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## 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.



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**.



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 24 day of November, 2014.

Whatcom Transportation Authority  
Member Transit System  
By PETER H STARK

Its General Manager

Attest:

By Vicki G. Esser

Its Clerk of the Board

Approved as to Form:

By \_\_\_\_\_

Its \_\_\_\_\_