at least one alternate representative to the **Board**.
c. If a representative is not able to attend a meeting of the **Board**, an alternate representative may attend and shall have the same authority as the representative.
d. Representatives and alternates shall be officers or employees of the **Member**.
e. The **Board** shall meet at least once each calendar year.
f. The **Board** shall adopt an annual budget.
g. The **Board** shall be chaired by its president or, if the president is not available, its vice president.
h. Each representative or alternative shall have one vote. Voting by proxy is not permitted. Except as is specifically provided otherwise in this agreement, a majority of the representatives or alternates present at a meeting of the **Board** shall constitute a quorum and the majority of the quorum is sufficient to decide any matter.

Section 5. Bylaws. The **Board** shall adopt bylaws which shall not be inconsistent with any part of this agreement.

Section 6. Executive Director. The **Board** shall engage an executive director who shall be the chief executive officer of the **Pool**.

Section 7. Officers.

a. The **Board** shall elect officers.
b. The officers shall include a president, vice president, secretary, and such other officers as authorized by the bylaws.
c. Duties and terms of office of officers shall be as specified in the bylaws.

Section 8. Committees. The **Board** may establish committees, both standing and *ad hoc*, from time to time as it deems appropriate. The composition and responsibilities of committees shall be specified by the **Board**.

Section 9. New Members.

a. The Board may approve the admission of new **Members** on terms and conditions as it deems appropriate.
b. For admission, **Members** must have at least three-fourths affirmative vote of all representatives or alternates.
c. **Members** must be local government public transit entities situated in Washington.
d. Once approved for membership, a **new Member's** admission to **the Pool** shall be memorialized by the new **Member** signing copies of this Interlocal Agreement and all amendments thereto.

Section 10. Amendment.

a. The governing boards of the **Members** may adopt amendments to this agreement.
b. No amendment shall be adopted without at least three-fourths affirmative vote of all governing boards.
c. The **Pool** shall provide notice of any proposed amendment to the governing boards of the **Members** as specified in the bylaws.

Section 11. Duration. The duration of the **Pool** shall be perpetual.

Section 12. Addition of New Programs.

a. The **Pool** may establish self-insurance programs in addition to self-insurance programs for property and liability risks only with the affirmative vote of at least three-fourths of all representatives or alternates directors.
b. No **Member** shall be required to participate in any such additional self-insurance program.
c. If the **Pool** elects to establish such additional self-insurance programs, it shall implement adequate measures to protect and safeguard the equity and fiscal integrity of the **Pool's** self-insurance programs for liability and property.

Section 13. Funding.

a. The **Pool** shall be funded by **Member** contributions and assessments.
b. **Member** contributions and assessments shall be established by the **Board** in its annual budget. If the **Pool's** financial situation warrants, the **Board** may require supplementary and retroactive contributions and assessments.
c. All **Members** shall pay contributions, assessments, and fees promptly when due.

Section 14. Withdrawal of a Member.

a. A **Member** may withdraw from the **Pool** only at the end of a fiscal year by providing at least six month's written notice thereof. No **Member** may withdraw for thirty six months after joining the **Pool**. Following withdraw a former **Member** may not rejoin the **Pool** for thirty six months.
b. The withdrawal by a **Member** shall not affect the validity of this agreement with respect to the remaining **Members**.
c. Upon withdrawal, a **Member** shall have no further obligations to the **Pool** nor shall it be entitled to any portion of the **Pool's** assets or equity; Provided, the withdrawing **Member** shall pay all of its pending contributions and assessments.

Section 15. Termination of a Member.

a. A **Member** may be terminated only by the affirmative vote of at least three-fourths of all representatives or alternates. The effective date of termination shall be six months following notice of the termination vote. Until the effective date of termination, the terminated **Member** shall have the benefits and burdens of participation in the **Pool**.

b. The termination of a **Member** shall not affect the validity of this agreement with respect to the remaining **Members.**

c. Upon termination a **Member** shall have no further obligations to the **Pool** nor shall it be entitled to any portion of the **Pool's** assets or equity; Provided, the terminated **Member** shall pay all of its pending contributions and assessments.

Section 16. Dissolution.

a. The **Pool** and this agreement may be terminated by the written consent of three-fourths of the governing boards of the **Members**. Upon termination and wind-up, the **Pool** and this agreement shall continue in effect for the purpose of the winding-up the business and affairs or the **Pool**, including disposing of all claims, the collection of additional assessments, and the distribution of assets.

b. Upon termination or wind-up, the assets of the **Pool** shall be liquidated. Following the payment of all claims and expenses, each **Member** shall be entitled to a percentage share of the liquidation fund in that percentage which the total contribution payments by each **Member** bears to the total contribution payments by all remaining **Members** made over the life of the **Pool**.

c. Any and all disputes concerning the entitlement to or amount of any refund of excess payments or the distribution of assets shall be resolved by arbitration pursuant to the rules for commercial arbitration of the American Arbitration Association. All **Members** may participate in the arbitration and shall be bound by the arbitrator's decision.

Section 17. Liability Limitation. In the event that any claim against a **Member** is not covered or exceeds the applicable limits of coverage provided by the **Pool**, the liability for that obligation lies with the **Member**.

Section 18. No Assignment. Neither the **Pool** nor any **Member** may assign any rights, claim, or interest established by this agreement without the consent of the other.

Section 19. Mediation. The parties to any dispute between the **Pool** or its **Members** concerning this agreement shall seek to resolve it through mediation.

Section 20. Litigation.

a. Venue for any dispute concerning this agreement may only be laid in the Thurston County Superior Court or the United States District Court for the Western District of Washington.

b. The prevailing party in any litigation brought to enforce this agreement shall be entitled to its reasonable attorney's fees and costs.

Section 21. Governing Law. This agreement shall be governed by the laws of Washington except for the Washington laws on conflict of laws. Therefore the substantive laws of Washington shall govern in all respects.

Section 22. Supersession. This agreement supersedes and replaces all prior interlocal agreements and amendments thereto pertaining to the **Pool.**

Section 23. Effective Date. This agreement shall be effective when approved by at least three-fourths of the governing boards of the **Members.**

Section 24. Approval by Counterparts. This agreement may be approved by counterparts so that **Members** need not execute the same document. Upon approval, each **Member** shall promptly send a copy of the executed agreement to the **Pool**.

Subscribed this 12th day of February, 2015.

Member Transit System

By Ray Stephanson

Its Mayor

Attest:

By Sharon Tulle

Its City Clerk

Approved as to Form:

By James D. Sloe

Its Attorney

Agreement

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

#12

PROJECT TITLE:
Washington State Transit Insurance Pool 2014 Interlocal Agreement

	Briefing
	Proposed Action
	Consent
✓	Action
	First Reading
	Second Reading
	Third Reading
	Public Hearing
	Budget Advisory

COUNCIL BILL #	
Originating Department	Transit
Contact Person	Tom Hingson
Phone Number	425-257-8939
FOR AGENDA OF	01/28/2015

Initialed by:
Department Head
CAA
Council President

Location	Preceding Action	Attachments	Department(s) Approval
Everett Transit	Interlocal Agreement April 27, 2005	2014 Interlocal Agreement	Legal

Amount Budgeted	-0-	
Expenditure Required	-0-	Account Number(s):
Budget Remaining	-0-	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT:
Everett Transit became the 21st member of the Washington State Transit Insurance Pool on May 1, 2005. Today 25 transit systems in Washington State are pool members. Attached is the first revision to the Interlocal Agreement since Everett Transit became a member. Changes include housekeeping prompted by revisions in state law RCW 48.62, the enabling legislation for pools in the State of Washington and new requirements from the Department of Enterprise Services. The liability associated with this agreement is limited to the assets of Everett Transit (Fund 425) and does not affect the City's general fund.

Council approved 2/4/15 fm

RECOMMENDATION (Exact action requested of Council):
Authorize the Mayor to sign the Washington State Transit Insurance Pool 2014 Interlocal Agreement.