

**RISK MANAGEMENT/INSURANCE
COOPERATIVE POOL ACCOUNT AGREEMENT**

This agreement is made and entered into by and between Educational Service District 112, Clark County, Washington (hereinafter referred to as ESD) and _____ School District, _____ County Washington (hereinafter referred to as District).

I. PURPOSE

The purpose of this agreement shall be to join together in a cooperative manner and form a pool to self-fund risk management and property/casualty liabilities of the District, and to establish such cooperative as a separate accounting entity as provided in RCW 39.34.030.

II. ORGANIZATION

The Cooperative shall consist of eligible school districts and educational service districts that execute a Cooperative Pool Account Agreement. There shall be established a Cooperative Advisory Board made up of one representative of each member district. The duties of the Cooperative Advisory Board shall be, but not limited to, meeting periodically to rule on matters such as Cooperative membership, matters of administration, cost control and annual assessment rate. The Cooperative Advisory Board shall set said assessment rate. In addition, the Cooperative Advisory Board shall elect for staggered terms an Executive Advisory Committee consisting of five (5) members.

III. BYLAWS

The Executive Advisory Committee shall be responsible for establishing the bylaws of the Cooperative. Said bylaws shall be approved by a two-thirds (2/3) majority vote of the Cooperative Advisory Board. Such bylaws shall be part of the agreement as though set forth herein.

IV. TERM OF AGREEMENT

The term of this agreement shall be from 12:01 AM September 1, _____, to 12:01 AM September 1, _____. The agreement shall then be automatically renewed from year to year thereafter unless the District gives written notice to ESD of its election to terminate the agreement at least one hundred eighty (180) days prior to midnight August 31 of any year, unless the agreement is terminated in accordance with Paragraph XI, XII or XIII.

**V. MEMBERSHIP IN POOL ACCOUNT COOPERATIVE, NEW MEMBERS AND
EFFECTIVE MEMBERSHIP DATE**

The District shall become a full member of the Pool Account Cooperative. Membership shall entitle the District to designate a representative to the Cooperative Advisory Board. Any District who shall become a member of the Pool Account Cooperative subsequent to midnight September 30, 1985, shall be eligible to participate as of its property/casualty renewal date, or, in unusual circumstances, any date deemed appropriate by the Executive Advisory Committee, in any year upon approval of the Executive Advisory Committee. The Cooperative Advisory Board will establish the assessment for such members.

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VI. DUTIES OF THE DISTRICT

In accordance with this agreement, the District will:

- A. Designate a representative to the Cooperative Advisory Board.
- B. In accordance with the majority vote of a quorum of the Cooperative Advisory Board, pay to ESD, as pool trustee, the annual assessment set for the term of the agreement. Said assessment shall be postmarked within five (5) working days of the last day of the first month of each year of participation in this Cooperative. A penalty on delinquent payments shall be assessed at the rate of the highest existing interest rate that funds of the Cooperative are earning in that month plus a flat charge of twenty-five dollars (\$25).
- C. Provide to ESD, as Pool Account trustee, such data as may be deemed necessary by the Cooperative for statistical information purposes as related to management of the Pool Account.
- D. Pay to ESD a fee for management of the Pool Account, if necessary. The fee shall be set and approved by the Cooperative Advisory Board and approval shall require two-thirds (2/3) majority vote of the membership.
- E. Be ultimately responsible for any proportional share (based on membership at time of occurrence) of property/casualty claims that occur after distribution of assets as set forth in Section XIV. In the event of leaving the Cooperative as provided in Section IV, the District shall be required to fund, upon departure, its share of any known liabilities incurred during membership in the Cooperative. In addition, the District will be responsible for any property/casualty claims chargeable against the District, which become known subsequent to the date of termination.
- F. Designate an individual to provide liaison with the ESD in risk management and property/casualty matters.
- G. Cooperate fully with risk management activities conducted on behalf of the Cooperative. Such activities will be set forth in a risk management handbook to be developed prior to August 31, 1986.

VII. DUTIES OF ESD 112

In accordance with this agreement, ESD shall act as Pool Account trustee, and in this regard will:

- A. Receive all Pool Account Cooperative payments per Paragraph VI. B.
- B. Place all Pool Account Cooperative payments on deposit with the County Treasurer of Clark County, Washington, to the credit of the Cooperative.
- C. Insure that such deposits are invested to gain maximum interest income which will accrue to the credit of the Cooperative.

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- D. Authorize individuals appointed by the ESD Board to invest funds on behalf of ESD to invest funds on behalf of the Cooperative.
- E. Pay from the Pool Account funds on deposit with the Clark County Treasurer all property/casualty claims filed under the self-insured retention, all excess insurance premiums and all administrative charges.
- F. Provide for the receipt and disbursement of funds and maintain adequate financial records of receipts and disbursements in order to properly manage the Pool Account as well as provide financial reports to the Cooperative Advisory Board. In addition, adequate statistical records will be maintained based on data referred to in Paragraph VI-C in order to project Pool Account assessments required.
- G. Authorize the auditing officer appointed by the ESD Board for the general fund of ESD to sign all claim vouchers for the Cooperative.
- H. Be responsible for employment of and/or contracting for any necessary staff and/or services and the general administration of the Cooperative to include risk management, claims review/processing and required reporting at the direction of the Cooperative.
- I. Pay premiums for excess insurance to insure against catastrophic losses as determined by the Advisory Board.

VIII. CONFIDENTIALITY

All data or information furnished to ESD as Pool Account trustee by the District pursuant to this agreement shall remain the property of the District and shall not be disclosed to third parties except by prior written consent of the District. The only exception to this will be data or information required by the Washington State Auditor's Office within constraints of the Public Disclosure laws.

IX. PUBLIC DISCLOSURE

No records of the District shall be made available for public inspection or copying by any party except as set forth in Paragraph VIII without prior written consent of the District. Requests pursuant to RCW 42.56 for inspection or copying of public records of the District held or maintained by ESD as trustee, shall be referred to the District.

X. DISPUTES

Any dispute, claim or grievance arising out of or relating to the interpretation or application of this agreement shall be submitted first to the Cooperative Executive Advisory Committee for their recommendation. Appeals on all disputes will be presented to the Cooperative Advisory Board. The Cooperative Advisory Board shall make the final decision on all disputes.

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XI. TERMINATION FOR BREACH

- A. If ESD, as trustee, fails to comply with the terms and conditions of this agreement, the Cooperative, by two-thirds (2/3) majority vote of the total Cooperative Advisory Board, upon thirty (30) days prior written notice to ESD, may terminate ESD as trustee. If ESD is terminated as trustee, the Cooperative Advisory Board, on recommendation of the Executive Advisory Committee, will name a new trustee who will function in that position on behalf of the Cooperative.
- B. If the District fails to comply with the terms and conditions of this agreement, the Executive Advisory Committee shall review the conditions of the breach of the agreement and make recommendations to the Cooperative Advisory Board. The Cooperative Advisory Board shall review the breach, and upon two-thirds (2/3) majority vote of the Cooperative Advisory Board, upon thirty (30) days prior written notice to the District, may terminate this agreement. In this regard, all actions of the Advisory Board are final.

XII. TERMINATION OF TRUSTEE

ESD may terminate as Pool Account trustee by thirty (30) days prior written notice to the Cooperative Advisory Board with the effective date midnight August 31 of any year.

XIII. DISSOLUTION OF THE COOPERATIVE

The Cooperative may be dissolved by two-thirds (2/3) majority vote of the Cooperative Advisory Board with the effective date midnight August 31 of any year.

XIV. DISTRIBUTION OF ASSETS UPON DISSOLUTION/TERMINATION

Upon dissolution of the Cooperative or termination of the agreement with any party hereto, the following provisions shall apply:

- A. If, for any reason, the Cooperative is dissolved, each District, whether current or previously a member, shall be entitled to its prorated share of principal payments plus accrued interest, less prior obligations paid and current obligations to be paid, on deposit with the Clark County Treasurer at the date of dissolution. Such proration shall be equivalent to the percentage each district's principal payments bear to the total of all principal payments. The Executive Advisory Committee shall oversee the dissolution/distribution process.
- B. If the District is terminated under Paragraph IV or XI, it shall not be entitled to any portion of its contributions.

XV. ASSIGNMENT

This agreement may not be assigned by either party without prior written consent of the parties.

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XVI. WAIVER AND SEVERABILITY

No provision of this agreement, or the right to receive reasonable performance of any act called for by its terms, shall be deemed waived by a breach thereof as to a particular transaction or occurrence. If any term or condition of this agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, conditions or applications of the agreement which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of the agreement are declared severable.

The parties acknowledge that they have read and understand this agreement, including any supplements or attachments thereto, and do agree thereto in every particular. The parties further agree that this agreement, together with any appendices, constitutes the entire agreement between the parties and supersedes all communications, written and oral, heretofore related to the subject matter of this agreement. This agreement may be modified only in writing, signed by both parties.

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Educational Service District 112

_____ School District

BY

BY

DATE

DATE

Rev. 12-14-90, Reissued 9-1-03