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# **POLICIES**



**POLICY REGARDING SETTLEMENT AUTHORIZATION**  
**FOR THE LIABILITY/PROPERTY CLAIMS MANAGER**  
**AND THE YCPARMIA RISK MANAGER**

In order to settle liability/property claims in a expedient and cost effective manner, the levels of settlement authorization are set as follows:

**Member entities are authorized to settle Property damage claims within their deductible; it is not necessary that they report these settlements to YCPARMIA.**

Settlement Authority Range

\$0 - \$25,000	Settlement authority is with the YCPARMIA Risk Manager or his/her designee may, without prior Board approval, settle claims or authorize expenditures within this range.
\$25,000 - \$50,000	Settlement authority is with the Risk Manager with notification requirements. No prior Board approval needed. The YCPARMIA Risk Manager will notify the entity representative and the Board President or Board Vice President if the entity representative is also the Board President, of the proposed settlement offer. If requested by either representative, the settlement offer will be brought to a Board meeting in closed session.
\$50,001 and over	Board approval must be obtained.

The Board will have no authority to approve or deny settlement of property losses in excess of YCPARMIA's self-insured retention when the loss is covered by commercial coverage. It is understood that the above authority levels may be changed by mutual agreement and Board action.

Adopted 8/17/87  
Revised 11/17/89  
Revised 9/14/90  
Revised 4/23/2004  
Revised 12/8/2006  
Revised 5/5/2011  
Reviewed 3/25/2019

**POLICY REGARDING SETTLEMENT AUTHORIZATION**  
**FOR THE WORKERS' COMPENSATION CLAIMS MANAGER**  
**AND THE YCPARMIA RISK MANAGER**

In order to settle workers compensation claims in an expedient and cost effective manner, the levels of settlement authorization are set as follows:

**The YCPARMIA Risk Manager or Workers' Compensation claims manager has authority to settle for statutorily mandated benefits on accepted claims.**

**For all other settlement amounts:**

Settlement Authority Range

\$0 - \$25,000

Settlement authority is with the YCPARMIA Risk Manager. The YCPARMIA Risk Manager or his/her designee may, without prior Board approval, settle claims within this range.

\$25,000- \$50,000

Settlement authority is with the Risk Manager with notification requirements. No prior Board approval needed; the YCPARMIA Risk Manager will notify the entity representative and the Board President, or the Board Vice President if the entity representative is also the President, of the settlement offer. If requested by either representative, the settlement offer will be discussed at a Board meeting in closed session.

\$50,001 and over

Board approval must be obtained

It is understood that the above authority levels may be changed by mutual agreement and Board action.

Adopted 8/17/87  
Revised 11/17/89  
Revised 9/14/90  
Revised 4/23/2004  
Revised 12/8/2006  
Reviewed 5/5/2011  
Reviewed 3/25/2019



**POLICY REGARDING SELF-PROCURED EXPENSES OR  
SETTLEMENTS OF ANY CLAIM OR LAWSUIT  
BY A MEMBER AGENCY**

Articles 20(f), 20(g), 21(i), and 21(l) of the Yolo County Public Agency Risk Management Insurance Authority JPA Agreement define the Authority's and Member Entity's responsibilities regarding the investigation and settlement of claims. As stated above and as required by contract with various excess carriers, the management and control of claims is under the jurisdiction of the Authority's Risk Manager. In order to more fully define the financial obligations of each, and to insure that no financial liability is assigned to the Authority without its knowledge and permission, the following policy is adopted:

It is the policy of the Yolo County Public Agency Risk Management Insurance Authority that member entities wishing to set up meetings with YCPARMIA's attorneys and/or claims administrators, for the purpose of a claim or lawsuit settlement above the entity's deductible, must obtain prior consent for such a meeting from the Risk Manager or Board President.

Further, it is the policy of the Authority to deny payment for any self-procured expenses which were incurred; or settlement of any claim or lawsuit above the entity's deductible that was settled by a Member Agency without prior permission from YCPARMIA.

Finally, if the Authority denies liability for a claim, the Member Agency may elect to settle the claim on its own behalf. In the event of such election, the Member Agency shall be liable for the full amount of the settlement, including all costs in connection therewith.

APPROVED October 14, 1988  
REVISED August 23, 2000  
Reviewed 4/23/2004  
Reviewed 5/5/2011  
Reviewed 3/25/2019

## **POLICY REGARDING EMPLOYEE USE OF AUTOS**

### EMPLOYEES DRIVING AGENCY AUTOS

The Authority's liability coverage extends to include use of all agency-owned hired, loaned, or hired for use vehicles whether the employee driving the vehicle is on agency or personal business. However, employees must not use the vehicle for unauthorized purposes if they want to be sure of insurance protection. Policy language states that coverage extends to "any person while using such automobile, and any person or organization legally responsible for the use thereof...provided the actual use is with the express permission of the member entity (YCPARMIA)." The definition of a covered party is also extended to the spouse of an official or employee of a participating agency (YCPARMIA), while operating an automobile owned by the entity or leased or hired for use by or on behalf of the entity, provided that the actual use is with the permission of the entity and official or employee is physically present in the vehicle while the spouse is operating it." Although "permission" is usually broadly interpreted by courts, if agency employees are made aware of this limitation, it should provide them with additional incentive to obey regulations concerning use of vehicle. In any case, the agency always has the full protection of the policy.

### DIVISION OF MOTOR VEHICLE REPORTS

These reports are available from the State of California, Division of Driver Safety and Licensing, P.O. Box 11231, Sacramento, California, 95853. This is an extremely valuable aid in determining if a driver is suitable for employment as well as verifying the driving experience of current employees. This information should be obtained for all prospective employees. Prior to operating any vehicle on YCPARMIA business, a DMV driving record will be obtained for the employee. The Authority will obtain updates as needed to keep the DMV information current.

### EMPLOYEES DRIVING OWN AUTOS ON AGENCY BUSINESS

If employees use their personally owned vehicles on agency business, such employees should be advised that:

- 1) Each such employee is required to maintain an automobile liability insurance policy as required by California State law.
- 2) The mileage allowance is intended to cover the agency's share of the employee's personal auto insurance premium including physical damage coverage and any applicable deductibles.

- 3) Each such policy should be maintained with liability limits of no less than \$100,000 per person Bodily Injury, \$100,000 per accident Bodily Injury, and \$50,000 per accident Property Damage.
- 4) Each such employee policy will be considered as primary coverage in the event of a loss or claim, with the Authority coverage applying as excess only in the event the Authority is named in a lawsuit.
- 5) Employees who regularly drive their personal automobiles in the course of their employment, whether or not reimbursed by a monthly auto allowance or by a per-mile rate, shall, upon request, provide their agency with a certificate of insurance.

ADOPTED October 19, 1987  
Revised July 1, 1997  
Revised August 23, 2000  
Revised April 23, 2004  
Revised 8/26/2010  
Reviewed 5/5/2011  
Reviewed 3/25/2019

## **POLICY REGARDING INCREASE OF ENTITY'S DEDUCTIBLE TO \$100,000 FOR SUSPENDED OR REVOKED DRIVER'S LICENSES**

The Member Entity's deductible is increased to \$100,000 for any bodily injury or property damage arising out of an identified employee's or volunteers, use or operation, during the course and scope of employment, of any motor vehicle including any heavy equipment, and if said employee or volunteer does not possess a valid driver's license or his/her driving privilege is suspended or revoked and the agency has been notified of such denial by YCPARMIA, and said suspension or revocation is for either of the following reasons:

- A. The employee or volunteer does not possess a valid driver's license or his/her driving privilege has been suspended or revoked by a court or the Department of Motor Vehicles for violation of any vehicle code including, but not limited to the following:
  - 1. Homicide or assault arising out of the operation of a motor vehicle,
  - 2. A violation while operating a motor vehicle of any of the following of vehicle code sections or section subdivisions:
    - a. Section 12500(a), (b), or (c): Driving without a valid drivers license;
    - b. Section 14601(a): Driving when privilege suspended or revoked;
    - c. Section 14601.1(a): Driving when privilege suspended or revoked for reasons other than in Section 14601 or 14601.2;
    - d. Section 14601.2(a): Driving when privilege suspended or revoked or driving under the influence, with excessive blood alcohol or when addicted;
    - e. Section 20001: Duty to stop at the scene of an accident (hit and run involving a person);
    - f. Section 20002: Duty where property damaged (hit and run involving property);
    - g. Section 20008(a): Duty to report accident;
    - h. Section 23103(a), (b): Reckless driving;
    - i. Section 23103.5: Guilty plea to a lesser charge;

- j. Section 23104: Reckless driving: bodily injury;
  - k. Section 23152: Alcohol or drugs: driver (drunk driving without injury);
  - l. Section 23153: Alcohol or drugs causing injury: driver (drunk driving involving injury);
  - m. Section 23157(a)(1): Implied consent for chemical testing.
3. Violation, while operating a motor vehicle of Subsection (a),(b) or (c) of Section 23152 of the Vehicle Code punishable under Section 23165, 23170, or 23175 of the Vehicle Code.
- B. **OR**, the Department of Motor Vehicles has received notice that an employee's or volunteer's driving privilege was suspended or revoked by a court of law for any conviction of any law.
- C. For the purpose of this policy, a positive test result on a Department of Transportation mandated drug or alcohol test will have the same effect as a drivers license revocation or suspension. A written release by the designated substance abuse professional (SAP) allowing the employee to return to safety sensitive functions will have the same effect as a reinstatement of full driving privileges.

The following procedures will be used to determine the driving status of employees and volunteers of member agencies:

1. Each Member Agency shall supply YCPARMIA a list of employees and volunteers who are licensed and may drive any vehicle in the course and scope of business. The list will be entitled "DMV Form 1103-Government EPN" and will include the driver's name, license number, and date of birth.

YCPARMIA is to be notified of any deletions or additions to said list within thirty (30) days of the termination of or employment of any employee or volunteer.

2. The Risk Manager shall process all driver's licenses into/out of the Department of Motor Vehicles (DMV) called the Driver Record Information Service as each entity notifies YCPARMIA of an employment status change.
3. Upon notification from DMV of a change in an driver's license status, or notification from the testing agency, the Risk Manager will notify the Member Agency of such change. If the change involves "A", "B", or "C" above, the Member Agency will be notified by YCPARMIA, in writing, that upon YCPARMIA's notification date, the Member Agency's deductible has been

increased to \$100,000 in the event a claim is generated due to a vehicular accident involving said employee or volunteer.

4. If a Member Agency is notified of the increase in its deductible, it will be the responsibility of the Member Agency to advise the Risk Manager, with official proof,\* in writing, when the employee or volunteer has a valid license.\*\* Upon receipt of the Member Agency's notification, the Risk Manager will review such notification and reply as to whether the employee has a valid license and the Member Agency's deductible is reduced to normal limits.

\* Proof is defined as a DMV printout showing the current (within 10 days of submission to YCPARMIA) driver's license status.

\*\* A valid license is defined as the employee or volunteer possessing a current, valid driver's license that has no restrictions for driving any vehicle while in the course and scope of his/her employment.

ADOPTED: October 19, 1987  
AMENDED: Dec. 13, 1995  
AMENDED: August 28, 2002  
REVISED: April 23, 2004  
Revised: May 5, 2011  
Revised 3/25/2019

## **BENEFIT POLICY FOR MISCELLANEOUS EMPLOYEES**

### **PURSUANT TO YCPARMIA PERSONNEL MANUAL**

#### **PERS**

Employee pays his/her portion of PERS Employee's contribution. Employee pays his/her portion of survivor benefit. The highest 12 consecutive months of salary will be used to calculate retirement benefits.

#### **VACATION**

First 3 years of employment – 10 days  
4 thru 10 years of employment – 15 days  
11<sup>th</sup> year of employment – 16 days  
12<sup>th</sup> year of employment – 17 days  
13<sup>th</sup> year of employment – 18 days  
14<sup>th</sup> year of employment – 19 days  
15<sup>th</sup> year of employment – 20 days  
16+ years of employment – 21 days

Employee can accrue up to a maximum of 280 hours vacation time. Upon termination of employment, the employee shall receive full compensation for any unused vacation.

#### **SICK LEAVE**

12 days accrual per year of service. An employee can accrue unlimited number of sick leave days, but only at the time of retirement will the employee be compensated for any accrual. At that time, the employee will be paid for 1/2 of the amount of sick leave on record, over 280 hours, based on the salary at the time of retirement, to a maximum payment on 1040 hours. The employee's unused sick leave days will be converted to service credit at the rate of 0.004 years of service for each day provided there is less than 120 days between the member's separation date and retirement date.

#### **HOLIDAYS**

New Year's Day, Martin Luther King Day; President's Day; Memorial Day; Independence Day; Labor Day; Veterans' Day; Thanksgiving Day; Day after Thanksgiving; Christmas Eve; Christmas Day. (Holidays on Saturday will be taken on Friday and Holidays on Sunday will be taken on Monday)

#### **FLOATING HOLIDAYS**

Employees will receive 3 floating holidays. Floating holidays are to be taken during the calendar year and will not accrue from one calendar year to the next. Upon termination, any accrued, but unused floating holiday will be paid at a straight time rate. Employees will be credited with floating holiday time at the rate of 4 hours per month, capped at 24 hours per calendar year.

#### **MEDICAL/DENTAL/VISION – CAFETERIA PLAN**

The capped rate for the Medical/Dental/Vision cafeteria plan is the total current rate of the plans (*capped medical rate is the 2014 Kaiser family rate*); 50/50 cost sharing of increases to capped Kaiser employee+2 or more dependents rate – effective 1/1/2015. (Example: if Kaiser employee+2 is currently \$1900 and premium increases \$100, the new maximum amount paid for employee medical is \$1,950.)

Dental and Vision coverage are mandatory. Medical coverage is mandatory unless proof of other medical coverage is submitted to YCPARMIA. Any costs over the cap will be deducted from employee's paycheck over a 12 month period each year. Any monies not used for medical/dental benefits will be paid to the employee through their paycheck over a 12 month period each year (the amount paid to employees with proof of other Medical coverage is capped at the 2003 rate for Kaiser of \$673.95).

### MILEAGE ALLOWANCE

The Loss Prevention Analyst and the Investigator will receive the Board approved monthly car allowance, plus the current IRS allowed rate for all travel outside the County of Yolo. All other employees will be reimbursed the current IRS allowed rate for the use of their private vehicles when used for business purposes and authorized by the CEO/Risk Manager.

### JURY DUTY

Full-time employees will receive full pay for jury duty attendance. Part-time employees will receive the same percentage of pay as is designated by their position (i.e. a 1/2 time designated employee will receive 4 hours per day pay.) Employees who are temporary or on-call will receive no payment for jury duty. In turn, an employee on jury duty is to turn over to YCPARMIA payment received from the court for jury duty service.

### DEFERRED COMPENSATION

ICMA Retirement Corporation and PERS administer deferred compensation plans for YCPARMIA. Each employee is entitled to participate in the plans according to Section 457 of the IRS Code. YCPARMIA does not contribute any funds to these plans.

### STATE DISABILITY INSURANCE

Employee pays his/her portion for State Disability Insurance by a deduction from their paycheck.

Part-time personnel will receive a pro-rata share of these benefits based on 50% or 75% of time worked except medical/dental/vision cafeteria plan, and mileage reimbursement. A 50% or more time person will receive the full medical/dental/vision benefit. Any personnel regularly working less than 50% of time will not receive benefits. A determination will be made at the beginning of each budget year as to the percentage of time a part-time employee is to work and benefits will be received accordingly.



It is clearly understood that these benefits do not apply to the Risk Manager as the Risk Manager's benefits are set out in a different policy.

Adopted August 23, 2000  
Revised December 13, 2000  
Revised October 24, 2003  
Revised June 28, 2004  
Revised December 9, 2005  
Revised July 26, 2006  
Revised 8/1/2012  
Revised 7/11/2014  
Revised 1/1/2015  
Revised 11/8/2017  
Revised 4/26/2018  
Revised 6/27/2019

MISCELLANEOUS EMPLOYEES PAY RATES

EFFECTIVE 7/1/2019

<u>PAY RATE</u>	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>
<u>ADMINISTRATIVE ASSISTANT</u>					
<i>per year</i>	\$ 53,688.73	\$ 56,373.17	\$ 59,191.83	\$ 62,151.42	\$ 65,258.99
<i>per month</i>	\$ 4,474.06	\$ 4,697.76	\$ 4,932.65	\$ 5,179.29	\$ 5,438.25
<u>ADMINISTRATIVE ASSISTANT/W.C./IT</u>					
<i>per year</i>	\$ 53,530.59	\$ 56,207.12	\$ 59,017.48	\$ 61,968.35	\$ 65,066.77
<i>per month</i>	\$ 4,460.88	\$ 4,683.93	\$ 4,918.12	\$ 5,164.03	\$ 5,422.23
<u>FINANCIAL ANALYST</u>					
<i>per year</i>	\$ 69,654.28	\$ 73,136.99	\$ 76,793.84	\$ 80,633.53	\$ 84,665.21
<i>per month</i>	\$ 5,804.52	\$ 6,094.75	\$ 6,399.49	\$ 6,719.46	\$ 7,055.43
<u>STAFF INVESTIGATOR I/ CLAIMS EXAMINER I</u>					
<i>per year</i>	\$ 66,126.90	\$ 69,433.25	\$ 72,904.91	\$ 76,550.15	\$ 80,377.66
<i>per month</i>	\$ 5,510.58	\$ 5,786.10	\$ 6,075.41	\$ 6,379.18	\$ 6,698.14
<u>STAFF INVESTIGATOR II</u>					
<i>per year</i>	\$ 84,396.55	\$ 88,616.37	\$ 93,047.19	\$ 97,699.55	\$102,584.53
<i>per month</i>	\$ 7,033.05	\$ 7,384.70	\$ 7,753.93	\$ 8,141.63	\$ 8,548.71
<u>LOSS PREVENTION ANALYST</u>					
<i>per year</i>	\$ 77,937.77	\$ 81,834.65	\$ 85,926.39	\$ 90,222.71	\$ 94,733.84
<i>per month</i>	\$ 6,494.81	\$ 6,819.55	\$ 7,160.53	\$ 7,518.56	\$ 7,894.49
<u>SECRETARY</u>					
<i>per year</i>	\$ 44,794.11	\$ 47,033.81	\$ 49,385.50	\$ 51,854.78	\$ 54,447.52
<i>per month</i>	\$ 3,732.84	\$ 3,919.48	\$ 4,115.46	\$ 4,321.23	\$ 4,537.29
<u>WORKERS' COMP. WELLNESS NURSE</u>					
<i>per year</i>	\$ 68,571.71	\$ 72,000.29	\$ 75,600.31	\$ 79,380.32	\$ 83,349.34
<i>per month</i>	\$ 5,714.31	\$ 6,000.02	\$ 6,300.03	\$ 6,615.03	\$ 6,945.78
<u>CEO/RISK MANAGER</u>					
<i>per year</i>	\$ 144,213.88	\$151,424.58	\$158,995.80	\$166,945.60	\$175,292.87
<i>per month</i>	\$ 12,017.82	\$ 12,618.71	\$ 13,249.65	\$ 13,912.13	\$ 14,607.74

\*2% COLA staff + CEO

## **POLICY REGARDING PUNITIVE DAMAGE COVERAGE**

Public entities are not liable for punitive damages (Government Code Section 818). Exclusion number 18 found in the YCPARMIA Liability Memorandum states that there is no coverage for punitive damages. It is noted, however, that under Government Code Section 825 (b), added 1985, a public entity may pay back part of a judgement against an employee or former employee for punitive damage if the public entity's "governing body" in its sole discretion, finds the following:

- A judgement was based on an act or omission of the employee or former employee, while acting in the course and scope of his/her employment as a public entity employee;
- The employee act or failed to act, in good faith, without actual merits and in the apparent best interest of the entity; and
- Payment will be in the best interest of the public entity.

In the event a member chooses to pay punitive damage claims on behalf of one of their employees, this cost will be borne entirely by the member agency. Consistent with Government Code Section 825 (b), YCPARMIA will only consider payment for punitive damages on behalf of employees of YCPARMIA.

Adopted 11/18/85  
Revised June 28, 2004  
Reviewed 3/25/2019

## **POLICY REGARDING PAYMENT OF EXPENSES OF BOARD MEMBERS TO PROFESSIONAL CONFERENCES**

The Board of Directors encourages its members to participate in professional training regarding risk management and loss prevention. As a result, the Board authorizes the payment of the expenses of the entity's board member and alternate to attend selected conferences including PARMA and CAJPA. In the event that the Board member and/or Alternate is unable to attend, the Director can appoint another appropriate individual to take that place. If a "slot" opens because an entity decides not to send two people within 45 days of the event, the CEO/Risk Manager, with the approval of the Board President, can invite a non-voting member to send an individual in that "slot".

YCPARMIA will pay the reasonable expenses for the approved attendees that are not directly paid by YCPARMIA prior to the event. These expenses can include meals, transportation, lodging, or other travel expenses in accordance with the Travel, Meeting, and Business Expense Policy adopted by the YCPARMIA Board of Directors. In order to be reimbursed for these expenses, the approved attendee must submit a request for reimbursement (found on K-79) within 30 days after the conclusion of the training session, for approval by the CEO/Risk Manager or Board in a matter consistent with YCPARMIA policy.

Adopted 1/25/88  
Revised 8/17/94  
Revised 12/10/97  
Revised 10/19/2001  
Revised June 28, 2004  
Updated 1/31/2014  
Updated 11/2017  
Reviewed 3/25/2019

**POLICY RELATIVE TO INJURIES SUSTAINED BY INDIVIDUALS**  
**WHILE PERFORMING VOLUNTEER SERVICES**  
**FOR THE MEMBER AGENCIES OF YCPARMIA**

Labor Code Section 3352 (i) specifically excludes volunteers as employees of any agency and, therefore, excludes volunteers from receiving workers' compensation benefits. However, Labor Code Section 3363.5 provides that by adoption of a resolution, a public agency can designate a volunteer to be an employee for the purposes of receiving workers' compensation benefits from said agency. Reserve police officers and firemen are provided workers' compensation by statute.

Given the above criteria, YCPARMIA adopts the following policy for the compensation of injuries to volunteers who provide entity directed services for a YCPARMIA entity.

The YCPARMIA member agencies that participate in the YCPARMIA workers' compensation coverage program will receive workers' compensation coverage for volunteers in the same manner as they do for their employees, upon the completion of the following requirements:

- By resolution of the entity's governing body, the entity declares its volunteers to be employees for the purposes of receiving workers' compensation benefits as defined by the Labor Code,
- Prepare a plan or policy regarding the use of volunteers by the entity under entity direction,
- Maintain an accounting or roster of volunteers that would be available upon request, to YCPARMIA.

The YCPARMIA member agencies that do not wish to meet the above three criteria will not be able to provide coverage for their volunteers as part of YCPARMIA's workers' compensation coverage program. These agencies will pay any medical expenses incurred by said volunteer not otherwise paid for by said volunteer's personal medical insurance program or any other source when said costs are incurred as the result of an injury sustained while performing volunteer services for the member agencies of YCPARMIA.

ADOPTED: 05/12/86  
REVISED: 12/01/93  
REVIEWED: 6/28/2004  
Reviewed 3/25/2019

## **POLICY REGARDING GROWTH OF JPA**

It is understood and agreed that Yolo County Public Agency Risk Management Insurance Authority will only consider applications for membership from those entities with substantial activity within the County of Yolo. In addition, each application for membership will be considered on an individual basis at the time it is submitted.

Adopted 9/21/87  
Revised June 28, 2004  
Reviewed 3/25/2019

**POLICY REGARDING MILEAGE BENEFIT FOR YCPARMIA BOARD  
MEMBERS AND PERSONNEL OTHER THAN THE RISK MANAGER,  
LOSS PREVENTION ANALYST or STAFF INVESTIGATOR**

It is understood and agreed that YCPARMIA establishes a mileage benefit for the use of private vehicles used by YCPARMIA Board members and personnel (other than the Risk Manager, Loss Prevention Analyst or Staff Investigator) for YCPARMIA business purposes authorized by the Risk Manager. Mileage reimbursement will be limited to the applicable Internal Revenue Services Rate in force at the time of the vehicle use.

The Board reserves the right to review and modify this mileage benefit at its discretion.

Adopted 9/21/87  
Revised June 28, 2004  
Revised 5/1/2009  
Revised 7/11/2014  
Reviewed 3/25/2019

## **POLICY REGARDING MINIMUM JPA GUIDELINES FOR SPECIAL EVENT PROGRAMS COVERAGE**

Before August 1987, each entity within Yolo County Public Agency Risk Management Insurance Authority had to set its own standards for insurance requirements for applicants using entity property. Usually it was difficult for an applicant to obtain liability insurance on his own because applicants have a very limited market in which to purchase liability insurance. This has led to insurance requirements being inconsistent from entity to entity. Since 1990, Yolo County Public Agency Risk Management Insurance Authority has been able to make available to applicants a Special Events Program Insurance Coverage with a \$1,000,000 limit. With this coverage now available, it is necessary to set minimum standards so the liability insurance requirements will be uniform between all the entities of YCPARMIA. These requirements will be dependent upon type of event, number of people involved, and location of event.

### **ACQUIRING LIABILITY INSURANCE**

There are three ways of acquiring liability insurance for a special event. One way is to get a certificate of insurance or endorsement on the applicant's homeowner's policy with the entity named as additional insured. However, it is very difficult to get a homeowner's policy to name an entity as an additional insured. Without naming the entity as an additional insured, a homeowner's policy does not afford the entity any liability coverage at all. If a homeowner policy doesn't name the entity as an additional insured, the policy only insures the homeowner for his actions. For example, if a person was injured at the Senior Center, the applicant's homeowner policy would only cover the applicant, not the entity, and then only if the applicant had been the person directly responsible for the injury. Also, most homeowner's policies are not for \$1,000,000. However, if an applicant belongs to a large service organization that purchases liability insurance through the organization, they may be able to obtain a certificate/endorsement for \$1,000,000 naming the entity as an additional insured. The certificate/endorsement must be provided 3 working days before the event.

Another way is for the applicant to buy a separate liability policy covering the special event for \$1,000,000 and naming the entity as an additional insured. Usually this is very expensive for the applicant. The certificate/endorsement of this insurance naming the entity as an additional insured must be provided 3 working days before the event.

The third way is to purchase the Special Event Program liability insurance. This has a \$1,000,000 limit of liability coverage with no deductible. There are some exclusions to this policy. Participants are NOT excluded except for contact sports listed on the policy. Also, pyrotechnical uses are excluded. The entity should call YCPARMIA for a quote, collect the premium (made payable to the entity), before the certificate of coverage is issued. The entity will receive a copy of the certificate. A copy of the certificate will be sent by YCPARMIA to the event holder and a copy will be sent with the quarterly report and payment to the insurance company.



## CLASSIFYING EVENTS

Class I activities are basically low-risk activities. Other relatively low-risk activities are sedentary group meetings that have fewer than 100 people, and are on a one-time basis. Class II activities are medium/average risk which are those that involve exercise type classes, any outdoor organized event that reserves space on an entity's property. Class III activities are moderate high/increased exposure average risks such as entertainment, picnics with pools or lakes with no lifeguards, or athletic events. Waivers and release of liability forms will be required for all athletic events.

## LIABILITY INSURANCE LIMITS

On extremely low-risk events, held indoors, without liquor (i.e. small classes on investments, cake decorating, computer lessons), entities may consider waiving liability insurance requirements. Then the entity's own liability insurance coverage would be the only insurance covering any exposure.

If alcoholic beverages are served/sold, liquor liability coverage shall be mandated for any event for an additional premium and require \$1,000,000 liability insurance coverage.

Unless liability insurance can be purchased through a large organization, the Special Event Program liability insurance appears to be the least expensive to the applicant and the best coverage for the entity. YCPARMIA's main concern is that its liability insurance requirements are met, not that applicants use the Special Event Program liability insurance specifically. Regardless of who issues the liability policy, the entity must be named as an additional insured and a certificate/endorsement naming the entity as an additional insured must be provided to the member entity 3 working days before the event.

Adopted 10/19/87  
Revised 8/23/00  
Revised 7/28/04  
Reviewed 3/25/2019

## **PURCHASING POLICY**

It is the intent of the Board of Directors of Yolo County Public Agency Risk Management Insurance Authority to establish efficient and reasonable procedures for the purchase of equipment, services, and supplies in order to receive such equipment, services, or supplies at a low cost commensurate with the quality needed to meet the needs of this Authority. In addition, it is felt necessary to establish an orderly process to define who has positive financial control over the purchase of equipment, services, and supplies.

As part of the purchasing process, and continuing through the scope of the business relationship, certain standards of conduct will be required of all parties including:

- A professional relationship based on mutual respect, and consistent with the scope of the agreement.
- Consistent with the YCPARMIA Conflict of Interest Policy, the YCPARMIA Board and employees will not expect or accept gifts, perks or other benefits as a condition of doing business with the pool.
- The scope of goods and services will be established by, and limited to the terms and scope of any written agreement.
- Services and goods will be provided, and paid for in a timely manner.

In keeping with this intent, the following procedures are adopted based on the dollar value of the purchase of the equipment, services, or supplies:

### **I. PURCHASES TO AND INCLUDING \$1,000 PER ITEM:**

- No verbal or written quotes of prices are necessary to purchase equipment, services, or supplies with a value of under \$1,000. These purchases can be made by the Risk Manager or his/her designee with the Risk Manager's prior approval. It is expected that the purchasing person will look for the product at the most reasonable cost without expending an excess amount of time comparing costs and suppliers.

### **II. PURCHASES OVER \$1,000 AND LESS THAN \$9,999:**

- The Risk Manager or his designee, with the Risk Manager's prior permission, may make purchases between the range of \$1,000 and \$9,999, after having received at least three verbal or written price quotes. The purchasing person will purchase the equipment, services or supplies from the vendor that has the lowest cost given that the quality and quantity of the quoted products are comparable. The quoted costs will include the direct cost of deliveries/set-up charges for the equipment, services, or supplies. If the quotes are taken

verbally, the purchasing person will make a short, written log of the companies contacted, persons contacted, description of the product, and verbal quote offered. The purchasing person will endeavor to receive at least one quote from the Yolo County area, if a supplier or manufacturer can be found without an unreasonable search. The requirement of 3 minimum bids is waived if it is determined that only 1 or 2 vendors can be found.

### III. PURCHASES EXCEEDING \$10,000:

- Purchases of equipment, services, or supplies worth an estimated value greater than \$10,000, shall be by written contract from the lowest responsible bidder, using the following procedure:
  - Notice inviting bids shall be prepared by the Risk Manager and shall include a description of the article(s)/services to be purchased, state where the bid blanks and specifications may be secured, the time, date, and place for opening bids and, if required, the posting of security.
    - When the Risk Manager considers it necessary, a bidder security shall be prescribed and a statement of said security shall be included in the notice inviting bids. Each bidder is entitled to a return of the bid security. However, if a bidder refuses or fails to execute the contract within 10 days after the notice of award of contract is mailed, the successful bidder will forfeit his bid security. If the successful bidder fails or refuses to execute the contract, the Board may award it to the next lowest, responsible bidder or reject all bids and readvertise. If there are no other bidders, the Board may purchase the equipment, services, or supplies without a further bidding process. If the Board awards the contract to the next lowest bidder, the Board shall apply the amount of the lowest bidder's security to the contract price difference between the lowest bid and the second lowest bid. The surplus, if any, shall be returned to the lowest bidder. If the Board rejects all other bids and readvertises, the amount of the lowest bidder's security may be used to offset the costs of receiving new bids and the surplus shall be returned to the lowest bidder.
    - The Risk Manager shall require that all bids be sealed and identified as "BIDS" on the envelope. The Risk Manager will open the bids in the Authority's office which will be open to the public at the time and place stated on the public notice and shall tabulate the bids received. The Risk Manager shall keep the tabulation available for public inspection during regular business hours for a period not less than 30 calendar days after the bid opening.
    - The Board reserves the right to reject all bids presented and readvertise for bids.

- If the Board chooses not to reject all bids, the Board may award the contract to the lowest responsible bidder.
- If the Board chooses to award the contract to someone other than the lowest responsible bidder, it shall state its reasons, verbally or in writing, at the time of the award of the contract.
- The term “responsible bidder” is defined as: A person who has the capability in all respects to perform fully the contract requirements and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment, and credit which will assure good faith performance.
- If two or more bids are received for the same total amount, including shipping and setup costs, quality and service being equal, and the Board feels that public interest will not permit the delay of readvertising for bids, the Board will accept the bid by any method it chooses.
- Before entering into the contract, the Board may require performance bond, bid bond, or other such security in such amount as it finds reasonably necessary to protect the interests of the Authority.
- If no bids are received, the Board may purchase equipment, services, or supplies without initiating a further bidding procedure.
- The Board empowers the CEO/Risk Manager to waive the above described bid process if it is determined that the chosen equipment, services, or supplies are available from a sole source reducing the bid process to be an unnecessary expense and delay.

The above procedures may also be applied to the awarding of certain types of services not governed by the Public Contract Code of the State of California. The services to which the above procedures might apply are as follows:

- Janitorial,
- Building Maintenance,
- Grounds Maintenance,
- Building repair.

If a member entity has used the competitive bidding process, pursuant to statute, and is contracting with a supplier of equipment, services, or supplies, and YCPARMIA can be a party to said contract, then the above procedures are satisfied.

The Board is not required to use the above procedures for the awarding of contracts for professional services unless it votes affirmatively to do so. Professional services include, but are not limited to, the following:

- Third-Party Administrators,
- General and Specific Legal Counsel,
- Accounting and Actuarial Services,
- Insurance Brokerage Services,
- Purchase of Excess Insurance,
- EAP Type Services,
- Architectural Services,
- Equipment Maintenance Services,
- Other Non Specified Professional Advisory Services

If an unsuccessful bidding party disagrees with the specific award of a contract the party was bidding on, the party may submit, within 10 calendar days of the award, its opposition, in writing, to the award of the contract. The Risk Manager will receive the written opposition and schedule it to be heard at a regular or special meeting of the Board within 30 calendar days of the Risk Manager's receipt of the written opposition. The Board will consider the written opposition and issue a verbal or written statement as to its reasons for the granting of the contract to the designated bidder.

The following pages contain the Risk Transfer Language for agreements.

ADOPTED January 25, 1988  
REVISED MAY 8, 1996  
REVISED July 28, 2004  
REVISED June 22, 2007  
Revised December 11, 2014  
Reviewed 3/25/2019

## **CONSULTANT AGREEMENT** **INSURANCE REQUIREMENTS**

Consultant's performance of the services under this agreement shall not commence until Consultant shall have obtained all insurance required under this Exhibit and such insurance shall have been reviewed and approved by the Risk Manager. All requirements herein provided shall appear either in the body of the insurance policies or as endorsement and shall specifically bind the insurance carrier.

Consultant shall procure and maintain for the duration of the contract all necessary insurance against claims now and in the future for alleged injuries to persons or damages to property which may arise from or in connection with the performance of the services by the Consultant, the Consultant's agents, representatives, employees and subcontractors. Required professional liability insurance shall be maintained at the level specified herein for the duration of this agreement and any extension thereof and for twelve additional months following the agreement termination or expiration.

### **Insurance Coverage and Limits Restrictions**

1. It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.
2. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) before YCPARMIA's own insurance or self-insurance shall be called upon to protect it as a named insured.

#### **A. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage:
  - a. Blanket contractual liability
  - b. Broad form property coverage
  - c. Personal injury
2. Insurance Services Office from covering Automobile Liability, code 1 (any auto)
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance
4. Professional Liability insurance

5. Such other insurance coverages and limits as may be required by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

#### **B. Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage and a \$2 million aggregate. If Commercial General Liability insurance or other form with a general aggregate liability is used, either the general aggregate limit shall apply separately to this agreement, shall be designated as project specific or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability:
  - Bodily injury by Accident - \$1,000,000 each accident
  - Bodily injury by Disease - \$1,000,000 policy limit
  - Bodily injury by Disease - \$1,000,000 each employee
4. Professional Liability insurance: \$1,000,000
5. Such other insurance coverages and limits as may be required by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

#### **C. Deductibles and Self-Insurance Retentions**

1. Any deductibles or self-insured retentions must be declared to and approved by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA). At the option of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
2. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA).
3. Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) reserves the right to obtain a full certified copy of any insurance policy and endorsement. Failure to exercise this right shall not constitute a waiver of right to exercise later.

## **Other Insurance Provision Requirements**

### **Additional Insured Requirements:**

1. The required general liability and automobile policies are to contain, or be endorsed to contain the following provisions:
  - a. Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects alleged: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents or volunteers.
  - b. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents or volunteers.
  - c. The Consultant's insurance shall apply separately to each insured against whose claim is made or suit is brought except, with respect to the limits of the insurer's liability.
  - d. Consultant shall furnish properly executed Certificates of Insurance from insurance companies acceptable to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and signed copies of the specified endorsements for each policy prior to commencement of work under this agreement. Such documentation shall clearly evidence all coverages required above including specific evidence of separate endorsements naming Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and shall provide that such insurance shall not be materially changed, terminated or allowed to expire except after 30 days prior written notice by certified mail, return receipt requested, has been filed with the Administrative Assistant.  
Such insurance shall be maintained from the time work first commences until completion of the work under this agreement. Consultant shall replace such certificates for policies expiring prior to completion of work under this agreement.

### **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

### **Completed Operations**

Consultant shall maintain insurance as required by this contract to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following the completion of this project. In the event the Consultant fails to obtain or maintain



completed operations coverage as required by this agreement, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) at its sole discretion may purchase the coverage required and the cost will be paid by the Consultant. (In the event there is no completed operations exposure arising out of the agreement, this requirement may be omitted).

### **Cross-Liability**

The Liability policy shall include a cross-liability or severability of interest endorsement.

### **Failure to Maintain Insurance Coverage**

If Consultant, for any reason, fails to maintain insurance coverage, which is required pursuant to this agreement, the same shall be deemed a material breach of contract. Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), at its sole option, may terminate this agreement and obtain damages from the Consultant resulting from said breach. Alternatively, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) may purchase such required insurance coverage, and without further notice to Consultant, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) may deduct from sums due to Consultant any premium costs advanced by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) for such insurance.

### **Primary and Non-Contributory**

For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it. The additional insured coverage under the Consultant's policy shall be "primary and non-contributory" and will not seek contribution from Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)'s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

### **Subcontractors**

Subcontractor agrees to be bound to the Consultant and Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) in the same manner and to the same extent as Consultant is bound to the public entity under the contract documents. Subcontractor further agrees to include the same requirements and provisions of the agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)'s Contract Document Indemnity and Insurance Provisions will be furnished to the subcontractor upon request.

Consultant further agrees to include with all subcontractors in their subcontract the same requirements and provisions of this agreement including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractors

work. Subcontractors hired by Consultant agree to be bound to Consultant and Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) in the same manner and to the same extent as Consultant is bound to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) under the contract documents. Subcontractor further agrees to include these same provisions with any sub-subcontractor. A copy of the Owners Contract Document Indemnity and Insurance Provisions will be furnished to the subcontractor upon request. The Consultant shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in this agreement prior to the commencement of any work and Consultant will provide proof of such compliance to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA).

### **Subrogation Waiver**

Consultant agrees to waive subrogation rights against Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) regardless of the applicability of any insurance proceeds, and to require all Consultants, subcontractors or others involved in any way with the services to do likewise.

### **Verification of Coverage**

Consultant shall furnish Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) before the services commence.

Reviewed 11/16/2018  
Reviewed 3/25/2019

## **CONSTRUCTION AGREEMENT** **INSURANCE REQUIREMENTS**

Contractor's performance of the services under this agreement shall not commence until Contractor shall have obtained all insurance required under this Exhibit and such insurance shall have been reviewed and approved by the Risk Manager. All requirements herein provided shall appear either in the body of the insurance policies or as endorsement and shall specifically bind the insurance carrier.

Contractor shall procure and maintain for the duration of the contract all necessary insurance against claims now and in the future for alleged injuries to persons or damages to property which may arise from or in connection with the performance of the services by the Contractor, the Contractor's agents, representatives, employees and subcontractors.

### **Insurance Coverage and Limits Restrictions**

1. It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.
2. The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) before YCPARMIA's own insurance or self-insurance shall be called upon to protect it as a named insured.

#### **A. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage:
  - a. Blanket contractual liability
  - b. Broad form property coverage
  - c. Personal injury
2. Insurance Services Office from covering Automobile Liability, code 1 (any auto)
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance
4. Such other insurance coverages and limits as may be required by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

## **B. Minimum Limits of Insurance**

Contractor shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage and a \$2 million aggregate. If Commercial General Liability insurance or other form with a general aggregate liability is used, either the general aggregate limit shall apply separately to this agreement shall be designated as project specific or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability:
  - Bodily injury by Accident - \$1,000,000 each accident
  - Bodily injury by Disease - \$1,000,000 policy limit
  - Bodily injury by Disease - \$1,000,000 each employee
4. Such other insurance coverages and limits as may be required by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)

## **C. Deductibles and Self-Insured Retentions**

1. Any deductibles or self-insured retentions must be declared to and approved by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA). At the option of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
2. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA).
3. Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) reserves the right to obtain a full certified copy of any insurance policy and endorsement. Failure to exercise this right shall not constitute a waiver of right to exercise later.

## **Other Insurance Provision Requirements**

### **Additional Insured Requirements:**

1. The required general liability and automobile policies are to contain, or be endorsed to contain the following provisions:
  - a. Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects alleged:

liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents or volunteers.

- b. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents or volunteers.
- c. The Contractor's insurance shall apply separately to each insured against whose claim is made or suit is brought except, with respect to the limits of the insurer's liability.
- d. Contractor shall furnish properly executed Certificates of Insurance from insurance companies acceptable to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and signed copies of the specified endorsements for each policy prior to commencement of work under this agreement. Such documentation shall clearly evidence all coverages required above including specific evidence of separate endorsements naming Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and shall provide that such insurance shall not be materially changed, terminated or allowed to expire except after 30 days prior written notice by certified mail, return receipt requested, has been filed with the Administrative Assistant.

Such insurance shall be maintained from the time work first commences until completion of the work under this agreement.

Contractor shall replace such certificates for policies expiring prior to completion of work under this agreement.

### **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

### **Completed Operations**

Contractor shall maintain insurance as required by this contract to the fullest amount allowed by law and shall maintain insurance for a minimum of five years following the completion of this project. In the event the Contractor fails to obtain or maintain completed operations coverage as required by this agreement, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) at its sole discretion may purchase the coverage required and the cost will be paid by the Contractor.

### **Cross-Liability**

The Liability policy shall include a cross-liability or severability of interest endorsement.

**Failure to Maintain Insurance Coverage**

If Contractor, for any reason, fails to maintain insurance coverage, which is required pursuant to this agreement, the same shall be deemed a material breach of contract. Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), at its sole option, may terminate this agreement and obtain damages from the Contractor resulting from said breach. Alternatively, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) may purchase such required insurance coverage, and without further notice to Contractor, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) may deduct from sums due to Contractor any premium costs advanced by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) for such insurance.

**Primary and Non-Contributory**

For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. The additional insured coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)'s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

**Subcontractors**

Subcontractor agrees to be bound to the Contractor and Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) in the same manner and to the same extent as Contractor is bound to the public entity under the contract documents. Subcontractor further agrees to include the same requirements and provisions of the agreement, including the indemnity and insurance requirements, with any sub-subcontractor to the extent they apply to the scope of the sub-subcontractor's work. A copy of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)'s Contract Document Indemnity and Insurance Provisions will be furnished to the subcontractor upon request.

Contractor further agrees to include with all subcontractors in their subcontract the same requirements and provisions of this agreement including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractors work. Subcontractors hired by Contractor agree to be bound to Contractor and Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) in the same manner and to the same extent as Contractor is bound to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) under the contract documents. Subcontractor further agrees to include these same provisions with any sub-subcontractor. A copy of the Owners Contract Document Indemnity and Insurance Provisions will be furnished to the subcontractor upon request. The Contractor shall require all subcontractors to provide a valid certificate of insurance and the required

endorsements included in this agreement prior to the commencement of any work and Contractor will provide proof of such compliance to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA).

**Subrogation Waiver**

Contractor agrees to waive subrogation rights against Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) regardless of the applicability of any insurance proceeds, and to require all Contractors, subcontractors or others involved in any way with the services to do likewise.

**Verification of Coverage**

Contractor shall furnish Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) before the services commence.

Reviewed 11/16/2018  
Reviewed 3/25/2019

**PROFESSIONAL SERVICES AGREEMENT**  
**INDEMNIFICATION CLAUSE**

To the fullest extent allowed by law, Consultant shall, at its own expense, indemnify, defend with counsel acceptable to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), (which acceptance will not be unreasonably withheld), and hold harmless Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and its officers, officials, employees, agents and volunteers ("indemnitees") from and against any and all alleged liability, loss, damage, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, civil penalties and fines, expenses and costs (including, without limitation, claims expenses, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature, whether actual, alleged or threatened, arising out of or in connection with the Services or Consultant's failure to comply with any of the terms of this Agreement, regardless of any fault or alleged fault of the indemnitees.

The Consultant's obligation to indemnify, defend and hold harmless under this provision shall not be excused because of the Consultant's inability to evaluate Liability, or because the Consultant evaluates Liability and determines that the Consultant is not or may not be liable. The Consultant must respond within 30 calendar days to any tender for defense and indemnity by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), unless the time for responding has been extended by an authorized representative of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) in writing. If the Consultant fails to accept tender of defense and indemnity within 30 calendar days, in addition to any other remedies authorized by law, so much of the money due or that may become due the Consultant under this Agreement as shall reasonably be considered necessary by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), may be retained by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) until disposition has been made of the matter subject to tender, or until the Consultant accepts tender, whichever occurs first. In the event that the city must file responsive documents in a matter tendered to Consultant prior to Consultant's acceptance of tender, Consultant agrees to fully reimburse all costs, including but not limited to attorney fees, claim, and costs and fees of litigation, incurred by Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) in filing such responsive documents.

The Consultant waives any and all rights to express or implied indemnity against the Indemnitees concerning any Liability of the Consultant arising out of or in connection with the Services or Consultant's failure to comply with any of the terms of this Agreement. The Consultant's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in the Agreement.



Notwithstanding the foregoing, to the extent this Agreement is a “construction contract” as defined by California Civil Code Section 2783, as may be amended from time to time, Consultant’s duty to indemnify under this provision shall not apply when to do so would be prohibited by California Civil Code Section 2782, as may be amended from time to time.

Notwithstanding the foregoing, to the extent that the Services include design professional services subject to California Civil Code Section 2782.8, as may be amended from time to time, Consultant’s duty to indemnify shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

Reviewed 11/16/2018  
Reviewed 3/25/2019

**CONSTRUCTION AGREEMENT**  
**INDEMNIFICATION CLAUSE**

To the fullest extent allowed by law, Contractor shall indemnify, defend with counsel acceptable to Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), and hold harmless to the full extent permitted by law, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) and its officers, officials, employees, agents and volunteers from and against any and all alleged liability, loss, damage, claims, expenses and costs (including, without limitation, attorney fees and costs and fees of litigation) (collectively, "Liability") of every nature arising out of or in connection with Contractor's performance of the Work or its failure to comply with any of its obligations contained in this Agreement, except such Liability caused by the active negligence, sole negligence or willful misconduct of Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA). Pursuant to California Public Contract Code Section 9201, Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) shall timely notify Contractor of receipt of any third-party claim relating to this Agreement.

The Contractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

Reviewed 11/16/2018  
Reviewed 3/25/2019

## **"NO SMOKING" POLICY**

### **I. BACKGROUND**

Labor Code 6404.5, fully enacted in 1998, states that no employer shall knowingly or intentionally permit, and no person shall engage in, the smoking of tobacco products in an enclosed space at a place of employment. The smoking prohibition set forth in this section is intended to constitute a uniform standard for regulating the smoking of tobacco products in enclosed places of employment and shall supersede and render unnecessary the local enactment or enforcement of local ordinances regulating the smoking of tobacco products in enclosed places of employment.

Proceeding, but consistent with current State law, YCPARMIA adopted a "no smoking policy" in 1988. Being an agency committed to providing a safe and healthy workplace for its entities and staff, Yolo County Public Agency Risk Management Insurance Authority is aware that smoking is the leading cause of death and disability in the United States; additionally, research has shown that exposure to secondhand smoke seriously threatens the health of non-smokers. Non-smokers with chronic heart or lung disease can experience severe distress when exposed to secondhand smoke. The majority of non-smokers, and especially those who suffer from allergies, report discomfort such as eye irritation, coughing, and headaches when exposed to secondhand smoke on the job. Furthermore, long-term exposure to secondhand smoke is a cause of severe lung disease (including lung cancer) in non-smokers.

### **II. DEFINITION**

"Smoking" means inhaling, exhaling, burning, or carrying a lighted cigarette, cigar, pipe, or other lighted smoking equipment for tobacco or any other plant.

### **III. PURPOSE**

It is the policy of the Yolo County Public Agency Risk Management Insurance Authority to regulate smoking on Authority premises since tobacco smoke is a major contributor to indoor air pollution and exposure to tobacco poses a health hazard. YCPARMIA is dedicated to providing a healthy work environment. This goal can be assisted by protecting non-smokers from secondhand smoke. In addition, tobacco smoking causes increased costs to YCPARMIA. YCPARMIA's interest in a healthy environment goes hand-in-hand with its entities' interests and, therefore, feels a "No Smoking" Policy reflects its commitment to these ends.

#### IV. POLICY

- A. Effective March 1, 1988, smoking is prohibited throughout YCPARMIA premises including:
- All indoor work areas
  - Private offices
  - Shared offices
  - Reception areas, waiting areas, lobbies, hallways, and stairwells
  - Meetings, conference/training rooms, and classrooms
  - Restrooms
  - Areas where smoking is prohibited for safety reasons or for the protection of equipment
  - Breakroom
  - YCPARMIA vehicles (see exception listed under Item B)
- B. Smoking shall be allowed:
- outside (i.e. non-enclosed areas of YCPARMIA facilities)
  - in vehicles owned by YCPARMIA where the employee and all passengers agree to allow smoking
- C. "Smoke breaks" in outside areas will be permitted during regular breaks or rest periods.
- D. The Risk Manager or his designated representative shall be responsible for informing all employees in their charge of the Agency's "No Smoking" Policy. Violations of this policy will be dealt with through normal procedures.

ADOPTED Feb. 22, 1988  
Revised July 28, 2004  
Reviewed 3/25/2019

## **POLICY FOR GRANTING OF CREDITS OF EXCESS RESERVE FUNDS AGAINST ANNUAL CASH PAYMENTS**

The JPA Agreement provides that a reduction in excess reserves in a coverage program can only be accomplished by giving a credit to current or future cash payments for that particular coverage program. The Agreement and ByLaws are clear that no rebate of excess funds shall be made to the participating agencies. Additionally, the Agreement requires separate accounting of each coverage program and does not allow for transfer of funds between programs. In accordance with the JPA Agreement and ByLaws, the following policy that provides for an equitable distribution of excess reserves to all agencies participating in a coverage program, which has such excess reserves, shall be adopted.

The YCPARMIA Board of Directors shall review the level of reserves in each coverage program on a periodic basis. The Board will determine, through the use of an actuarial study, reports prepared by the Risk Manager, or other methods approved by the Board, the level of reserves that are in excess of the coverage program's reserve requirements, confidence fund and contingency reserve requirements.

Once the amount of excess reserves is determined, the minimum Period of time over which they can be credited against the coverage program's cash payments will be set by the Board. Since an entity cannot receive a rebate or cash refund, the entity must participate in the coverage program for the year(s) of the declared credit in order to receive the credit. The participating agency will receive a credit equal to the percentage of that participating agency's total cash payment contributions made in the three preceeding fiscal years, in relation to the total JPA funds received for that affected coverage program. As an example, Entity A's cash payments to the property coverage program from 7/1/89 to 6/30/90, will be considered for the calculation of any FY 90/91 cash payment credit. Any rebate credit will be applied to the member's total premium prior to the application of the maximum provisions of the annual cash payment formula.

If a participating agency's credit against the cash payment exceeds the cash payment for the year of the credit, the difference will not be rebated to the participating agency. Instead, the difference will be held as a credit against the subsequent year(s) cash payment. A participating agency may choose to spread the declared credit over subsequent years, rather than receive it in the declared year(s) as a credit against the cash payment. This option must be stated each year to YCPARMIA, in writing, prior to the billing of the cash payment by the Risk Manager. For the purposes of using any experience rated formula or minimum/maximum component in a cash payment formula, the cash payment, prior to the deduction of any credit will be the figure used in the formula or minimum/maximum component in any subsequent year's computations.

If a credit is carried over to a subsequent year or years, it will be carried over in the dollar amount declared without interest. The participating agency will accrue no interest on the carry over of the credit in the subsequent years. Examples A and B below demonstrate how the credit will be determined.

Each time the Board examines a coverage program's reserves and declares a credit, the participating agency's percentage of the last three (3) years cash payment contributions to a given coverage program at the time of the credit declaration will be the percentage used to determine the participating agency's share of the credit. It is expected that over time, these percentages will change based on the total cash payment contribution of each participating agency to the coverage program whole.

ADOPTED November 16, 1990  
Revised 8/23/00  
Revised 7/28/2004  
Revised 3/25/2005  
Reviewed 3/25/2019

EXAMPLE "A"

ENTITY	(1) PROPOSED FY XXXX CASH PAYMENT	(2) TOTAL LAST 3 YEARS CASH	(3) AMOUNT OF CREDIT*	(4) ACTUAL FY XXXX CASH PAYMENT (1)-(3) =(4)
CONTRIBUTION				
A	\$ 200	\$1,000 (12.5%)	\$ 62.50	\$137.50
B	400	4,000 (50.0%)	250.00	150.00
C	300	2,000 (25.0%)	125.00	175.00
D	100	1,000 (12.5%)	62.50	37.50
-----				
	\$1,000	\$8,000 (100.0%)	\$500.00	\$500.00

EXCESS RESERVES AVAILABLE FOR DISTRIBUTION = \$500

\*PERCENTAGE (2) TIMES EXCESS RESERVES AVAILABLE

EXAMPLE "B"

ENTITY	(1) PROPOSED FY XXXX CASH PAYMENT	(2) TOTAL LAST 3 YEARS CASH	(3) AMOUNT OF CREDIT*	(4) ACTUAL FY XXXX CASH PAYMENT (1)-(3) =(4)
CONTRIBUTION				
A	\$ 200	\$1,000 (12.5%)	\$ 62.50	\$137.50
B	200	4,000 (50.0%)	250.00	(50.00)**
C	300	2,000 (25.0%)	125.00	175.00
D	100	1,000 (12.5%)	62.50	37.50
-----				
	\$800	\$8,000 (100.0%)	\$500.00	\$500.00

EXCESS RESERVES AVAILABLE FOR DISTRIBUTION = \$500

\*PERCENTAGE (2) TIMES EXCESS RESERVES AVAILABLE

\*\*\$50 WILL BE APPLIED AGAINST THE SUBSEQUENT YEAR'S CASH PAYMENT

ADOPTED November 16, 1990  
Revised 8/23/00  
Reviewed 3/25/2019

## **POLICY REGARDING POLICE OFFICERS PERFORMING OFF TIME PRIVATE SECURITY WORK FOR PUBLIC AND PRIVATE ENTITIES**

An area of large potential liability involves full time and reserve peace officers performing off duty work as private security guards. Section 70 of the Penal Code, Section 1126 and 1127 of the Government Code, and subsections (k) and (l) of Section 7522 of the Business and Professions Code all deal with the requirements and liabilities associated with peace officers working off duty as private security guards.

In order to reduce and/or transfer the potential risk for the member entity and ultimately the Yolo County Public Agency Risk Management Insurance Authority, the following policy is declared:

### FULL TIME SWORN PAID PEACE OFFICERS (Not Reserve Officers):

When a full time sworn, paid peace officer (non-reserve) performs work as an off duty private or public security guard/patrolman, and a claim results from such work, Yolo County Public Agency Risk Management Insurance Authority coverage will be provided, if all of the following conditions are met:

- A. The peace officer is in his or her police uniform;
- B. The casual or part time employment as a private security or patrolman is approved, in writing, prior to said employment, by the county board of supervisors with jurisdiction over the principal employer or by the board's designee or by the city council with jurisdiction over the principal employer or by the council's designee;
- C. The wearing of uniforms and equipment is approved by the principal employer;
- D. The peace officer is subject to reasonable rules and regulations of the agency for which he or she is a peace officer and within the provisions of subdivisions (k) and (l) of Section 7522 of the Business and Professions Code;
- E. The principal employer must have in its possession, prior to said off duty employment, a completed general and auto liability endorsement from the secondary employer for \$1,000,000 naming the entity as the (additional) insured for the period of off duty employment; a workers' compensation endorsement certifying that the secondary employer has the state mandated workers' compensation coverage and such coverage applies to the off duty officer; a statement certifying that the secondary employer is aware that in the event of an injury, civil liability and workers' compensation coverage includes any costs incurred under Section 4850



of the California Labor Code; and a hold harmless agreement. (See attached samples).

YCPARMIA will provide coverage for the entity, but will raise the entity's SIR to \$100,000 if a claim results from the above described off duty employment and conditions A, B, C, and D above are all met, but condition E is not.

YCPARMIA will not provide any coverage for the entity if either condition A, B, C, or D above is not met and a claim results from the above described off duty employment. Also, no coverage will be provided, regardless of above conditions A through E if a claim results from off duty, private security guard work during a strike, lockout, picketing, or other physical demonstration of a labor dispute at the site of the strike, lockout, picketing, or other physical demonstration of a labor dispute.

RESERVE OFFICERS:

Yolo County Public Agency Risk Management Insurance Authority will provide no coverage to the entity if a reserve police officer is performing off duty, private security guard/patrolman work for a private or public secondary employer.

ADOPTED 1/20/89  
Reviewed 12/10/2004  
Reviewed 3/25/2019

## Exhibit I

[illegible]

## Exhibit II

[illegible]

## Exhibit III



Exhibit IV

FOR PUBLIC SECONDARY EMPLOYERS

As a condition of employing \_\_\_\_\_ police officers as  
(name of entity)  
off-duty, private security officers for \_\_\_\_\_, the  
(name of employer)  
secondary employer, \_\_\_\_\_, public entity, is  
(name of employer)  
required by Section 70I of the California Penal Code to pay "...any and all civil and criminal  
liability arising out of the secondary employment of any peace officer pursuant to this  
subdivision....". The \_\_\_\_\_ agrees that  
(name of employer)  
included in the definition of civil liability is all workers' compensation costs, including California  
Labor Code Section 4850 compensation benefits, for any and all injuries incurred while a  
\_\_\_\_\_ police officer is under contract to  
(name of entity)  
and performing services for \_\_\_\_\_ pursuant  
(name of employer)  
to Section 70 of the California Penal Code.

Exhibit V

FOR PRIVATE SECONDARY EMPLOYERS

As a condition of employing \_\_\_\_\_ police officers as  
(name of entity)  
off-duty, private security officers for \_\_\_\_\_, the  
(name of employer)  
secondary employer, \_\_\_\_\_, a private employer may  
(name of employer)  
be required by Section 70(d) of the California Penal Code to “enter into an indemnity agreement  
as a condition of approving casual or part time employment pursuant to this subdivision.” The  
\_\_\_\_\_ agrees that the employed  
(name of employer)  
officer(s) will be provided workers’ compensation coverage as described in Exhibit III by  
\_\_\_\_\_ including California Labor Code Section 4850  
(name of employer)  
compensation benefits, for any and all injuries incurred while a  
\_\_\_\_\_ police officer is under contract to and  
(name of entity)  
performing services for \_\_\_\_\_ pursuant to  
(name of employer)  
Section 70 of the California Penal Code.

## EXHIBIT VI

### HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

The Contractor shall save, keep and hold harmless the Agency, its officers, officials, employees and volunteers from all damages, costs or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of or in the course of performing work which may be occasioned by any willful or negligent act or omissions of the Contractor, any of the Contractor's employees, the off duty officer, or any subcontractor. The Agency will not be held liable for any accident, loss or damage to the work prior to its completion and acceptance.

EXHIBIT VII

EMPLOYER PERMISSION FOR OFF DUTY WORK

EMPLOYEE: \_\_\_\_\_

SECONDARY EMPLOYEE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PHONE #: \_\_\_\_\_

SECONDARY EMPLOYMENT DESCRIPTION: \_\_\_\_\_

DATE OF EMPLOYMENT: ☐ FROM \_\_\_\_\_ TO \_\_\_\_\_

☐ INDEFINITE BEGINNING \_\_\_\_\_

☐ OTHER: \_\_\_\_\_

As the primary employer of \_\_\_\_\_, I give said  
(name of employee)  
employee permission to work for \_\_\_\_\_ in  
(secondary employer)  
accordance with Section 1126 of the Government Code.

I do not authorize the use of this entity's equipment or uniforms in the performance of the  
secondary employment for the secondary employer. Further, I nor any member of this  
agency's staff certifies the qualifications of \_\_\_\_\_  
(name of employee)  
in regards to the above secondary employment description.

RECEIVED BY:

\_\_\_\_\_  
Supervisor (Primary Employer)  
(Name of Entity)

\_\_\_\_\_  
(Secondary Employer)  
(Name of Business)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(date)



## **INVESTMENT POLICY**

### **I. INTRODUCTION**

The Yolo County Public Agency Risk Management Insurance Authority (hereinafter referred to as YCPARMIA or the "Authority") is a legal entity formed through an exercise of joint powers by participating agencies in Yolo County. The Authority provides risk management, insurance and safety services to members.

The purpose of this investment policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to achieve YCPARMIA's objectives of safety, liquidity and yield through a diversified investment portfolio. This policy also serves to organize and formalize the Authority's investment-related activities, while complying with all applicable statutes governing the investment of public funds.

This Investment Policy was endorsed and adopted by YCPARMIA's Board and is effective as of the 27th day of June, 2019. This Investment Policy replaces any previous Investment Policy or Investment Procedures of the Authority.

### **II. SCOPE**

This policy covers all funds and investment activities under the direct authority of YCPARMIA, as set forth in the State Government Code, Sections 53600 et seq., with the following exceptions:

- A. The Deferred Compensation Plan is excluded because it is managed by a third-party administrator and invested by individual plan participants;
- B. Proceeds of debt issuance shall be invested in accordance with the Authority's general investment philosophy as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures; and
- C. Any other funds specifically exempted by the Authority's Board.

*Pooling of Funds:* Except for cash in certain restricted and special funds, the Authority will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### **III. GENERAL OBJECTIVES**

All investment management decisions and activities must assure ongoing compliance with all Federal, State and local laws governing the investment of moneys under the control of the YCPARMIA Board. The primary objectives, in priority order, of the Authority's investment activities shall be:

1. *Safety:* Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
2. *Liquidity:* The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. *Return:* The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

#### **IV. PRUDENCE, INDEMNIFICATION AND ETHICS**

- A. *Prudent Investor Standard:* Management of the Authority's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

*"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."*

- B. *Indemnification:* The CEO and other authorized persons responsible for managing Authority funds, acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.
- C. *Ethics:* Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Chief Executive Officer any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Authority.

#### **V. DELEGATION OF AUTHORITY**

- A. Authority to manage the Authority's investment program is derived from California Government Code Sections 53600 et seq., and Article 18 of the Authority's JPA Agreement. The YCPARMIA Board is responsible for the Authority's cash management, including the administration of this Investment Policy. Management responsibility for the cash management of Authority's funds is hereby delegated to the CEO.

The CEO shall establish written procedures for the operation of the cash management/investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CEO. The CEO shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate employees.

- B. The Authority may engage the services of one or more external investment managers to assist in the management of the Authority's investment portfolio in a manner consistent with the Authority's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

#### **VI. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES AND BROKER/DEALERS**

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by conducting a process of due diligence described in the Investment Procedures Manual. These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

- A. The Authority CEO shall determine which financial institutions are authorized to provide investment services to Authority. Institutions eligible to transact investment business with Authority include:
  1. Primary government dealers as designated by the Federal Reserve Bank;
  2. Nationally or state-chartered banks;
  3. The Federal Reserve Bank; and
  4. Direct issuers of securities eligible for purchase.
- B. Selection of financial institutions and broker/dealers authorized to engage in transactions with the Authority shall be at the sole discretion of the Authority.
- C. All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the CEO with a statement certifying that the institution has reviewed the California Government Code Section 53600 et seq. and the Authority’s Investment Policy.
- D. Selection of broker/dealers used by an external investment adviser retained by the Authority shall be at the sole discretion of the investment adviser.
- E. Public deposits shall be made only in qualified public depositories as established by State law. Deposits shall be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, shall be collateralized in accordance with State law.
- F. An annual review of the financial condition and registrations of qualified financial dealers and institutions will be conducted by the Authority. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the Authority invests.

## **VII. COLLATERALIZATION**

**CERTIFICATES OF DEPOSIT (CDs).** The Authority shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

**REPURCHASE AGREEMENTS.** The Authority requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The Authority shall receive monthly statements of collateral.

**COLLATERALIZATION OF BANK DEPOSITS.** This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The Agency shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

#### **VIII. DELIVERY, SAFEKEEPING AND CUSTODY**

**DELIVERY-VERSUS-PAYMENT (DVP).** Settlement of all investment transactions will be completed using standard delivery-vs.-payment procedures.

**SAFEKEEPING AND CUSTODY.** To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the Authority's portfolio shall be held in safekeeping in the Authority's name by a third-party custodian, acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the Authority from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money mutual funds, since the purchased securities are not deliverable.

#### **IX. AUTHORIZED AND SUITABLE INVESTMENTS**

All investments shall be made in accordance with Sections 53600 et seq. of the Government Code of California and as described within this Investment Policy. Within the investments permitted by the Code, the Authority seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits and minimum credit quality listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

Permitted investments under this policy shall include:

1. **U.S. Treasury** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Treasuries.
  - a. The maximum maturity is five (5) years.
2. **Federal Agency** or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the Authority may invest in government-sponsored enterprises, provided that:
  - a. No more than 25% of the portfolio may be invested in any single Agency/GSE issuer.
  - b. The maximum maturity does not exceed five (5) years.
  - c. The maximum percent of agency callable securities in the portfolio will be 20%.

3. **Banker's acceptances** provided that:
  - a. They are issued by institutions with short term debt obligations rated "A1" or higher, or the equivalent, by at least one nationally recognized statistical-rating organization (NRSRO); and have long-term debt obligations which are rated in a rating category of "A" or its equivalent or higher by at least two nationally recognized statistical rating organization;
  - b. The maturity does not exceed 180 days; and,
  - c. No more than 40% of the total portfolio may be invested in banker's acceptances and no more than 5% per issuer.
4. **Federally insured time deposits** (Non-negotiable certificates of deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
  - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
  - a. The amount per is limited to the maximum covered under federal insurance; and,
  - b. The maturity of such deposits does not exceed 5 years.
5. **Time deposits (Non-negotiable certificates of deposit)** in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:
  - a. No more than 20% of the portfolio shall be invested in a combination of federally insured and collateralized time deposits;
  - b. The maturity of such deposits does not exceed 5 years.
6. **Negotiable certificates of deposit (NCDs)** issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:
  - a. The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
  - b. Any amount above the FDIC insured limit must be issued by institutions which have long-term obligations which are rated in a rating category of "A" or its equivalent or higher by at least one nationally recognized statistical rating organization; or have short term debt obligations rated "A-1" or higher, or the equivalent, by at least one nationally recognized statistical rating organization;
  - c. The maturity does not exceed five years; and,
  - d. No more than 30% of the total portfolio may be invested in NCDs and no more than 5% per issuer.
7. **Repurchase agreements** collateralized with securities authorized under Sections III (A1-2) of this policy maintained at a level of at least 102% of the market value of the repurchase agreements, provided that:
  - a. The maximum maturity of repurchase agreements shall be 1 year;
  - b. There is no limit to the amount to be invested in repurchase agreements;
  - c. Securities used as collateral for repurchase agreements shall be delivered to the Authority's custodian bank (See Section II E); and,
  - d. The repurchase agreements are the subject of a master repurchase agreement between the Authority and the provider of the repurchase agreement. The master repurchase agreement shall be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
8. **Commercial paper** provided that:
  - a. The maturity does not exceed 270 days from the date of purchase;
  - b. The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million;
  - c. They are issued by institutions whose short-term obligations are rated "A-1" or higher, or the equivalent, by at least one nationally recognized statistical rating organization; and whose

long-term obligations are rated in the rating category of “A” or its equivalent or higher by at least one nationally recognized statistical rating organizations; and,

- d. No more than 25% of the portfolio is invested in commercial paper and no more than 5% per issuer.
  - e. The Authority may purchase no more than 10% of the outstanding commercial paper of any single issuer
9. **State of California Local Agency Investment Fund (LAIF)**, provided that:
- a. The Authority may invest up to the maximum permitted amount in LAIF;
  - b. LAIF's investments in instruments prohibited by or not specified in the Authority's policy do not exclude it from the Authority's list of allowable investments, provided that the fund's reports allow the CEO to adequately judge the risk inherent in LAIF's portfolio.
10. **Corporate medium-term notes (MTNs)** provided that:
- a. Such notes have a maximum remaining maturity of five years;
  - b. Are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States;
  - c. Shall be rated “A” category or its equivalent or better by at least one nationally recognized statistical rating organizations; and,
  - d. Holdings of medium-term notes may not exceed 30% of the portfolio and no more than 5% per issuer.
11. **Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations** from issuers not defined in Sections 1 and 2 of the Authorized and Suitable Investments section of this policy, provided that:
- The securities are rated in a rating category of “AA” or higher by a nationally recognized statistical rating organization.
  - No more than 20% of the total portfolio may be invested in these securities.
  - e. No more than 5% of the portfolio may be invested in any Asset-Backed or Commercial Mortgage security issuer. The maximum legal final maturity does not exceed 5 years
12. **Money market mutual funds** that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940:
- a. Provided that such funds meet either of the following criteria:
    - i. Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or,
    - ii. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code Section 53601 (a through j) and with assets under management in excess of \$500 million.
  - b. Purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.
  - c. No more than 10% of the portfolio may be invested in any Fund.
13. **Supranationals** provided that:
- Issues are unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
  - The securities are rated “AA” or higher by a nationally recognized statistical rating organization.
  - No more than 30% of the total portfolio may be invested in these securities.
  - No more than 10% of the portfolio per issuer
  - The maximum maturity does not exceed 5 years.
14. **Municipal Securities** include obligations of the Authority, the State of California and any local agency within the State of California, provided that:

- The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
- No more than 5% of the portfolio may be invested in any single issuer.
- No more than 30% of the portfolio may be in Municipal Securities.
- The maximum maturity does not exceed five (5) years.

15. **Municipal Securities (Registered Treasury Notes or Bonds)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California:

- The securities are rated in a rating category of “A” or its equivalent or better by at least one nationally recognized statistical rating organization (“NRSRO”).
- No more than 5% of the portfolio may be invested in any single issuer.
- No more than 30% of the portfolio may be in Municipal Securities.
- The maximum maturity does not exceed five (5) years.

#### **X. MAXIMUM MATURITY**

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

The Authority will not invest in securities maturing more than five years from the date of trade settlement, unless the Board has by resolution granted authority to make such an investment at least three months before the initial investment.

#### **XI. INVESTMENT POOLS/MUTUAL FUNDS**

A thorough investigation of the pool/mutual fund is required prior to investing, and on a continual basis. The Authority shall develop a due diligence process which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

#### **XII. RISK MANAGEMENT AND DIVERSIFICATION**

##### **MITIGATING CREDIT RISK IN THE PORTFOLIO**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the “Authorized Investments” section of this policy is designed to mitigate credit risk in the portfolio.

- No more than 5% of the total portfolio may be invested in securities of any single issuer per each category in Section IX of this policy, unless otherwise specified in this policy.
- The Authority may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or Authority's risk preferences.
- If the credit ratings of any security owned by the Authority are downgraded to a level below the quality required by this investment policy, the CEO will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Authority Board.

#### **MITIGATING MARKET RISK IN THE PORTFOLIO**

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The Authority recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The Authority will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The Authority further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Authority, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The Authority will maintain a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include "make whole call" securities as defined in the Glossary) in the portfolio will be 15%.
- The maximum stated final maturity of individual securities in the portfolio will be five years, except as otherwise stated in this policy.
- The duration of the portfolio will at all times be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the Authority based on the Authority's investment objectives, constraints and risk tolerances.

### **XIII. RETURN OBJECTIVES**

- Overall objective:** The investment portfolio shall be designed with the overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.
- Specific objective:** The investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to the return on the Market Benchmark Index as described in the Authority's *Investment Procedures Manual*.

### **XIV. PROCEDURES AND INTERNAL CONTROLS**

- Procedures*



The CEO shall establish written investment policy procedures in an *Investment Procedures Manual* to assist investment staff with day-to-day operations of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CEO. The procedures should include reference to:

1. Review of daily cash balances;
2. Process for selecting investments;
3. Steps for purchasing an investment;
4. Settlement and safekeeping process;
5. Wire transfer agreements;
6. Banking service contracts; and,
7. Collateral/depository agreements.

**B. Internal Controls**

The CEO is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Internal controls shall be in writing and shall address the following points:

1. Control of collusion;
2. Separation of transaction authority from accounting and record keeping;
3. Third-party safekeeping of assets;
4. Clear delegation of authority to subordinate staff members;
5. Staff training;
6. Dual authorizations of wire transfers; and,
7. Written confirmation of telephone transactions for investments and wire transfers.

**XV. PROHIBITED INVESTMENT VEHICLES AND PRACTICES**

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.

**XVI. PERFORMANCE EVALUATION**

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk

constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The CEO shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the quarterly report. The CEO shall select an appropriate, readily available index to use as a market benchmark.

**XVII. REPORTING, DISCLOSURE AND PROGRAM EVALUATION**

**A. *Monthly reports***

Monthly investment reports shall be submitted by the CEO to the YCPARMIA Board. These reports shall disclose, at a minimum, the following information about the risk characteristics of the Authority's portfolio:

1. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest value;
2. A one-page summary report which shows:
  - a. Average maturity of the portfolio and modified duration of the portfolio;
  - b. Maturity distribution of the portfolio;
  - c. Average portfolio credit quality; and,
  - d. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the Benchmark Index returns for the same periods;
3. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution; and,
4. A statement that the Authority has adequate funds to meet its cash flow requirements for the next six months.

**B. *Annual reports***

1. The investment policy shall be reviewed and adopted at least annually within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.
2. A comprehensive annual report shall be presented in conjunction with the investment policy review. This report shall include comparisons of Authority's return to the Benchmark Index return, shall suggest policies and improvements that might enhance the investment program, and shall include an investment plan for the coming year.

**C. *Annual Audit***

The CEO shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

**D. *Special audits***

The YCPARMIA Board may at any time order an audit of the investment portfolio and/or the CEO's investment practices.

Yolo County Public Agency Risk Management Insurance Authority  
Investment Policy  
Adopted June 27, 2019

APPENDIX I

Authorized Personnel

The following person(s) are authorized to transact investment business and wire funds for investment purposes on behalf of the YCPARMIA:

Armond Sarkis, CEO/Risk Manager

Holly Lyon, Financial Analyst

Yolo County Public Agency Risk Management Insurance Authority  
Investment Policy  
Adopted June 27, 2019

APPENDIX II

Approved Brokers/Dealers

The following broker(s)/dealer(s) have been approved by the YCPARMIA:

*Intentionally left blank*

APPENDIX III

Approved Depositories and Custodian Banks

The following depositories have been approved by the YCPARMIA:

*Intentionally left blank*

## APPENDIX IV

### GLOSSARY OF INVESTMENT TERMS

**AGENCIES.** Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

**FFCB.** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

**FHLB.** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

**FHLMC.** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

**FNMA.** Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

**GNMA.** The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

**PEFCO.** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

**TVA.** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

**ASKED.** The price at which a seller offers to sell a security.

**ASSET BACKED SECURITIES.** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**AVERAGE LIFE.** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

**BANKER’S ACCEPTANCE.** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

**BENCHMARK.** A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

**BID.** The price at which a buyer offers to buy a security.

**BROKER.** A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

**CALLABLE.** A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

**CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

**CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS).** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

**COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

**COLLATERALIZED MORTGAGE OBLIGATIONS (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

**COMMERCIAL PAPER.** The short-term unsecured debt of corporations.

**COST YIELD.** The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

**COUPON.** The rate of return at which interest is paid on a bond.

**CREDIT RISK.** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

**CURRENT YIELD.** The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

**DEALER.** A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

**DEBENTURE.** A bond secured only by the general credit of the issuer.

**DELIVERY VS. PAYMENT (DVP).** A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

**DERIVATIVE.** Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

**DISCOUNT.** The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

**DIVERSIFICATION.** Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

**DURATION.** The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

**FEDERAL FUNDS RATE.** The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

**FEDERAL OPEN MARKET COMMITTEE.** A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

**LEVERAGE.** Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

**LIQUIDITY.** The speed and ease with which an asset can be converted to cash.

**LOCAL AGENCY INVESTMENT FUND (LAIF).** A voluntary investment fund opens to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**LOCAL GOVERNMENT INVESTMENT POOL.** Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**MAKE WHOLE CALL.** A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

**MARGIN.** The difference between the market value of a security and the loan a broker makes using that security as collateral.

**MARKET RISK.** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

**MARKET VALUE.** The price at which a security can be traded.

**MARKING TO MARKET.** The process of posting current market values for securities in a portfolio.

**MATURITY.** The final date upon which the principal of a security becomes due and payable.

**MEDIUM TERM NOTES.** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

**MODIFIED DURATION.** The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

**MONEY MARKET.** The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

**MORTGAGE PASS-THROUGH SECURITIES.** A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

**MUNICIPAL SECURITIES.** Securities issued by state and local agencies to finance capital and operating expenses.

**MUTUAL FUND.** An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

**NEGOTIABLE CD.** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

**PREMIUM.** The difference between the par value of a bond and the cost of the bond, when the cost is above par.

**PREPAYMENT SPEED.** A measure of how quickly principal is repaid to investors in mortgage securities.

**PREPAYMENT WINDOW.** The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

**PRIMARY DEALER.** A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

**PRUDENT PERSON (PRUDENT INVESTOR) RULE.** A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

**REALIZED YIELD.** The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

**REGIONAL DEALER.** A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

**REPURCHASE AGREEMENT.** Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

**SAFEKEEPING.** A service to bank customers whereby securities are held by the bank in the customer's name.

**STRUCTURED NOTE.** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

**SUPRANATIONAL.** A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TOTAL RATE OF RETURN.** A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

**U.S. TREASURY OBLIGATIONS.** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.



**TREASURY BILLS.** All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

**TREASURY NOTES.** All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

**TREASURY BONDS.** All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

**VOLATILITY.** The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

**YIELD TO MATURITY.** The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

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Reviewed: 12/13/2000  
Reviewed: 12/14/2001  
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Reviewed: 06/23/2006  
Revised: 05/27/2010  
Revised: 10/12/2017  
Revised: 03/28/2018  
Revised: 03/14/2019

## **EMPLOYMENT LIABILITY POLICY**

Effective 7/1/01, expanded coverage to include defense and indemnification for employment practices liability. Subject to the self-insured retention, YCPARMIA will pay on behalf of each participating entity, those covered defense and investigation costs in excess of each participating entity's deductible. Coverage above the \$500,000 retention is supplied by CJPRMA, and subject to a sub-limit of \$8,000,000.

The Authority will not pay for or reimburse any expenses for any legal or claim adjusting services preceeding receipt of a valid Government Code claim or service of a civil suit in an appropriate court; specifically the Authority will not pay for or reimburse any expense involved in responding to a DEFH claim, internal arbitration, internal investigation, EEOC claim, or any other internal action by the entity unless YCPARMIA agrees to the action and expense prior to it being incurred.

The protection afforded by the Authority is self insurance, and in no circumstances is it to be construed as any form of insurance. The Authority will select the adjusting firm and attorney to represent the entity in this coverage. Upon receipt of the claim or summons and complaint, the member shall immediately (within five (5) days) send a copy of such to the Authority and the third party administrator. As a matter of protection for the entities and a good faith sign that the entities are practicing positive risk management controls, it is required by the Authority Agreement, the Board recommends that the following policies be in writing, and available for all employees to read and practice on a daily basis:

1. Hiring Process that has an appeal component for those applicants who claim to be rejected for discrimination purposes,
2. Promotional policy that has an appeal component for those employees who feel that they are not promoted due to discrimination reasons,
3. Disciplinary policy which includes due process procedures are appropriate to the level of discipline being administered,
4. Affirmative action policy for hiring and promotion,
5. Policy regarding sexual discrimination or harassment and reporting procedures if an employee feels he/she is being discriminated or harassed against,
6. Personal performance evaluation procedures for all staff; probationary, permanent, and long-term temporary (more than 1,000 hours per fiscal year) that requires a minimum of an annual evaluation.

Adopted May 18, 1989  
Revised July 26, 1995  
Revised August 23, 2000  
Revised 12/10/2004  
Updated 1/31/2014  
Reviewed 3/25/2019

**POLICY REGARDING REIMBURSEMENT FOR NON-WAGE RELATED  
EXPENSES INCURRED BY A CURRENT OR FORMER EMPLOYEE OF A  
PARTICIPATING AGENCY WHILE THAT EMPLOYEE IS  
PARTICIPATING IN THE DEFENSE OF A  
YCPARMIA COVERED CLAIM OR LAWSUIT**

It is the policy of the Yolo County Public Agency Risk Management Insurance Authority's Board of Directors to consider reimbursement for non-wage related expenses that may be incurred by a current or former employee of a participating agency while that employee is participating in the defense of a YCPARMIA covered claim or lawsuit pursuant to Section 825 of the California Civil Code.

Upon written request, reimbursement of a current or former employee's reasonable out-of-pocket, non-wage related expenses for food, lodging, or other travel expenses, as verified by accompanying receipts, will be considered by the CEO/Risk Manager. Any disagreement with the decision of the CEO/Risk Manager can be appealed to the YCPARMIA Board within 60 days of that decision. This reimbursement is incumbent upon the employee's cooperation and participation in accordance with California Civil Code Section 825 and will be reflected in the defense costs of the participating agency for the particular action. Mileage will be reimbursed at the current IRS rate.

Nothing in this policy prohibits the participating agency from reimbursing a former employee for his/her expenses, including loss of wages, using non-YCPARMIA funds.

ADOPTED 4/27/90  
Revised 12/10/2004  
Reviewed 3/25/2019

## **POLICY REGARDING PAYMENT OF WORKERS' COMPENSATION FINES OR PENALTIES**

It shall be the policy of YCPARMIA that each participating agency is required to pay its own fines or penalties that may be levied by the Office of Benefit Assistance and Enforcement, the WCAB, or any other office or jurisdiction that has the authority to levy a workers' compensation fine or penalty due to non-compliance with the law.

Such payment shall be made separate from any cash payment or surcharge payment and not included in any cash payment or premium formula. The participating agency will be responsible for only those fines or penalties that are the result of the participating agency's failure to comply with the workers' compensation rules and regulations including the failure, negligent, incorrect or untimely submission of information. Fines and penalties that are the responsibility of the third party administrator or YCPARMIA itself, will be paid by the responsible party respectively.

If there is a question about the validity of the fine or penalty, YCPARMIA and/or the third party administrator, on behalf of the participating agency, will investigate and attempt to negotiate with the fining agency, a reduction or elimination of the fine or penalty. If YCPARMIA and/or the third party administrator is unsuccessful and the participating agency chooses to not accept the results of the efforts of YCPARMIA and/or the third party administrator, it can, at its own expense, seek legal recourse to eliminate or reduce the fine or penalty in question.

YCPARMIA reserves the rights to compromise fine or penalty issues prior to determination of liability on this specific issue. YCPARMIA will not seek reimbursement from the member agencies for funds used in compromising fine or penalty issues without notice and prior approval from the involved member.

APPROVED 2/22/91  
Revised 1/28/2005  
Reviewed 1/26/2012  
Reviewed 4/26/2018  
Reviewed 3/25/2019

## **TRAVEL, MEETING, AND BUSINESS EXPENSE REIMBURSEMENT POLICY**

### **I. Applicability**

The provisions of this policy apply to YCPARMIA ("the Authority") employees, Board members, alternate Board members and other persons designated by the Board of Directors or CEO/Risk Manager while traveling or meeting on Authority related business or training.

The Authority shall reimburse expenses incurred by the above stated individuals while on official Authority business which include meals, lodging, transportation and other reasonably incurred incidental expenses as deemed acceptable by the CEO/Risk Manager. Receipts should be retained and submitted as indicated in this policy.

### **II. Guidelines**

Travel expenses for Authority related business or training shall adhere to the following guidelines. In the event that travel expenses incurred by the authorized individuals exceed these guidelines, the reimbursement by the Authority shall be limited to the costs that fall within these guidelines.

A cash advance for travel, meeting, and business expenses may be made if requested in writing and approved by the CEO/Risk Manager prior to the event.

### **III. Travel Coordinator**

With advanced notice, the Authority's Administrative Assistant shall be responsible for making each authorized individual's travel arrangements unless otherwise authorized.

### **IV. Government and Group Rates**

The Authority's Administrative Assistant responsible for travel arrangements and/or authorized individual(s) shall use government and groups rates offered by a provider for transportation or lodging whenever available or lower rates when reasonably available.

### **V. Lodging**

Lodging costs shall be reimbursed at the per diem rate (per [www.gsa.gov](http://www.gsa.gov) guidelines) unless prior approval of a higher rate is obtained from the CEO/Risk Manager. Reimbursement shall require a proof of payment and/or receipt that includes the following information:

- Date(s) and time(s) the lodging took place;
- Location and name where lodging took place;
- Total cost of lodging with itemized receipt;
- Whom the lodging was for/included;
- Name of meeting, conference, training, or event that was attended

### **VI. Meals**

Meal reimbursements are limited to the daily guidelines listed below per individual. Receipts shall not be required for amounts that are equal to or less than the stated guideline amounts. Any meal expense incurred over these guidelines shall be limited to the current IRS per diem rate (per [www.gsa.gov](http://www.gsa.gov) guidelines), subject to the 75% reimbursement limit on day(s) of travel.

Yolo County Public Agency Risk Management Insurance Authority  
Travel, Meeting, and Business Expense Reimbursement Policy  
Adopted August 22, 2019

- Breakfast \$12.50
- Lunch \$17.00
- Dinner \$30.00
- Incidentals \$5.00

**VII. Mileage**

The current IRS mileage reimbursement rate is allowed for use of private vehicles. Mileage shall be computed from the place of business to the destination and return. The reimbursement request should exclude any personal travel incurred during the business or training trip. Bridge tolls, parking charges, and rental car expenses (including fuel for the rental car) are reimbursable upon submission of receipts only. Mileage reimbursement shall be capped at \$300 per authorized individual traveling to and from the same event.

**VIII. Travel Other than by Private Vehicle**

If travel by means other than a private vehicle or rental car is necessary (taxi, air, rail, rideshare services, etc.), the individual shall either request the CEO/Risk Manager make the arrangements or request authorization from the CEO/Risk Manager prior to incurring the cost. However, if travel by means other than a private vehicle or rental car is within the same town or city of the Authority related business or training, then prior authorization is not required.

**IX. Exclusions**

The Authority shall not be responsible for expenses incurred by Board members or alternate Board members while traveling to or from Board, other committee meetings, or training events unless preapproved and/or prearranged by the CEO/Risk Manager.

Among non-reimbursable expenses are Authority sponsored group gatherings such as business meetings; Board/Executive Committee meetings; retreats; other committee meetings; trainings or other group events that are planned, coordinated, and paid for directly by the Authority.

The expenses incurred and for which reimbursement is being sought shall only be for the authorized individual. Expenses for any additional non-authorized individual shall not be reimbursed and shall be deducted from the total prior to submission to the Authority for payment (if applicable).

There shall be no reimbursement for movies, personal calls (other than calls to home), or other non-Authority expenses.

**X. Request for Reimbursement**

Requests for reimbursement (see Exhibit A) shall be submitted with appropriate receipts within thirty (30) days after the conclusion of the meeting or training session.

In instances where receipts are required but are either lost or not received, a signed written statement regarding the expense shall be acceptable with CEO/Risk Manager approval. In instances where Board approval is required, the request shall be placed on the next available Board agenda.

Approved 02/05/1992  
Revised 01/28/2005  
Reviewed 01/26/2012  
Reviewed 04/26/2018  
Reviewed 03/25/2019  
Revised 07/26/2019

**YOLO COUNTY PUBLIC AGENCY RISK  
MANAGEMENT INSURANCE AUTHORITY  
BUSINESS TRAVEL / TRAINING EXPENSE  
REIMBURSEMENT REQUEST**

NAME: \_\_\_\_\_ POSITION: \_\_\_\_\_

I. **PURPOSE:** Include name and nature of conferences or meetings attended, persons for who expenses were paid, dates, location, etc.

II. **EXPENSES:** List all expenses incurred. If expenses apply to several days (lodging, travel), mark an "X" for each day affected and list only the total amount. Report the costs of all meals, even for multi-day events. Attach all paid bills, invoices, receipts and credit card slips.

EVENT: \_\_\_\_\_ DATE(s): \_\_\_\_\_

DATE:									TOTALS:
<b>MEALS:</b>									
BREAKFAST									
LUNCH									
DINNER									
<b>LODGING:</b>									
<b>TRAVEL:</b>									
COMMERCIAL									
PERSONAL AUTO									
TO: _____									
FROM: _____									
_____ miles @ _____ / mile									
<b>TAXI / BUS FARES:</b>									
<b>TOLLS:</b>									
<b>PARKING:</b>									
<b>OTHER:</b>									
<b>TOTAL EXPENSES:</b>									
LESS: NON-REIMBURSABLE CHARGES									< >
AUTHORITY CREDIT CARD CHARGES									< >
CASH ADVANCE									< >
NET AMOUNT DUE CLAIMANT OR AUTHORITY (circle correct one)									

I hereby certify that the above is a true and correct statement of expenses incurred by me while on Authority business.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approval

## **RECORDS RETENTION POLICY**

In order to properly create and maintain a records and information system for the operation of the JPA, a Records Retention Policy must be in place that provides for systematic review and destruction of the various records generated by the JPA. This policy should be flexible enough to allow destruction of records that have outlived their usefulness, and retain records that have a financial bearing on the entity. The Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) will maintain records in accordance with the following Records Retention schedule. This Records Retention Schedule will be reviewed on a periodic basis for adherence to local, state and federal regulations and sound business practices.

Documents are to be disposed of in a manner that guarantee their destruction and maintain confidentiality. In general, records containing sensitive information are to be shredded on site or transported to a secure shredding and recycling facility.

### **Records Retention Schedule**

<b><u>Title</u></b>	<b><u>Retention Period</u></b>
<b>Administration:</b>	
Correspondence	
Non Member	3 years
Entity Member	7 years
Policy and Procedures	Permanent
Accreditation	Permanent
<b>Boards/Committees:</b>	
Minutes – Committees	Permanent
Resolutions	Permanent
<b>Board of Directors:</b>	
Agendas	Permanent
Elections	Permanent
Meeting Notices	Permanent
Minutes of Board Meetings	Permanent
Resolutions	Permanent
<b>Contracts:</b>	
Agreements and Contracts	7 years following end of contract
<b>Electronic:</b>	
<b>Digital Statements</b>	Permanent – burned same week to disc and stored in claim folder



**Title****Retention Period****File Server Backups**

Monthly

Rotating monthly backup burned to DVD and stored in Safe Deposit box

Semi-Annual

Every January 1<sup>st</sup>, the backup is burned to DVD and transferred to the external hard drive, to be kept for 2 years

Yearly

Each July 1<sup>st</sup>, a DVD record is created and stored in the Safe Deposit box, kept permanently**Multifunctional Devices**

Documents on copier HD

In accordance with security policy

**Financial:**

5 years hard copy – Scan all financial records older than 5 years

**Accounts Payable**Correspondence  
A/P Distribution Journal  
Cash Disbursements  
Expense Reports  
Invoices

Permanent until reclassified

**Accounts Receivable**A/R Register  
Aged Trial Balance  
Invoices

Permanent until reclassified

**Audit Reporting**Correspondence  
Reports  
State Controller's Report  
Work papers

Permanent until reclassified

**Banking**Correspondence  
Bank Confirmations  
Bank Reconciliations  
Bank Statements  
Canceled and Voided Checks  
Deposit Slips  
Signature Authorizations

Permanent until reclassified

<b>Financial Reporting</b>	Permanent until reclassified
Correspondence	
Chart of Accounts	
<b>Ledgers</b>	Permanent until reclassified
Account Analysis	
Balance Sheets	
General Ledger	
Journal Entries	
<b>Insurance:</b>	
Memorandum of Coverage	Permanent
Insurance Policies	Permanent
Endorsements	Permanent
Premium Deposit Determination	Permanent
Claims Audit	Permanent
Actuarial Studies	Permanent
Certificates of Insurance	Permanent
<b>Legal:</b>	
General Correspondence	Permanent
Attorney Correspondence	Permanent
Conflicts of Interest Code	Permanent
Conflict of Interest Statements	7 years
Claims	2 years hard file after closing then Permanent in digital archive
Claims (minors)	7 years or 1 year after the minor turns 18 years old, whichever is longer
Litigation	7 years after litigation is concluded
Opinions	Permanent
<b>Membership:</b>	
Membership Records	Permanent
Program Participation Agreements	Permanent
<b>Miscellaneous:</b>	Permanent until reclassified

ADOPTED 6/24/92  
Revised 8/23/00  
Reviewed 1/28/2005  
Revised 10/24/2008  
Revised 5/27/2010  
Reviewed 1/26/2012  
Revised 3/22/2012  
Reviewed 4/26/2018  
Reviewed 3/25/2019

**POLICY REGARDING**  
**APPEALS PROCESS TO THE ENTITIES' CHIEF OPERATING OFFICERS**  
**OF THE YCPARMIA VOTING MEMBERS**

The decisions of the YCPARMIA Board of Directors are final with no formal appeals process to another body. Member entities can bring issues back at later dates, to have the Board reconsider previous action taken.

The following appeals process would create an appeals group consisting of the entities' chief operating officers or non-board member designee of the YCPARMIA voting members. The chief operating officers would be the city manager for each city, the county administrative officer, and the superintendent of schools. The appeals process will be limited to policy issues only. The appeals process will not apply to specific case coverage issues, specific claims handling issues, and specific case settlement matters. This process can be invoked only after a formal Board vote for action on a matter has taken place.

The member that wishes to appeal a formal action of the YCPARMIA Board of Directors will have thirty (30) calendar days from the date of the Board of Directors' formal action to request, in writing, that the appeals process be invoked.

The CEO/Risk Manager will, within seven (7) calendar days of the receipt of the member's request, prepare a statement to each Board Member of the YCPARMIA voting member entities stating that a member wishes to invoke the appeals process. The letter will include a copy of the policy that was either adopted or rejected, along with a copy of the agenda item, and the minutes of the item regarding the action of the Board on policy matter.

The CEO/Risk Manager's letter will state that the matter must be considered by the appeals group within thirty (30) calendar days of the date of the CEO/Risk Manager's letter. Finally, the letter will state that the CEO/Risk Manager will work with each entity to find a mutually agreeable date to convene the appeals group.

At least ten (10) calendar days prior to the meeting of the appeals group, the appealing member will provide to the CEO/Risk Manager and each member of the appeals group, any written material that might pertain to the matter that is being appealed.

A quorum of the appeals group must include a minimum of four chief operating officers of the entities and a decision by the appeals group must be made with agreement by four members of the appeals group.

The CEO/Risk Manager will present the Board's position on the matter and the appealing entity's Board Member or the agency head of a non-voting member agency will present the appealing entity's position on the matter. The matter will be heard by the appeals group and a decision must be reached with ten (10) calendar days of the presentation of the appeal.

Within thirty (30) calendar days after the decision by the appeals group, if a Board meeting is not scheduled, a special Board meeting will be called to take action on the matter. The policy in question will be agendized and the YCPARMIA Board of Directors will receive and take action on the appeals group's decision regarding the policy matter.

As part of this appeals process, the appealing party(s) agrees that this is the final administrative appeals process. It is agreed that the matter may be reagendized at a subsequent YCPARMIA Board Meeting no sooner than one year after the appeals process ends and final Board action has been taken on the policy.

The appealing party further agrees that, if it chooses to ignore the above agreement and decides to pursue the matter in court, the appealing party will be responsible for all costs incurred, including attorney's fees, by YCPARMIA and the appealing party, if the matter is dismissed without a final court decision or YCPARMIA prevails in court. If the appealing party prevails, each party will be responsible for its own costs. This policy affects Board decisions that are made after this appeals process goes into effect.

ADOPTED: 12/01/1993  
Revised: 8/23/2000  
Reviewed: 1/28/2005  
Reviewed: 1/26/2012  
Reviewed 4/26/2018  
Reviewed 3/25/2019

## **CASH PAYMENT INSTALLMENT BILLING POLICY**

At the October 19, 1994 Yolo County Public Agency Risk Management Insurance Authority's Board of Directors Meeting, the billing policy of all payments due within 30 days of the billing date was modified. The modification was designed to allow entities, who have extremely large coverage cash payments due, to pay the cash payment in installments and to cover the interest that would be lost to the Authority when payments are received after thirty (30) days from the billing date.

The policy adopted by the Board of Directors allows for an installment plan option for the payment of any annual coverage cash payment that exceeds \$25,000 per coverage. An entity can pay its entire coverage cash payment within the thirty (30) days of the billing date and owe no interest on that payment.

To exercise the option, prior to the announced billing date of any coverage cash payment that exceeds \$25,000, the entity must notify the CEO/Risk Manager or Administrative Assistant that they wish to invoke the ninety (90) day installment plan option.

If the entity chooses this option plan, they will be billed over a ninety (90) day period of time, in three (3) equal installments with interest due on the second and third installments to make up for the interest that the JPA loses due to failure to collect the entire cash payment within the first thirty (30) days. The interest rate that will be applied will be the Local Agency Investment Fund (LAIF) rate in effect on March 31<sup>st</sup> of the calendar year of the billing of the cash payments.

The billing of the cash payments will be as follows if the entity chooses the installment plan option:

- One-third of the cash payment due thirty (30) days from the initial billing date, no interest,
- One-third of the cash payment due sixty (60) days from the initial billing date, with thirty (30) days of interest charged against the remaining two-thirds of the annual cash payment,
- One-third of the original cash payment due ninety (90) days from the billing date, with interest due for the thirty (30) day period of time on the last one-third of the annual cash payment.

In spite of notification to YCPARMIA that the entity wishes to participate in the installment plan, if the entity chooses to pay the entire cash payment due within the first thirty (30) days from the initial billing period, no interest will be charged against the cash payment amount. If at the end of sixty (60) days from the initial billing period, the entity chooses to pay all of the balance due, rather than one-third of the cash payment, the last interest payment will not be charged against the cash payment amount.

APPROVED 12/14/94  
AMENDED 1/17/96  
AMENDED: 1/28/2005  
Reviewed 1/26/2012  
Reviewed 4/26/2018  
Reviewed 3/25/2019

## **SAMPLE INVOICE**

Inv. # 94/95-01-X-WC

Date: 7/1/94

ENTITY X  
XXX Lincoln Ave.  
Woodland, CA 95695

ATTN: BOARD MEMBER

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Declared Workers' Compensation Cash Payment  
for Policy Year July 1, 1994  
through June 30, 1995

TOTAL DUE 7/31/94	\$3,000,000.00
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### **INSTALLMENT PLAN PAYMENTS:**

Due and Payable 7/31/94:

Amount Due:	\$1,000,000.00	
Interest Due:	0.00	\$1,000,000.00

Due and Payable 8/31/94:

Amount Due:	\$1,000,000.00	
Interest Due:	8,333.33 *	\$1,008,333.33

Due and Payable 9/30/94:

Amount Due:	\$1,000,000.00	
Interest Due:	4,166.67 **	\$1,004,166.67

\*Represents the March 31 LAIF rate of interest charged against \$2,000,000 for 30 days.

\*\*Represents the March 31 LAIF rate of interest charged against \$1,000,000 for 30 days.

# **FINANCIAL INTERNAL CONTROLS POLICY**

## **I. General Purpose**

At the April 28, 1999 Board of Directors meeting, the Board approved an internal control policy for the financial records of Yolo County Public Agency Risk Management Insurance Authority ("the Authority").

The purpose of the Financial Internal Controls Policy is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Authority, and managing the Authority's funds. This Financial Internal Controls Policy replaces any previous internal controls policy or procedures of the Authority.

## **II. Financial Responsibilities**

It is the responsibility of the Board of Directors to formulate financial policies and review operations and activities on a periodic basis.

The Board delegates this oversight responsibility to the Financial Analyst. This responsibility is shared through delegation with the Authority's CEO/Risk Manager. The Authority's CEO/Risk Manager and Financial Analyst act as primary fiscal agents, implementing all financial policies and procedures. The CEO/Risk Manager, with assistance from the Financial Analyst, are responsible for coordination of the following: annual budget presentation, selection/coordination of outside auditors, approving revenue and expenditure objectives, and overseeing the Authority's managed investment accounts.

The Financial Analyst is responsible for daily operations that include managing the Authority's funds, ensuring accuracy of accounting records, internal controls, financial objectives and policies, financial statement preparation, and all account and bank reconciliations.

In addition, the Financial Analyst is responsible for maintaining the Authority's accounting system which includes the chart of accounts, reporting formats, accounts payable, accounts receivable, payroll processing, journal entries for the general ledger, Form 1099 reporting, Form DE9 and DE9C reporting, as well as any other finance-related tasks.

## **III. Budgeting Process**

The Financial Analyst shall be responsible for presenting to the CEO/Risk Manager, an annual operating budget draft at least 120 days prior to the end of the current fiscal year. The CEO/Risk Manager may suggest or implement any changes to the budget until there is mutual agreeance with the Financial Analyst on the drafted budget. Once completed, the budget will be presented to the Board of Directors at the March meeting for final approval.

The budget shall contain revenues and expenses for each of the Authority's four programs: liability, workers' compensation, property, and fidelity along with forecasts for administrative

and service expenses. Revenues shall contain forecasts for investment earnings, excess premium rebates, and premium/cash payments received from the member entities. The budget may be forecasted as an annual estimation.

#### **IV. Financial Statements**

The Authority's financial statements shall be prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) on a quarterly basis.

The quarterly financial statements shall include Profit & Loss Budget versus Actual, Balance Sheet, and Statement of Revenues, Expenses & Net Position which are generated through the Authority's accounting system.

The Financial Analyst shall prepare quarterly financial statements in a Board-approved format for each of the board meetings. The statements shall be presented to the CEO/Risk Manager and Board of Directors for review.

In addition, a summarized quarterly investment report and detailed general ledger for all transactions pertaining to the Local Agency Investment Fund (LAIF) shall be provided to the Board of Directors. The investment report shall include confirmation of compliance with the Authority's Investment Policy, and a signed certification by the Authority's Treasurer corroborating an appropriate amount of funds are available to satisfy estimated cash flow requirements.

#### **V. Receiving of Funds/Payments and Invoices**

The following procedures for checks/invoices received through the mail or given to a staff person shall be in place.

- For Invoices:
  - The Secretary shall open all invoices received by mail or in person.
  - The Secretary will hand all invoices to the Administrative Assistant.
  - The Administrative Assistant (as the primary purchaser) shall verify that items were received and amount quoted on the invoice is correct.
  - Once verified, all invoices will be handed over the CEO/Risk Manager for approval and initials.
  - All approved invoices will be given to the Financial Analyst/Accountant to process payment.
  - Accountant will write checks and ensure expenses are coded to the appropriate expense account.
  - Checks then go to CEO/Risk Manager for review and signature.
  - Signed checks, payment stubs, invoices and any other related paperwork are then given to the Secretary or Administrative Assistant for final review.
  - Secretary or Administrative Assistant confirms check amount matches invoice total. Once confirmed, the Secretary or Administrative Assistant will mail payment in a stamped envelope.



- For Payments/Checks:
  - The Secretary shall open all payments/checks received by mail or in person.
  - The Secretary will complete a numerical cash receipt stating the current date, date the check was written, check number, name of sender, amount paid, and invoice numbers for the payment to be applied to, if applicable.
    - The Secretary gives the original (white) copy of the cash receipt and check stubs to the Administrative Assistant for further recording/filing.
    - The Secretary gives the carbon (pink) copy of the cash receipt and checks to the Accountant for deposit.
  - Accountant confirms amount of checks, applies payments to correct invoices as necessary, and records deposits into the accounting system.
  - The checks are then stored in a locked safe until a bank deposit is made.
- For Bank Deposits:
  - Accountant must endorse all checks with the Authority's endorsement stamp. A triplicate deposit slip must be filled out completely and accompany the checks to the bank for deposit. The Accountant must be sure to keep the pink and yellow copies for their own records.
    - Once deposit is complete, the yellow copy will be given to the Administrative Assistant.
    - The pink copy stays with the Accountant along with the pink numerical cash receipt for filing.

## **VI. Money Transfers**

The Accountant shall monitor all bank activity of the Authority. As needed, the Accountant shall request a money transfer to ensure accounts are properly funded. The Accountant shall create an invoice in the accounting system from the appropriate account. The Accountant shall provide the invoice to the CEO/Risk Manager for approval and initials. Once the transfer has been approved, the Accountant shall transfer funds through the online banking website as appropriate. All copies of approved invoices and money transfers shall be filed in the "Banking Transfers" binder.

## **VII. Signature Policy**

The CEO/Risk Manager shall sign all checks, drafts, orders for payment of money, contracts, and commitments for services issued in the name of the Authority, unless otherwise specified by the Board of Directors. In the absence of the CEO/Risk Manager, the Board President and Vice President are authorized to sign in the name of the Authority. Furthermore, any checks issued in the amount of \$200,000 or more require two signatures from any of the three above-mentioned authorized signers.

## **VIII. Bank Reconciliations**

Bank reconciliations for the Authority's checking accounts shall be completed on a monthly basis.

All monthly bank statements shall be reviewed by the Administrative Assistant prior to being handed over to the Accountant for reconciliation. The Administrative Assistant shall verify all account activity and that the copies of cancelled checks match actual payments made by the Authority. Once review is complete, the Administrative Assistant will initial the statement and hand it to the Accountant.

The Accountant must verify all account activity including payments, deposits, interest earned, service charges, etc. Any adjustments/issues must be addressed before reconciliation is complete. Reconciliations shall be performed using the Authority's accounting system. Once complete, all copies of reconciliation reports shall go to the CEO/Risk Manager for final approval and initials. Approved reconciliation reports shall be filed in the "Banking" binder.

#### **IX. Third-Party Payment Reconciliations**

The Authority utilizes a third-party administrator (TPA) to manage workers' compensation claims and payments. Monthly invoices are issued by the TPA to fulfill payments made to claimants. All invoice requests shall be reviewed and approved by the CEO/Risk Manager prior to payment. After the invoice is approved, the Accountant shall issue a check for the requested amount. The Accountant shall keep records of all invoices and payments made throughout the year. On a monthly basis, the TPA shall provide the Authority with a complete copy of its account activity and bank reconciliations. The Accountant shall reconcile the copies of approved invoices with the TPA to confirm monthly account activity.

The Authority administers the liability and property programs in-house. All invoices requests shall be reviewed and approved by the CEO/Risk Manager prior to payment. After the invoice is approved, the Accountant shall issue a check for the requested amount. Once the check has been signed by the CEO/Risk Manager, the Accountant shall give all invoices and checks to the Administrative Assistant. The Administrative Assistant is responsible for confirming invoices match issued checks, along with maintaining the liability and property program databases. The database used will track the claims and amounts paid for each program. On a monthly and quarterly basis, the Administrative Assistant shall provide copies of account activity for both programs from its database to the Accountant. The Accountant shall reconcile the database information with the account activity in the Authority's accounting system to confirm payment activity. All reconciliations shall be filed in their respective binders.

#### **X. Petty Cash**

The Authority shall maintain a one hundred dollar (\$100) petty cash fund that is replenished as needed. The Administrative Assistant shall maintain control of, and responsibility for, payments disbursed from the petty cash fund. The Administrative Assistant shall keep a running total of receipts paid from the fund.

When necessary, the Administrative Assistant shall provide a request for replenishment to the CEO/Risk Manager. The approved request shall be given to the Accountant who will issue a check in order to bring the fund up to \$100.

The Accountant shall audit the petty cash fund on a quarterly basis.

## **XI. Payroll**

The Authority contracts with an independent service to process payroll. The Financial Analyst, as the system administrator, is responsible for communicating and documenting the information necessary for processing payroll including (but not limited to):

- Maintaining records for employees' biweekly time sheets which include time worked, paid time off, and sick leave.
- Any changes in employee compensation and/or benefits.
- Any changes in employee medical benefits including co-payments, caps, increases/decreases in premium payments, or changes in the employee's insured status.
- Any changes in employee deductions, withholdings, or status for tax-related purposes.
- Maintaining records of the payroll journals, cash requirements, and paid time-off accrual reports that are automatically generated by the independent payroll servicer on a biweekly basis.

All of the above-mentioned documentation must be reviewed and initialed by the CEO/Risk Manager and Financial Analyst. All documentation shall be filed in an annual binder specifically for payroll records.

## **XII. Fixed Asset Inventory and Depreciation Schedule**

All Authority assets meeting the definition of a fixed asset shall be accurately recorded and properly classified in the Fixed Asset Depreciation Schedule by the Financial Analyst. The Financial Analyst shall be expected to maintain/update the document on an annual basis (at minimum) or as necessary. The Financial Analyst shall be responsible for the accuracy, efficiency, and compliance of laws and regulations pertaining to the document. The CEO/Risk Manager shall be required to review the document at least annually.

- Asset Classification
  - All fixed assets shall be categorized as follows:
    - Building
    - Building Improvements
    - Land
    - Land Improvements
    - Furniture and Fixtures
    - Machinery and Equipment
- Asset Capitalization General Policy
  - Fixed assets shall be capitalized as follows:
    - All land acquisitions

- All land renovation and improvement projects costing \$10,000 or more
  - All building acquisitions and new construction
  - All building renovation and improvement projects costing \$10,000 or more
  - Furniture and fixtures costing \$1,000 or more and a useful life of three years or more
  - Machinery and equipment costing \$1,000 or more and a useful life of three years or more
- Asset Valuation
  - Fixed assets shall be recorded on date of purchase at historical cost and include any applicable appurtenant costs.
    - Purchased Assets: The recording of purchased assets shall be made on the basis of historical cost, including all appurtenant costs, based on the vendor invoice or other supporting documentation.
    - Constructed Assets: All direct costs, including labor, associated with a construction and/or improvement project shall be included in establishing the asset valuation.
- Asset Salvage Value
  - The salvage value for applicable fixed assets is assumed to be zero at the end of its useful life. When assets are retired or otherwise disposed of, the cost of accumulated depreciation is removed from the accounts and the resulting gain/loss is recognized in income for the period.
- Depreciation Method
  - The Authority shall utilize the preferred method of straight-line depreciation for depreciating applicable fixed assets. Depreciation will begin in the fiscal year the asset is placed in service. Under the straight-line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. It is determined by dividing the asset's cost, less salvage value (if any), by estimated useful life (depreciation formula = [asset cost - salvage value] / useful life). An asset's useful life shall be determined per IRS recommendations, Publication 946.

Approved 04/28/1999  
Revised 08/23/2000  
Reviewed 08/26/2005  
Revised 01/06/2010  
Revised 01/28/2016  
Revised 03/31/2016  
Revised 11/07/2017  
Revised 03/26/2019

## **CONFIDENCE MARGIN POLICY**

It shall be the policy of YCPARMIA that the funding of its outstanding Loss Reserves shall be in excess of an 80% Confidence Level, with the funds split between the "Reserve" Liabilities accounts and a restricted fund under the Retained Earnings Account.

YCPARMIA maintains "Reserve" accounts for each program representing money set aside to pay both current claims and our IBNR. These amounts are set by our annual actuarial study in December, and updated as part of our financial audit in June.

GAAP requires that the reserve funds be maintained at the "most reasonable" level; this amounts to a 50% confidence level. It is just as likely that we will be under funded as we would be overfunded. This creates uncertainty in our financial stability, and volatility in our annual funding cash payment charges to our members. When our experience is trending downward, it allows us to create surplus which leads to rebates. Unfortunately, when the trend reverses, we are faced with assessments.

The actuarial report recommends confidence levels for funding estimating outstanding losses. Although we can not book those levels as liabilities due to GAAP, we create a confidence margin account where we allocate retained earnings into a restricted fund to maintain a higher funding confidence level. This provides a cushion against "bad years" which by definition will happen 50% of the time.

As the Property, Fidelity and Boiler Machinery Programs are not included in the annual actuarial study, the confidence margins for these programs will be set as follows:

Property:	four times the current retention level plus \$15,000 for Boiler and Machinery (Total - \$115,000)
Fidelity:	one time the current retention level

In the future, should any of these programs be included in the annual actuarial study, their confidence margins will be established at the same manner as the Liability and Workers' Compensation programs.

Approved 8/23/2000  
Revised 10/19/2001  
Revised 8/26/2005  
Revised 10/27/2006  
Revised 6/25/2015  
Reviewed 8/6/2018  
Reviewed 3/26/2019

## **YONET RISK SHARING POLICY**

In those situations where multiple YONET agencies, or a non-YCPARMIA member, are involved in the incident giving rise to the claim, it shall be the policy of YCPARMIA that all participating YCPARMIA YONET members share their exposures equally on all YONET related claims. The distribution of the exposures would be as follows:

◆ City of Davis	1/6
◆ City of Winters	1/6
◆ City of Woodland	1/6
◆ City of West Sacramento	1/6
◆ County of Yolo Sheriff's Dept.	1/6
◆ County of Yolo District Attorney	1/6

In those situations where only one YONET agency is involved in the incident giving rise to the claim, all costs associated with the claim will be charged against the employing YCPARMIA member.

The Yolo Narcotics Enforcement Team (YONET) is governed by a Memorandum of Understanding that makes individual members responsible for the individual acts of their participating officers. Under the Ninth Circuit case, Herve vs. Estes, YONET would not be considered a separate entity, and therefore would not be subject to suit. The YONET agreement ignores the potential for a Monel exposure under Section 1983. Section 1983 is the most prevalent cause of action filed against YONET since it awards attorney fees under Section 1988 to the "prevailing" plaintiff. The State of California and UC Davis are immune from these claims under the Eleventh Amendment of the United States Constitution.

Approved 8/23/2000  
Reviewed 8/26/2005  
Revised 3/23/2017  
Reviewed 8/6/2018  
Reviewed 3/26/2019

## **CONFLICT OF INTEREST CODE FOR THE YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY**

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments to the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendices in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the conflict of interest code of the Yolo County Public Agency Risk Management Insurance Authority.

Officials and designated positions shall file statements of economic interests with the Authority, which will make the statements available for public inspection and reproductions. (Gov. Code Sec. 81008.) Upon receipt of the statements, the Authority shall make and retain copies and forward the originals of these statements to the Fair Political Practices Commission. All original statements shall be retained by the Fair Political Practices Commission.

Reviewed 8/23/2000  
Reviewed 8/28/2002  
Reviewed 8/27/2004  
Reviewed 8/26/2006  
Reviewed 9/23/2008  
Reviewed: 8/26/2010  
Reviewed: 8/23/2012  
Reviewed: 8/28/2014  
Revised: 3/24/2017  
Reviewed: 8/6/2018

Conflict of Interest Code for the  
YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

Appendix A – Designated Positions

<u>Designated Positions</u>	<u>Disclosure Category</u>
Members and Alternate Members of Board of Directors	1, 2, 3, 4
Secretary/Risk Manager	1, 2, 3, 4
Staff Investigator	1, 2, 3
Consultants / New Positions	**

\*\* Consultants / New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Chairperson of the Board may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chairperson of the Board’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Sec. 81008).

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The following positions are not covered by the code because they must file under Government Code Section 87200 and therefore, are listed for informational purposes only:

Treasurer

Consultants that manage public investments

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.

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Conflict of Interest Code for the  
YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

Appendix B – Disclosure Categories

Designated positions must disclose pursuant to the categories below:

1. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources of the type that contract with the Authority to supply goods, services, materials, or supplies.
2. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that are engaged in the performance of work or services of the type utilized by the Authority, including insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers, and actuaries.
3. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that have filed a claim or have a claim pending that are reviewed and administered by the Authority.
4. Interests in real property located within the Authority's jurisdiction of the type purchased or leased by the Authority for its use.

This is the last page of the conflict of interest code for **Yolo County Public Agency Risk Management Insurance Authority**.



**CERTIFICATION OF FPPC APPROVAL**

Pursuant to Government Code Section 87303, the conflict of interest code for **Yolo County Public Agency Risk Management Insurance Authority** was approved on 2/22/ 2017. This code will become effective on 3/24/ 2017.

A handwritten signature in black ink, appearing to be "B. Lau", written over a horizontal line.

Brian G. Lau  
Senior Commission Counsel  
Fair Political Practices Commission

## **YCPARMIA**

### **LITIGATION POLICIES AND PROCEDURES**

#### **OBJECTIVE**

The Authority has adopted the following procedures to assist in the management of litigation, as well as to efficiently supervise defense counsel. Unless otherwise instructed, the purpose of retaining defense counsel is to aggressively defend the case, not to prepare it for mediation. Responsibility for concluding the matter economically falls on YCPARMIA.

#### **ASSIGNMENT OF CASE**

Assignments to defense counsel are made by the Risk Manager. Cases are transmitted with an assignment letter that references this policy. The assignment letter will include comment of the case objective for each file, and defense will be conducted with that objective in mind. When appropriate, instructions on who is to be copied on future reports will be included.

#### **PROFESSIONAL LIABILITY**

Each defense counsel must provide annually a copy of their Professional Liability certificate to YCPARMIA.

#### **CHOICE OF COUNSEL**

YCPARMIA maintains a short panel of qualified defense attorneys. The Risk Manager has sole authority in the choice of defense counsel, and will assign to a specific attorney rather than a firm. Choice will be made on a variety of factors, including, but not limited to:

- Expertise in the area of law.
- Timeliness and quality of reporting on current files – how well are you keeping us informed?
- Aggressiveness in defense – is the file being pushed, especially when compared to other firms work.
- Compliance with YCPARMIA policies and instructions.
- Quality of results – this includes a time element, how long do your files stay open?
- Cost – both defense costs, and settlement/judgements.

To avoid potential conflicts that have affected the quality of service in the past, YCPARMIA only assigns to firms with recognized expertise, and does not assign files to any member's legal staff.

#### **STAFFING THE FILE**

We will normally pay for one attorney to handle a case, normally one partner with the assistance at times of an associate; in some cases it may be appropriate for an associate to take full responsibility for a case. We will pay for only one attorney to accomplish any single task, and the attorney handling the case or the activity being reported should be the one to prepare the status reports. Supervision, or review within the firm, or communications between attorneys in the firm are not appropriate file expenses.

#### **ACKNOWLEDGEMENT OF CASE ASSIGNMENT**

An acknowledgement of assignment letter should be returned to YCPARMIA within 5 days of receipt of assignment advising which attorney has been assigned to the case, and confirming that all named defendants for whom we are providing a defense have been contacted and given the name and contact information of their defense counsel.

### **SIGNIFICANT STRATEGY DECISIONS**

A primary goal of these policies and procedures is to keep the Authority involved in litigation decisions. YCPARMIA puts a premium on aggressively working the file to get it closed as quickly as possible. Decisions that might be considered routine can have a significant impact on the Authority, and therefore YCPARMIA should be consulted on:

- Plaintiff's request for extensions;
- The timing or delay in conducting discovery, or bringing motions.
- Selection of an arbitrator or mediator;
- Cross-complaints;
- Cooperation with co-defendants.

Cordial relations with plaintiff's counsel are not necessarily a desired goal; while we are not looking to promote conflict for the sake of conflict, we expect defense counsel to be an aggressive advocate. It should be recognized that YCPARMIA was usually dealing with the plaintiff's attorney prior to litigation, and the relationship going forward was defined through those earlier interactions.

### **PLAINTIFF'S DISCOVERY**

In order to facilitate prompt discovery responses, please provide the maximum possible lead time for all papers, particularly answers to interrogatories. Unless otherwise directed, such discovery requests should be forwarded to the department or employee involved. Please review the requests in advance for objectionable items so that staff does not spend unnecessary time on the materials. If they are not responsive please contact YCPARMIA so that we can address the delay.

### **DEFENSE DISCOVERY**

Prior approval by the Risk Manager for all formal discovery is required, with the following exceptions:

- Interrogatories to plaintiff;
- Deposition of plaintiff

### **MOTIONS**

Careful consideration must be given to the value of any motion before it is filed, and prior authority must be obtained from the Risk Manager. Except in unusual circumstances, time and effort should not be spent preparing, filing and arguing a motion unless the motion will significantly shorten or terminate the suit or gain a distinct advantage, strategically or tactically, in the litigation.

A copy of all summary adjudication motions, with supporting authority, is to be provided to YCPARMIA for review prior to it being filed.

### **EXTRAORDINARY EXPENSES**

Prior approval must be obtained before incurring expenses for experts, investigative services, independent medical exams or out-of-area travel.

### **LEGAL RESEARCH (including time on Lexis and Westlaw)**

Attorneys that we assign to are expected to have knowledge in the area of claim requirements, government immunities and tort defense. Therefore, we expect extended legal research billings to be limited to more complex issues. A copy of the work product from such activity should be forwarded to YCPARMIA; in certain circumstances YCPARMIA will share work product/research project with other defense firms where similar issues recur.

### **SETTLEMENT**

Defense counsel has no authority to settle cases without prior authorization from the Risk Manager. Settlement authority within YCPARMIA sometimes requires prior Board action. While authority can sometimes be extended contingent on subsequent Board approval, it should be avoided by complying with the reporting requirements in this policy.

It should also be recognized that defense counsel's job is to defend the case without regard to concluding the matter economically. That function is YCPARMIA's, and when appropriate will manage litigation towards that goal.

### **PRELIMINARY LITIGATION REPORT**

Within 30 days of receipt of assignment, the assigned attorney must provide the Risk Manager with a comprehensive captioned first report. The Authority understands that the litigation picture may develop as discovery is ongoing, but this does not excuse the responsibility of providing an early, objective analysis of the file. No service bill will be paid until the preliminary report has been received. This first report should contain, but not necessarily be limited to, the following captions:

- Facts: a brief synopsis of the facts giving rise to the lawsuit.
- Status of pleadings: a review of the complaint filed against our member, and the immediate plan for response with an answer, demurrer, venue change, and potential cross complaints.
- Damages: Summarize and analyze plaintiff's injuries, damages and our exposures in the case.
- Liability Analysis and Plan of Action: provide your initial impression of liability, and identify areas of dispute or where additional facts need to be developed.
- Legal Analysis: an analysis of the law that are triggered by the facts and pleadings.
- Plaintiff's Attorney: a brief comment on the quality of plaintiff's counsel and antedated impact on this litigation.
- Discovery Plan: Counsel should briefly analyze what discovery is anticipated to put the case into perspective for proper evaluation. List the person(s) you believe should be deposed or who are likely to be deposed by the adverse parties. If the case calls for the early retention of experts, discuss that issue. Describe any other site visits, motions, witness interviews or other investigation that is needed.

- Request for Additional Investigation: Any request for additional field investigation must be formally requested. Investigations are normally conducted by YCPARMIA staff; any outside assignments, usually for unique services like sub rosa, must be approved by the Risk Manager.
- Legal Budget: To assist in setting reserves, defense counsel should present a rough budget of anticipated expenses from the initial answer up to, and including, mediation or settlement conference.
- Remarks/Recommendations: Include comments/recommendations not previously mentioned. This would include discussion of the defensibility of the case, and if appropriate, options for possible resolution,

### **MANDATORY STATUS REPORTS**

YCPARMIA staff must be kept informed, in writing, of developments. Status reports are mandatory every 60 days, or immediately following any significant event, motion or hearing, in the case. Detailed e-mail updates are sufficient, but a formal written status report must be provided quarterly. Status reports should include a periodic reevaluation of the litigation plan, and specifically address the following:

- The ongoing strategy for defense or resolution of the case, including a factual analysis of developments related to liability and damages.
- A description of planned discovery with a timetable for completion.
- A brief summary of discovery and responses completed since the last report.
- Copies of significant documents relating to liability or damages. Note: YCPARMIA does not want copies of all legal documents; rather, summaries of interrogatory responses, depositions, and motions are required with defense counsel's comments on their substance. Additionally, defense counsel should comment on the credibility and quality of any party or witness that is interviewed.
- Court actions or calendar dates.
- Anticipated changes in the litigation budget
- New settlement demands or other material communications from plaintiff's counsel.

### **EXCESS REPORTING REQUIREMENTS**

YCPARMIA participates in the California Joint Powers Risk Management Authority (CJPRMA), an excess liability self-insurance pool. Certain files will trigger their mandatory reporting requirement; YCPARMIA will notify defense counsel in writing when copies of status reports should be sent to CJPRMA.

### **MANDATORY SETTLEMENT CONFERENCE/ARBITRATION/MEDIATION/TRIAL REPORTS**

At least 14 days prior to the scheduled event, defense counsel will provide YCPARMIA with their formal mandatory settlement conference statement, or arbitration/mediation briefs, along with a status report that contains any pertinent information that is not included in the submitted documents, settlement ranges, and negotiation strategy. A formal status

report should be produced immediately following the mandatory settlement conference, arbitration or mediation.

A formal pre-trial report will include a detailed analysis of the liability, damages, defenses, plaintiff's counsel, and venue. The report will include the length of trial, an assessment of chances of prevailing at trial, a verdict value assuming full liability, an appraisal of settlement value considering verdict value and chance of prevailing, and the status of settlement discussions. An estimated budget through the end of trial is also required. A daily oral report is expected during trial unless the Risk Manager is present. Unless other arrangements are made, the Risk Manager, when appropriate, will keep the Authority's excess liability pool advised of status.

### **FINAL REPORT**

Within 30 days of dismissal, a brief concluding report, along with a copy of the dismissal, and the final service bill must be sent to the Risk Manager. Getting the file off of our books as soon as possible is of vital importance, so a 20% penalty on the final bill will be unilaterally applied if it is not included with the dismissal.

### **LEGAL BILLINGS**

The Risk Manager will review and approve all billing for payment. Any questions regarding charges, or their reasonableness, will be directed to the managing partner. Legal payments will not be remitted until any disputes on billings are resolved. Similarly, if a status report is overdue, the billings will be returned for resubmission with an updated report. Lastly, per above, a 20% reduction will be made on a final bill that is "late."

Recognizing that "time and expense" billing has two elements, dollar rate, and time charged, legal fees are to be submitted in the following format:

- Each legal activity must be separately dated and itemized with the description of the work along with the initials of the attorney completing the work (no "block billing;" multiple daily descriptive explanations of activities with a single time entry are not acceptable).
- The amount of time to complete the task must be broken down into tenths of hours.
- The rates and hours charged by each attorney/paralegal working on the case must be summarized at the end of the bill to depict a cost per attorney.
- Interoffice conferencing among attorneys will not be compensable unless it is a necessary strategy meeting related to some significant legal event. We will not pay for duplicated entries for reviewing and analyzing documentation and legal research.
- General overhead and administrative costs (including staff time, word processing time) are included in the hourly rate and are not separately compensable.
- Time to "organize file" is a secretarial function and not compensable.
- Show actual charges or rates for cost charges (FAX, photocopy, out-of-area telephone, postage, etc).
- Telephone calls should specify the participants and the subject matter discussed.

- Billings can be submitted monthly, but must be submitted at least quarterly unless no time has been charged on the file since the last bill.

Bills from vendors or other contractors under \$500 should be paid by the firm and included on the attorney's bill for reimbursement. Vendor/contractor bills over \$500 should be sent directly to YCPARMIA for payment with cover from defense counsel confirming that the charges are appropriate.

Unilateral fee rate increases by law firms will not be accepted. Any proposed fee increase must be approved by the Authority prior to implementation.

### **OVERRIDING PHILOSOPHY**

Ongoing communication between defense counsel and YCPARMIA is given a high priority by the Authority and is a major consideration in evaluating defense counsel's performance. A second measurement, applied to all files, is how long the file stays open; it is essential that we perceive that defense counsel is pushing the litigation aggressively – activity and status reports should reflect this. Lastly, the focus should be on defense, not mediation. Any modification of that focus will come from YCPARMIA.

Adopted 12/13/00  
Reviewed 8/26/2005  
Revised 8/26/2010  
Revised: 5/26/2016  
Reviewed 8/6/2018  
Revised 3/26/2019



## **FUNDING POLICY**

It shall be the policy of YCPARMIA that the funding of projected ultimate net limited losses for the Liability and Workers' Compensation programs shall be at a 70% confidence level.

YCPARMIA, on an annual basis, has an actuarial audit performed to establish loss reserves and funding for the coming fiscal year. In the Audit report funding for the current year is stated at an expected level, and recalculated at various confidence levels.

The annual cash payment formula for each program includes variable costs that are defined as "actual claims administration costs, the actuarial determined costs for the claims filed, including any IBNR's, any reserve adjustments determined to be necessary, and other costs." Unless otherwise directed by the Board in response to special circumstances, the projected ultimate net limited losses at a 70% confidence level shall be used in the variable cost portion of the cash payment formulas.

For the purpose of premium calculations using the formulas found in YCPARMIA's ByLaws, the "Excess Coverage" amount will include the actual amount billed by the excess group, or a reasonable estimate of what that amount will be if unavailable. Additionally, it will include any retroactive premium charges, or assessments, made by the excess group to supplement previously billed premiums.

Approved 4/25/01  
Reviewed 8/26/05  
Revised 10/27/2016  
Reviewed 8/6/2018  
Reviewed 3/26/2019

## **CATASTROPHIC FUND POLICY**

It shall be the policy of YCPARMIA that a Catastrophic Fund shall be maintained as a restricted fund under the retained earnings account. The amounts of that catastrophic fund shall be set by the Board, and should be an amount over any liability reserve funding or confidence margin funding. The catastrophic fund is currently set at:

LIABILITY	\$1,500,000
WORKERS' COMP	\$1,500,000
PROPERTY	\$ 100,000
FIDELITY	\$ 25,000

The purpose of the catastrophic fund is to protect authority assets, along with any excess coverage or re-insurance from catastrophic loss. This fund is designed to enhance the economic stability of the authority, and to avoid unforeseen assessments.

Approved 6/27/2001  
Revised 1/23/2002  
Revised 8/25/2005  
Revised 10/27/2006  
Revised: 6/25/2015  
Reviewed 8/6/2018  
Reviewed 3/26/2019

## **POLICY REGARDING ACTUARIAL AND CLAIMS AUDITS**

It is the intent of the Board of Directors of the Yolo County Public Agency Risk Management Insurance Authority to have an annual Actuarial Audit, and an annual Claims Audit.

The Actuarial Audit will be conducted in a manner consistent with the annual cash payment addendums to the By-Laws reflecting the Authority's condition as of December 31<sup>st</sup>, and will be completed in the first quarter of the subsequent calendar year.

Our Claims Audits will be conducted every three years by the excess carrier of the Workers' Compensation program and the Liability program. While the Board reserves the right to hold additional claims audits as needed, this will not effect the policy of auditing each of these programs at a minimum of every other year.

Adopted 4/3/2002  
Reviewed: 8/26/2005  
Revised: 8/28/2014  
Reviewed 8/6/2018  
Reviewed 3/26/2019

## **POLICY REGARDING PREFUNDING OF MEMBERS UNCOVERED CLAIMS**

A member entity can request of the Board the advance funding of settlements of liability and property claims that are not covered under any YCPARMIA program. The following procedure will be followed:

- The entity will request, in writing to the CEO/Risk Manager, that the matter be placed on the next Board agenda. The request will include the facts of the claim, and the amount of settlement to be prefunded.
- The Board, at its discretion, can approve, in whole or in part, decline, or request additional information.
- If approved, the Board will direct the CEO/Risk Manager to advance payment of the settlement/judgment in the amount authorized by the Board.
- The entity, through its YCPARMIA representative, will sign, prior to payment, a letter agreement to repay the advance under the following terms:
  - Repayment of principle will be billed over the following three annual billings as part of the annual cash payment invoice.
  - Interest on the unreimbursed balances will accrue from the date of the claim payment at the prevailing LAIF rate, and will be billed quarterly on an interest only basis applied to the unpaid balance at the end of the quarter.
  - There is no penalty for early repayment, in whole or in part.
- The Board reserves the right, at its discretion with or without cause, subject to thirty (30) days written notice to the member, to require the repayment of the entire unpaid balance.

Adopted 10/22/2004

Reviewed 8/25/2005

Revised: 5/26/2016

Reviewed 8/6/2018

Reviewed 3/26/2019

## **POLICY REGARDING MEMBER USE OF THE VIDEO LIBRARY**

YCPARMIA maintains and periodically upgrades a video library consisting of over 600 videos on a wide variety of topics that are available to members and their employees' at no cost. A directory of the library is maintained on the YCPARMIA web site; videos can be picked up at the YCPARMIA office, or sent to the requesting party. Similarly, the videos can be returned to YCPARMIA by either method.

In order to increase availability of videos the following procedures will be followed:

- An individual will be limited to checking out no more than four videos at any given time.
- Videos are to be returned as soon as possible after use, but no later than three weeks from receipt.
- YCPARMIA will send a reminder notice to the employee who requested the video, showing a cc to the YCPARMIA Board Member, at the end of the fourth week.
- The involved individual will not be permitted to check out another video until all overdue videos are returned.
- In the event that the video is not returned within eight weeks from the date the video was checked out, the member entity will be billed for the replacement purchase cost of the video, plus any incidental costs, as part of their monthly workers' compensation deductible billing.
  - The cost of individual videos varies greatly, but an average cost can be anticipated in the \$500 range.
- If the video is returned to YCPARMIA prior to the purchase of a replacement, the billed cost will be immediately reimbursed to the member.
- There will be no cost incurred for damaged videos as long as they are returned to YCPARMIA in a timely manner; if it is not returned it will be treated as lost.

Adopted: 1/28/2005

Reviewed 8/25/2005

Revised 1/6/2010

Reviewed 8/6/2018

Reviewed 3/26/2019

## **ORIENTATION POLICY**

It is the policy of the Board of Directors for all newly appointed directors and alternates to participate in an orientation process within sixty days of appointment by their member agency. The purpose of the orientation is to provide needed information that will assist the appointed individual in performing their duties as a member of the YCPARMIA Board. Additionally, it is the policy of the Board to require that each new associate member designate and maintain a contact representative, and that this individual also participate in an orientation within sixty days of designation.

The orientation will take place at the YCPARMIA offices, and last no more than two hours. Subjects of discussion will include, but need not be limited to:

- The history of YCPARMIA
- Primary and excess coverages
- The monthly financial reports
- The premium process, including rebates
- Loss prevention
- Risk transfer
- Board policies
- Claims, actuarial, and accreditation audits
- Staffing and services

YCPARMIA staff will be introduced and participate in the orientation.

Successful completion of the required orientation will be reported to the YCPARMIA Board at the next regularly scheduled meeting.

Adopted: 3/24/2006

Reviewed 8/6/2018

Reviewed 3/26/2019

## **CLAIM RESERVING POLICY**

Recognizing the importance of individual file reserves as a component of YCPARMIA's annual actuarial study, and to meet excess reporting requirements, the Board has developed a policy to promote consistency and accuracy of claim file reserves.

### **All programs but Workers' Compensation:**

It is YCPARMIA's policy to reserve files based on expected results by considering both the damage/injury and exposure. The CEO/Risk Manager upon receipt of the claim will set initial file reserves. These reserves will be informally reviewed and adjusted by staff as information develops, and formally reviewed by the CEO/Risk Manager on a quarterly basis. Reserves will be reflected on a monthly loss run, and justified in the individual claim files.

### **Workers' Compensation:**

Consistent with this policy, claim files will be reserved by YCPARMIA's third party administrator in a manner consistent with state requirements, and documented by a reserve worksheet in the physical file. All individual claim reserves will be informally reviewed by YCPARMIA staff, and formally reviewed by the CEO/Risk Manager on a rotating four-month cycle. Concerns or requests for clarification will be documented in the YCPARMIA claim file. Reserves will be reflected on a monthly loss run.

Twice a year, following June 30<sup>th</sup> and December 31<sup>st</sup>, the collective program reserves will be reviewed by the CEO/Risk Manager and staff, and the impact of individual file reserves will be considered.

Adopted 6/22/2006  
Reviewed 8/6/2018  
Reviewed 3/26/2019

## **STRATEGIC PLANNING POLICY**

Consistent with YCPARMIA's Mission Statement and Objectives, the CEO/Risk Manager, with the assistance of staff, will develop, maintain and continually update a written strategic plan for the organization. This evolving plan will be presented to the Board on an ongoing basis for input, review, and monitoring of results as a regular item on each Board Agenda. On a scheduled basis, preceding consideration of the annual budget, the Board will review, and revise as necessary, the overall plan.

The strategic plan will address goals and objectives in various areas, including:

- Identifying and quantifying exposure to loss
- Risk management policy
- Risk control and loss prevention
- Claims and litigation management
- Record retention
- Communication with member agencies
- Benchmarking and best practices
- Risk transfer
- Financial reports
- Technology
- Other areas as needed or directed by the Board

Initiatives designed to accomplish identified goals will be developed and staffed as needed to meet targeted completion dates. Monthly staff meetings will be held to review progress on existing initiatives, and to identify and develop new initiatives as needed. A written record of the initiative and results will be maintained, and communicated to the Board and staff by the CEO/Risk Manager.

Adopted 6/22/2007  
Reviewed 8/6/2018  
Reviewed 3/26/2019



## **YCPARMIA CODE OF CONDUCT**

In order to ensure that YCPARMIA Board, pool staff, and service providers conduct their official business with social responsibility that encourages public trust, the following principles will act as a guide to regulate all activities.

1. That there will be dedication to the highest ideals of honor, integrity, and due diligence so that YCPARMIA may merit respect and public confidence in all of its dealings.
2. That there will be dedication to the concepts of democratic, effective and efficient governance by responsible, knowledgeable appointed officials with an understanding that official decisions made and actions taken by the pool are always made in the best interests of the YCPARMIA, as opposed to the interests of individual members, YCPARMIA staff, service providers or other outside interests.
3. That there is a commitment to the principle that the YCPARMIA Board is ultimately responsible for establishing the pool's goals and objectives and in making policy decision on behalf of the YCPARMIA membership. This responsibility cannot be transferred or delegated.
4. That there will be dedication to the principle that YCPARMIA staff will consistently seek guidance and direction from the YCPARMIA Board on matters of policy, and that policy decisions of the Board will be implemented without interference.
5. That there is dedication to the continued development of the professional abilities, and expertise of the Board and YCPARMIA staff.
6. That there will be dedication to the principle that the YCPARMIA Board and staff share a responsibility to communicate.
7. That there will be dedication to the principle that all matters of procurement, personnel administration and outside contracting are administered on the basis of merit so that fairness and impartiality govern all governance and management decisions.
8. That there is dedication to the principle that conflicts of interest should be avoided and where present shall be fully disclosed.

Adopted 6/22/2007  
Reviewed 8/6/2018  
Reviewed 3/26/2019

## **YCPARMIA INFORMATION TECHNOLOGY USE AND PRIVACY POLICY**

YCPARMIA provides various Technology Resources to its employees to assist them in performing their job duties. Each employee has a responsibility to use YCPARMIA's Technology Resources in a manner that increases productivity, enhances YCPARMIA's service to its members, and is respectful to other employees. Failure to follow YCPARMIA policies regarding its Technological Resources may lead to disciplinary measures, up to and including termination of employment.

### **I. Technology Resources Definition**

Technology Resources consists of all electronic devices, software, and means of electronic communication including, but not limited to, the following: desktop computers and workstations; lap-top computers; mainframe computers; servers; computer hardware such as disk drives and tape drives; peripheral equipment such as digital cameras, printers, modems, fax machines, copiers, and multifunctional devices; computer software applications and associated files and data, including software that grants access to external services, such as the Internet; electronic mail; telephones; cellular phones; pagers; and voicemail systems.

### **II. Authorization**

Access to YCPARMIA's Technology Resources is within the sole discretion of the CEO/Risk Manager. Generally, employees are given access to YCPARMIA's various technologies based on their job functions.

### **III. Confidentiality**

All of the information to which YCPARMIA has access is considered confidential. Employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting confidential information on YCPARMIA's Technology Resources. Employees should avoid sending confidential information over the Internet, except when absolutely necessary and confidential information should not be accessed in the presence of unauthorized individuals. Employees should also verify electronic mail addresses before transmitting any messages containing confidential or sensitive material. Moreover, any confidential information transmitted via Technology Resources should be marked with the following confidentiality notice:

“The information contained in this email or facsimile is highly confidential and intended for the exclusive use of the addressee. If you are not the intended recipient, you are hereby notified that any disclosure, dissemination, distribution, copying of this communication, or unauthorized use is strictly prohibited and subject

to prosecution. If you have received this communication in error, please contact our office at 530-666-4456.”

#### IV. Use

YCPARMIA’s Technology Resources are to be used by employees for the purpose of conducting Agency business. Employees may, however, use YCPARMIA’s Technology Resources for the following incidental personal uses, so long as such use does not interfere with the employee’s duties, is not done for monetary gain, does not conflict with YCPARMIA business, and does not violate any Agency policy:

1. To send and receive necessary and occasional personal communications;
2. To prepare and store incidental personal data (such as personal calendars, personal address lists, and similar incidental personal data) in a reasonable manner;
3. To use the telephone system for brief and necessary phone calls; and
4. To access the Internet for brief personal searches and inquiries, during meal times or other breaks or outside of work hours, provided that employees adhere to all other use policies.

YCPARMIA assumes no liability for loss, damage, destruction, alteration, disclosure, or misuse of any personal data or communications transmitted over or stored on YCPARMIA’s Technology Resources. YCPARMIA accepts no responsibility or liability for the loss or non-delivery of any personal electronic mail or voicemail communications or any personal data stored on any Agency property.

#### IV. Improper Use

##### A. Prohibition Against Harassing, Discriminatory, and Defamatory Use

YCPARMIA does not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, veteran status, or any other status protected by state and federal laws. Employees may not use YCPARMIA Technology Resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way (e.g., sexually explicit or racial messages, jokes, or cartoons).

##### B. Prohibition Against Violating Copyright Laws

Employees must not use YCPARMIA’s Technology Resources to copy, retrieve, forward or send copyrighted materials unless the employee has the author’s permission or is accessing a single copy only for the employee’s reference.

### C. Other Prohibited Uses

Employees are prohibited from using any of YCPARMIA's Technology Resources for any of the following:

1. For any illegal purpose,
2. For personal or monetary gain,
3. In violation of any YCPARMIA policy,
4. In a manner contrary to the best interests of YCPARMIA,
5. In any way which discloses confidential information to an inappropriate party.

### V. Agency Access to Technology Resources

All messages sent and received, including personal messages, and all data and information stored on YCPARMIA's e-mail system, voicemail system, or computer systems are Agency property regardless of the content.

### VI. Internet And On-Line Services

YCPARMIA provides authorized employees access to on-line services such as the Internet. It is expected that employees will use these services in a responsible way. Under no circumstances are employees permitted to use YCPARMIA's Technology Resources to access, download, or contribute to the following:

1. Gross, indecent, or sexually-oriented materials;
2. Gambling; or
3. Illegal drug oriented sites.

Additionally, employees must not sign "guest books" at websites or post messages to Internet news groups or discussion groups on websites. These actions will generate junk electronic mail and may expose YCPARMIA to liability or unwanted attention because of comments that employees may make. YCPARMIA strongly encourages employees who wish to access the Internet for non-work related activities to get their own personal Internet access accounts.

### VII. Privacy

On occasion, YCPARMIA may need to access its Technology Resources including computer files, e-mail messages, and voicemail messages. Employees should understand, therefore, that they have no right to privacy with respect to any messages or information created or maintained on YCPARMIA's Technology Resources, including personal information or personal messages. YCPARMIA may, at the discretion of the CEO/Risk Manager, inspect all files or messages on its Technology Resources, at any time, for any reason. YCPARMIA may also monitor its Technology Resources, at any time, in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other purpose. The best way to guarantee the

privacy of personal information is not to store or transmit it on YCPARMIA's Technology Resources.

A. Passwords

Certain YCPARMIA Technology Resources can only be accessed by entering login identification and a password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of YCPARMIA and employees must not expect that any information maintained on Technology Resources, including e-mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential. Employees must not share passwords and must not access co-workers' systems without express authorization from the CEO/Risk Manager. Unless otherwise directed by the CEO/Risk Manager, access to network and server equipment is to be limited to the systems administrator and other authorized maintenance personnel.

i. Password Requirements

Employees are required to change their login and e-mail passwords semi-annually and all new passwords are to be registered with the systems administrator. Passwords must be 8 to 14 characters in length, must contain a combination of numbers and letters, capital and lowercase, and may not be identical to the previous two passwords.

B. Deleted Information

Due to YCPARMIA's regular system back-ups and due to the way computers re-use file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential.

C. Monitoring

YCPARMIA has the capability to monitor both the amount of time spent using on-line services and the sites visited by individual employees. YCPARMIA reserves the right to limit such access by any means available to it, including revoking access altogether.

VIII. Security

YCPARMIA has a variety of programs and devices installed to ensure the safety and security of the Agency's confidential information and its Technology Resources. In

accordance with YCPARMIA's Security Policy, any employee found tampering or disabling any of these security devices will be subject to discipline up to and including termination.

IX. Audits

YCPARMIA may perform auditing activity or monitoring to determine compliance with these policies. Audits of software and data stored on YCPARMIA's Technology Resources may be conducted without warning, at any time.

Adopted 10/24/2008

Revised 5/20/2011

Reviewed 3/26/2019



## Yolo County Public Agency Risk Management Insurance Authority

77 W. Lincoln Ave., Woodland, California 95695 \* 530-666-4456 \* Fax 530-666-4491

The primary purpose of this Continuity Plan is to establish strategies and procedures in order to restore YCPARMIA to normal operation with a minimum disruption of service after an unexpected event.

YCPARMIA is unique in that day to day operations are performed exclusively in one location and business is carried out utilizing programs easily purchased and replaced at any office supply store or online. During normal operations, each staff member reports directly to the CEO/Risk Manager, who would continue to function as Manager during a disaster. If the CEO/Risk Manager is unable to perform those duties, then a designated staff member will assume the Acting Manager role and take over those responsibilities to ensure continued communication and safety during plan implementation.

## **CONTINUITY OF OPERATIONS AND DISASTER PLAN**

### **BE INFORMED**

The following natural and man-made disasters could impact our business.

Fire Events – Smoke and fire damage to offices.

Flood and Weather Events – damage to offices.

Terrorism Event – location surrounded by school buildings – damage to offices.

Electronic Event (Viruses, trojans, worms, hacker, etc.) – potential security breach, compromised data, software or hardware

Theft / Crime – Stolen assets, vandalism, etc

Automobile Accidents

Physical Assault/ Threat of Violence

### **TO CONTINUE IN OPERATION**

Unit Name	YCPARMIA
Address	77 W. Lincoln Ave.
City, State	Woodland, California
Phone Number	530-666-4456

If this primary location is not accessible we will **report to and operate** from one of the locations identified below:

City Of Woodland, 300 First Street, Woodland, California, 530-661-5807

City Of Davis, 1818 5<sup>th</sup> Street, Davis, California, 530-757-5618

City Of Davis Training Room, 600 A Street, Davis, California - backup computers and internet access available

The following person is our **primary crisis manager and unit spokesperson** in an emergency.

Primary Emergency Contact	<u>Armond Sarkis</u>
Phone and Cell Number	<u>530-666-4456</u>
Alternative Number	<u>310-663-3410</u>
E-mail	<a href="mailto:asarkis@ycparmia.org">asarkis@ycparmia.org</a>

If the Primary Emergency Contact person is unable to manage the crisis, the **Secondary Emergency Contact** below will succeed in management.

Secondary Emergency Contact	<u>Charlotte Garber</u>
Phone and Cell Number	<u>530-666-4456 or 530-908-8632</u>
Alternative Number	<u>530-870-6586</u>
E-Mail	<u>cgarber@ycparmia.org</u>

## **EMERGENCY CONTACT INFORMATION**

In an Emergency:

From a <b>land line</b> , dial	<u>9-1-1</u>
From a <b>cell phone</b> , dial YECA	<u>530-666-6612</u>

Non-Emergency:

Woodland Police & Fire	<u>530-666-2411</u>
Yolo County Sheriff	<u>530-666-6612</u>

Insurance Providers: YCPARMIA Primary

Property Coverage:	<u>CSAC</u>	<u>916-850-7300</u>
	<u>Alliant Contact: Joel Griffin</u>	<u>949-660-5900</u>

Excess General Auto/Liability:	<u>CJPRMA - Tony Giles</u>	<u>925-290-1316</u>
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Workers' Comp:	<u>LWP Claims Solutions</u>	<u>916-609-3600</u> (in case of employee injury)
	<u>CSAC</u>	<u>916-704-2467</u>

## **EMERGENCY PLANNING TEAM**

The following people will participate in the emergency planning and crisis management.

Armond Sarkis, CEO/Risk Manager  
Holly Lyon, Financial Analyst  
Lorene Leathers, Wellness Nurse  
Charlotte Garber, Administrative Assistant  
Rebecca McShane, Claims Examiner I  
Tom McGuire, Loss Prevention Analyst  
David Due – Staff Investigator

## **COMMUNICATION PLAN**

Contact will be maintained with the following Board Members.

County of Yolo	<u>Jill Cook</u>	<u>530-666-8699</u>	<u>jill.cook@yolocounty.org</u>
City of Davis	<u>Janel Emmett</u>	<u>530-757-5644</u>	<u>j Emmett@cityofdavis.org</u>
City of West Sacramento	<u>Kryss Rankin</u>	<u>916-617-4528</u>	<u>kryssr@cityofwestsacramento.org</u>
City of Woodland	<u>Sheila McShane</u>	<u>530-661-5807</u>	<u>Sheila.McShane@cityofwoodland.org</u>
City of Winters	<u>Crystal Zaragoza</u>	<u>530-795-4910</u>	<u>crystal.zaragoza@cityofwinters.org</u>
Esparto Unified School Dist.	<u>Rebecca Spiva</u>	<u>530-787-3446</u>	<u>rebecca.spiva@espartok12.org</u>



If any Board Member is not able to be contacted, our emergency planning team will notify the corresponding Board Alternate.

County of Yolo	Gary Engel	530-406-5044	<a href="mailto:gary.engel@yolocounty.org">gary.engel@yolocounty.org</a>
City of Davis	Chris Bensch	530-757-5644	<a href="mailto:cbensch@cityofdavis.org">cbensch@cityofdavis.org</a>
City of West Sacramento	Liane Lee	916-617-4510	<a href="mailto:lianeL@cityofwestsacramento.org">lianeL@cityofwestsacramento.org</a>
City of Woodland	Kim McKinney	530-661-5849	<a href="mailto:kimberly.mckinney@cityofwoodland.org">kimberly.mckinney@cityofwoodland.org</a>
City of Winters	John Donlevy	530-795-4910	<a href="mailto:john.donlevy@cityofwinters.org">john.donlevy@cityofwinters.org</a>
Esparto Unified School Dist.	Leah Smith	530-787-3446	<a href="mailto:leah.smith@espartok12.org">leah.smith@espartok12.org</a>

The following agencies and members will also need to be contacted by any YCPARMIA staff.

<b>Bruce Kilday - Angelo, Kilday &amp; Kilduff</b> 601 University Ave., Suite 150, Sacto 95825 916-564-6100 <a href="mailto:bkilday@akk-law.com">bkilday@akk-law.com</a>	<b>Charleton Pearse - Lenahan, Lee, Slater &amp; Pearse, LLP</b> 1030 15 <sup>th</sup> St., Suite 300, Sacto 95814-4030 916-443-1030 <a href="mailto:cpearse@lenahanlaw.net">cpearse@lenahanlaw.net</a>
<b>Amber Davis – LWP Claims Solutions, Inc.</b> PO Box 349016, Sacramento, CA 95834-90168 916-609-3666 <a href="mailto:a_davis@lwpclaims">a_davis@lwpclaims</a>	<b>John Lavra – Longyear, O’Dea &amp; Lavra</b> 3620 American River Dr, Suite 230, Sacto 95864 916-974-8500 <a href="mailto:lavra@longyearlaw.com">lavra@longyearlaw.com</a>
<b>Tony Giles - CJPRMA</b> 3201 Doolan Rd. #285, Livermore, CA 94551 925-290-1316 <a href="mailto:tony@cjprma.org">tony@cjprma.org</a>	<b>Eric Frye - Twohy, Darnelle &amp; Frye</b> PO Box 1282, Sacto, 95812 (7801 Folsom Blvd #300) 916-381-7010 <a href="mailto:efrye@twohylaw.com">efrye@twohylaw.com</a>
<b>Chad Rinde – Treasurer / Yolo Auditor Controller</b> 625 Court St., Rm 103, Woodland, CA 95695 530-666-8217 <a href="mailto:chad.rinde@yolocounty.org">chad.rinde@yolocounty.org</a>	<b>Chris Lang – Shriver Insurance (Bus Broker)</b> One Oakbrook Terrace, Oakbrook Terrace, IL 60181 630-833-0480 <a href="mailto:chris@shriversinsurance.com">chris@shriversinsurance.com</a>
<b>Matt Nethaway - Crowe Horwath LLC</b> 400 Capitol Mall, Suite 1200, Sacramento, CA 95814 916-441-1000 <a href="mailto:matt.nethaway@crowehorwath.com">matt.nethaway@crowehorwath.com</a>	<b>Ed Morales - Marsh</b> 345 California St Ste 1300, San Fran, CA 94104 415-743-8023
<b>Dr. David Black &amp; Dr. John Foster – Cordico</b> 2377 Gold Meadow Way, Suite 100 Gold River CA 95670 844-267-3426 xt 700 <a href="mailto:david.black@cordico.com">david.black@cordico.com</a>	<b>Mujtaba Dattoo – Aon Risk Solutions</b> 100 Bayview Circle, Suite 100, Newport Beach, CA 92660 949-608-6332 <a href="mailto:mujtaba.dattoo@aon.com">mujtaba.dattoo@aon.com</a>
<b>Mat Ehrhardt – Yolo/Solano Air Quality</b> 1947 Galileo Ct. Suite 103, Davis, CA 95618 530-757-3650 <a href="mailto:mehrhhardt@ysaqmd.org">mehrhhardt@ysaqmd.org</a>	
<b>Dena Humphrey - Yolo Emergency Comm Agency</b> 35 N. Cottonwood, Woodland, CA 95695 530-666-8900 <a href="mailto:dhumphrey@yeca911.org">dhumphrey@yeca911.org</a>	<b>Kim Britt – IHSS Public Authority</b> 25 N. Cottonwood, Woodland, CA 95695 530-661-2950 <a href="mailto:kim.britt@yolocounty.org">kim.britt@yolocounty.org</a>
<b>Michael McMahan - East Davis Fire Protection Dist.</b> 27441 Willowbank Rd., Davis, CA 95618 916-397-1628 <a href="mailto:mikejm@gene.com">mikejm@gene.com</a>	<b>Christine M. Crawford - Yolo County LAFCO</b> 625 Court St. Room 203, Woodland, CA 95695 530-666-8048 <a href="mailto:christine.crawford@yolocounty.org">christine.crawford@yolocounty.org</a>
<b>Jeran Ulrich - Springlake Fire Protection Dist.</b> 1000 Lincoln Ave, Woodland, CA 95695 530-661-5875 <a href="mailto:Jeran.Ulrich@cityofwoodland.org">Jeran.Ulrich@cityofwoodland.org</a>	<b>Kristi Postlethwaite - Davis Cemetery District</b> 820 Pole Line Rd., Davis, CA 95618 530-756-7807 <a href="mailto:cemoffmgr@dcn.org">cemoffmgr@dcn.org</a>
<b>Paul Green - Madison Fire District</b> P.O. Box 12, Madison, CA 95653 530-662-5745 <a href="mailto:ycstation17@att.net">ycstation17@att.net</a>	<b>Sheila Carbahall - Winters Cemetery District</b> P.O. Box 402, Winters, CA 95694 530-795-2475 <a href="mailto:wcd415@sbcglobal.net">wcd415@sbcglobal.net</a>
<b>Marc Rotteveel - No Man’s Land Fire Protection Dist.</b> 530 Fifth Street, Davis, CA 95616 530-757-8263 <a href="mailto:MRotteveel@cityofdavis.org">MRotteveel@cityofdavis.org</a>	<b>Rocio Vega - Yolo Courts</b> 1000 Main St., Woodland, CA 95695 530-406-6838 <a href="mailto:rvega@yolo.courts.ca.gov">rvega@yolo.courts.ca.gov</a>

<b>Stephanie Chavez - Yolo Law Library</b> 204 Fourth St. Suite A, Woodland, CA 95695 530-666-8918 <a href="mailto:stephanie.chavez@yolocounty.org">stephanie.chavez@yolocounty.org</a>	<b>Sherrill Jenkins - Dunnigan Fire Protection Dist.</b> P.O. Box 213, Dunnigan, CA 95937 530-724-3515 <a href="mailto:enkinsjay@sbcglobal.net">enkinsjay@sbcglobal.net</a>
<b>Richard Bagby - Clarksburg Fire Protection Dist.</b> P.O. Box 513, Clarksburg, CA 95612 916-744-1700 <a href="mailto:rbagby@citlink.net">rbagby@citlink.net</a>	<b>John Regelbrugge - Cottonwood Cemetery Dist.</b> P.O. Box 617, Esparto, CA 95627 530-666-6408
<b>Brad Lopez - Winters Fire Protection Dist.</b> 700 Main Street, Winters, CA 95694 530-795-4131 <a href="mailto:brad.lopez@wintersfire.org">brad.lopez@wintersfire.org</a>	<b>Rick Toft – Sacramento/Yolo Port District</b> 1110 West Capitol Ave., 3 <sup>rd</sup> Floor, W. Sac, CA 95691 916-617-4880 <a href="mailto:RickT@cityofwestsacramento.org">RickT@cityofwestsacramento.org</a>
<b>Sydney Cunningham - Capay Valley Fire Protection Dist.</b> P.O. Box 6, Brooks, CA 95606 530-796-0728 <a href="mailto:cvfpddistrict@outlook.com">cvfpddistrict@outlook.com</a>	<b>Shawna Stevens - Yolo Habitat Conservancy JPA</b> 611 North St., Woodland, CA 95695 530-723-5504 <a href="mailto:shawna.stevens@yolocounty.org">shawna.stevens@yolocounty.org</a>
<b>Tim Busch – Woodland/Davis Clean Water Agency</b> 855 CR102, Woodland, CA 95776 530-661-5962 <a href="mailto:tim.busch@cityofwoodland.org">tim.busch@cityofwoodland.org</a>	<b>Leo Refsland - Madison Community Service Dist.</b> P.O. Box 40, Madison, CA 95653 530-666-2888 <a href="mailto:leo@madisoncsd.org">leo@madisoncsd.org</a>
<b>Marcus Klinkhammer – Willow Oak Fire Protection District</b> 18111 Co. Rd. 94B, Woodland, CA 95695 (530) 662-0781 <a href="mailto:ffklinkhammer@gmail.com">ffklinkhammer@gmail.com</a>	<b>William Heins – West Plainfield Fire Protection District</b> 24901 Co. Rd. 95, Davis, CA 95616 (530) 756-0212 <a href="mailto:wheins@westplainfieldfire.com">wheins@westplainfieldfire.com</a>
<b>Pamela Pearson – Esparto Fire Protection Dist.</b> P.O. Box 366, Esparto, CA 95627 (530) 787-3300 <a href="mailto:station19@espartofire.org">station19@espartofire.org</a>	<b>Lisa Limcaco – Valley Clean Energy Alliance JPA</b> 604 2 <sup>nd</sup> St., Davis, CA 95616 (530) 757-5610 <a href="mailto:lisa.limcaco@valleycleanenergy.org">lisa.limcaco@valleycleanenergy.org</a>

## **CRITICAL OPERATIONS**

The following is a list of each staff member, the **critical operations** they are responsible for, and what each position needs to recover from a disaster. In the event that any staff member is unable to fulfill their duties, another employee will be assigned to cover the below responsibilities in the interim.

### **CEO/Risk Manager**

#### **Critical Operations:**

- Oversee claims and litigation processes
- Manage Operations and Staff

#### **Action Plan Steps:**

- Contact all staff members. Determine physical safety and establish a place and time and communication arrangements for staff meeting. In case of any injuries, ensure that employee receives medical attention.
- Review Continuity Plan with staff. Communicate plan priorities and identify solutions for any unforeseen issues that may have arisen.
- Work with Loss Prevention Analyst to ensure continued employee safety. Work with General Adjustor to establish direction and priorities to initiate crime scene preservation and documenting the disaster/incident.
- Work with Administrative Assistant/WC/IT to establish electronic and computer system priorities. (Microsoft Office, Acrobat Reader, and Citrix, once internet connection is attained.)

### **Loss Prevention Analyst**

#### **Critical Operations:**

- Responding to member needs
- Safety and Training

#### **Action Plan Steps:**

- Review Continuity Plan in staff meeting. Understand plan priorities as directed and identify solutions for any unforeseen issues that may have arisen.
- Work with Administrative Assistant/WC /IT to re-establish necessary computer equipment and software. (Microsoft Office and Acrobat Reader)
- Ensure staff and asset safety through each step of the Disaster Recovery Plan.
- Oversee safety issues during rehabilitation process.

### **Wellness Nurse**

#### **Critical Operations:**

- Maintain contact with Workers' Comp patients and third party administrator
- Monitor and adapt Workers' Comp system as needed to respond to conditions

#### **Action Plan Steps:**

- Review Continuity Plan in staff meeting. Understand plan priorities as directed and identify solutions for any unforeseen issues that may have arisen.
- Work with Administrative Assistant/ WC/IT to re-establish necessary computer equipment and software and Nurse Contact form. (Citrix portal via Internet, or if internet connection unattainable, copy of Workers' Comp Access database and Acrobat Reader)
- Make necessary copies of Nurse Contact form from master located in staff emergency boxes or from Backup discs.

### **Financial Analyst**

#### **Critical Operations:**

- Accounts Payable, Accounts Receivable, and Payroll
- Benefit Plans Administration – CalPers, ICMA-RC

#### **Action Plan Steps:**

- Retrieve safe deposit box contents from bank, including emergency software, emergency checks and check order forms, and financial and tax account information.

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<b>Additional Box Contents</b>	<b>Action to be taken</b>
Staff emergency contact information	Give to CEO/Risk Manager
Seven copies of the Continuity of Operations Plan	Give to each staff member
Archives, backup records, discs and program software	Give to Administrative Assistant/ WC /IT

- Review Continuity Plan in staff meeting. Understand plan priorities as directed and identify solutions for any unforeseen issues that may have arisen.
- Work with Administrative Assistant/ WC/IT to re-establish necessary computer equipment and software.
- Fax in check order forms for each bank account. (QuickBooks, Microsoft Office, and Acrobat Reader)

### **Staff Investigator**

#### **Critical Operations:**

- Continue investigations for all programs.
- Maintain integrity of evidence

#### **Action Plan Steps:**

- Review Continuity Plan in staff meeting. Understand plan priorities as directed and identify solutions for any unforeseen issues that may have arisen.
- Work with Administrative Assistant/ WC/IT to re-establish necessary computer equipment and software. (Dragon, Microsoft Office, and Acrobat Reader)
- Re-create open investigation files in Liability and Workers' Comp programs.
- Make necessary copies of Release forms from master located in staff emergency boxes or from Backup discs.
- Ensure custody of evidence, photos, and tapes.

### **Administrative Assistant**

#### **Critical Operations:**

- Maintain policy records and issue certificates
- Maintain liability and property program records

#### **Action Plan Steps:**

- Review Continuity Plan in staff meeting. Understand plan priorities as directed and identify solutions for any unforeseen issues that may have arisen.
- Work with Administrative Assistant/WC/IT to re-establish necessary computer equipment and software. (Microsoft Office and Acrobat Reader)
- Establish contact with excess providers / vendors

<u>CSAC</u>	<u>916-850-7300</u>
<u>ALLIANT</u>	<u>949-660-5900</u>
<u>SHRIVER (Bus)</u>	<u>630-833-0480</u>
<u>CJPRMA</u>	<u>925-290-1316</u>
<u>LWP</u>	<u>916-609-3600</u>
- Work with each staff member to establish a necessary supply list to be purchased. (ie General Adjustor will need statement tapes, etc.) Work with Administrative Assistant/WC/IT to ensure all needed computer equipment, accessories, and software have been identified and procured.

### **Administrative Assistant/WC /IT**

#### **Critical Operations:**

- Re-establish systems, setup user computer equipment, install and download software, restore program files from backups and archive records.
- Protect and secure re-established systems.
- Institute temporary backup processes at new site/facility.

#### **Action Plan Steps:**

- Review Continuity Plan in staff meeting. Understand plan priorities as directed and identify solutions for any unforeseen issues that may have arisen. Work with each staff member to re-establish necessary computer systems and electronic equipment. Set up available hardware. Reinstall all necessary software in order of critical importance, beginning with anti-virus, anti-malware, and firewall. If required, replace any hardware or software found damaged or missing. Establish network and internet connections. Transfer operation and user files from backup discs.

## **E-MAIL**

In the event of a disaster, once internet connectivity has been restored, YCPARMIA staff will temporarily access their emails online, directly through our secured host provider. To login, go to website and enter email address and password. More detailed instructions can be found in staff emergency boxes.

Google	<a href="http://www.gmail.com">www.gmail.com</a>	Customer Service: 1-877-355-5787
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## **MAIL**

Once operations have been established at our secondary location, a staff member will need to fill out a USPS mail forwarding card from a local annex or post office.

USPS	Main St. Annex, Woodland	530-666-4196
USPS	Court St. Woodland	530-662-0832
USPS	<a href="http://www.usps.com">www.usps.com</a>	1-800-275-8777

## **PHONES & INTERNET CONNECTION**

If we have moved to our secondary location, the phone company will be contacted and calls will be forwarded to an appropriately accessible phone or YCPARMIA cell phone. In the event of a disaster, follow the below instructions to set up **Call Forwarding** from anywhere.

- 1) Dial 1-650-273-0095 (or toll-free 1-877-858-7223 and at dial tone, enter 858-7222)
- 2) At the prompt, enter Wave Broadband phone numbers followed by the # key.
  - a. 530-666-4456
  - b. 530-666-4457
  - c. 530-666-4487
  - d. 530-666-4491 (will require a fax to be connected to the forwarded number)
- 3) When prompted, enter PIN (9999) followed by the # key.
- 4) When asked for access code, enter
  - a. \*72, for activation of call forwarding
  - b. \*73, for deactivation of call forwarding feature.
- 5) After 3 beeps, enter phone number that call should be forwarded to (1+area code+number)
- 6) After 2 beeps, enter phone number a second time, the call forwarding will be activated.
- 7) Repeat steps for remaining phone numbers referenced in step 2.

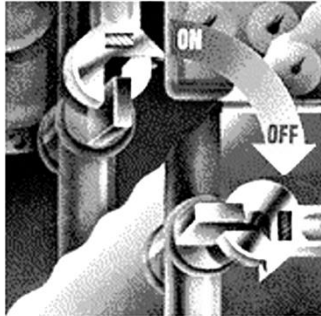
Wave Broadband	Repair/Tech/Billing	1-888-202-9820	<a href="http://www.wavebroadband.com/business">www.wavebroadband.com/business</a>
Wave Broadband	Business Solutions	1-916-223-0716	<a href="http://www.wavebroadband.com/business">www.wavebroadband.com/business</a>

## **UTILITIES**

In the event of a **disaster**, all utilities will be contacted to cease services to the building.

PG&E	Gas	1-800-743-5000	<a href="http://www.pge.com">www.pge.com</a>	Acct#9051070206-2
PG&E	Power Outage	1-800-743-5002	<a href="http://www.pge.com">www.pge.com</a>	
PG&E	Customer Service	1-800-468-4743	<a href="http://www.pge.com">www.pge.com</a>	
City of Woodland	Water & Sewer	530-661-5831 or 530-666-8920	(after hours)	Acct#300608-00 7

In case of a **broken gas line**, leave the area and call PG&E at 1-800-743-5000. Follow instructions below to turn off gas, if it is safe to do so. If there are any injuries or a dangerous condition exists, call local emergency service personnel at: 9-1-1 or from a cell phone: 530-666-6612.



#### **When to turn off gas**

Do not shut off the gas unless you smell or hear gas escaping, see a broken gas line or if you suspect a gas leak. If you shut off the gas, there may be a considerable delay before PG&E can turn the service back on.

**In an emergency, gas** can be turned off at the main gas shutoff valve located to the left of the gas meter, in front of the gate on the Southeast corner of building. Locate the wrench hidden behind the meter – OR – use any large 15” **adjustable** or **crescent wrench** and turn the valve a **quarter turn** in either direction. The valve is closed when the tang (the part you put the wrench on) is crosswise to the pipe. Once the gas is shut off at the meter, PG&E should perform a safety inspection before the gas service is restored and the pilots are lit.

Turn off the **main power** switch, in case of an **electrical fire** or to otherwise secure the building’s electrical system against damage. The main breaker is located in the bottom breaker box panel on the outside of the building at the Southeast corner. Lift the panel and flip the breaker switch, then call PG&E at 1-800-743-5000. Do not re-enter the building unless it is safe to do so.

In case of a **broken water pipe** or damage to the sprinkler system, contact the City of Woodland Water Department at 530-661-5831 or 530-666-8920 to have the water main turned off at the meter.

#### **SUPPLIERS AND CONTRACTORS**

In the event of a disaster, we will obtain supplies/materials from the nearest available office supply or computer store.

<u>Office Depot</u>	<u>530-792-0824</u>	<u>www.officedepot.com</u>	<u>2107 Cowell Rd., Davis</u>
<u>DELL</u>	<u>1-866-302-7449</u>	<u>Pacific Account Manager:</u>	<u>Moises Ruiz ext: 725-0171</u>
<u>Staples</u>	<u>1-800-378-2753</u>	<u>www.staples.com</u>	
<u>Best Buy</u>	<u>1-530-669-5039</u>	<u>www.bestbuy.com</u>	<u>2162 Bronze Star Dr., Woodland</u>
<u>Fry’s Electronics</u>	<u>1-800-856-9800</u>	<u>www.frys.com</u>	<u>4100 Northgate Blvd, Sacramento</u>
<u>Reliable</u>	<u>1-800-735-4000</u>	<u>www.reliable.com</u>	
<u>CompUSA</u>	<u>1-800-266-7872</u>	<u>www.compusa.com</u>	

During an extended disaster, the following vendors will need to be contacted and notified to suspend services:

<u>Waste Management</u>	<u>Garbage pickup - Thursdays</u>	<u>800-374-4778</u>	<u>Acct#491-0009616-2549-8</u>
<u>Boxwood Landscaping</u>	<u>Landscaping Maintenance</u>	<u>530-666-5045 ext:15</u>	
<u>Jan-Pro Cleaning Systems</u>	<u>Janitorial Services - Fridays</u>	<u>916-376-8977</u>	
<u>The Sacramento Bee</u>	<u>Daily Newspaper delivery</u>	<u>916-321-1000</u>	
<u>The Davis Enterprise</u>	<u>Daily Newspaper delivery</u>	<u>530-756-0800</u>	
<u>The Daily Democrat</u>	<u>Daily Newspaper delivery</u>	<u>530-662-5421</u>	
<u>Protection One</u>	<u>Alarm System</u>	<u>800-438-4357 or 916-921-9988</u>	

If YCPARMIA should need **extensive hardware repairs or additional tech** support to re-establish system functions, the following companies will be contacted as necessary.

<u>BayTel IT Solutions</u>	<u>Contact: Hanh Le</u>	<u>530-758-0784</u>	<u>221 G St., Ste #204, Davis</u>
<u>Sean Goozey</u>	<u>Contact: Sean Goozey</u>	<u>530-554-3094</u>	<u>Davis</u>

## **EVACUATION PLAN**

We have posted evacuation routes and site maps through-out building. Both exits are clearly marked and the off premises gathering site is notated on maps. All of the exterior windows in the building can be opened and used as escape routes. We will practice evacuation procedures once a year.

### Warning Systems:

Verbal Warning Process

We will occasionally test the verbal warning system.

Electronic Warning Process

The building's alarm system is tested quarterly under contract with Protection One 916-921-9988

If we must **leave the workplace quickly** and it is **SAFE** to do so:

- Initiate the warning systems.
- Call 9-1-1 and leave.
- Utilize the nearest safe exit to your location. Exit the opposite door or through a window, as appropriate.
- Meet at the off-site gathering location. The primary assembly site is at the fire hydrant directly across Lincoln Avenue, from the YCPARMIA parking lot.
- The first person to reach the assembly site is responsible for the following:
  - Confirming that emergency responders have been contacted
  - Confirming that all staff members have exited and are accounted for.

If it is **NOT safe** to leave the building:

- Initiate the warning systems.
- Take shelter from risks underneath nearest desk.

In the event of an **earthquake**, we must take shelter quickly:

- Staff members will move into nearest interior hallway, away from windows and glass.

The CEO/Risk Manager is responsible for coordinating appropriate stabilizing activities, contacting appropriate Board Members, and issuing the all clear.

## **ELECTRONIC RISKS / CYBER ATTACKS**

YCPARMIA has multiple layers of protection established to protect its Technology Resources from vulnerability to viruses, trojans, worms, mal-ware, disgruntled employees, and hackers. (See the YCPARMIA Security Policy and the YCPARMIA Information Technology Use & Privacy Policy.) The redundant layers of protection ensure the physical and virtual integrity of our systems and data.

In case of a suspected **electronic risk** to any technology resource, the following steps will be taken:

- Immediately notify the Administrative Assistant/WC/IT, by any means necessary.
- Disconnect affected technology to prevent spread to other systems and users:
  - If **end user** computers are affected, disconnect all affected machines from network and run anti-virus software.
  - If **file server** is affected, disable network by physically disconnecting router/modem from system. (Router is a small black box with an external fan, accessible adjacent to the server cabinet. For speed and efficiency, unplug ALL cords from the router box, i.e. power and Ethernet cables.)
- If Administrative Assistant/WC/IT is unreachable, immediately contact Sean Goozey 530-554-3094.
- Systems Administrator will be responsible for:
  - Containing the risk
  - Evaluating and repairing all affected components

- Re-connecting all affected hardware
- Reporting the incident to the CEO/Risk Manager

## **EMERGENCY BOXES**

For each staff member, YCPARMIA has created an emergency box that contains materials to use in the disaster recovery process. Each employee is responsible for the maintenance and security of the box at their residence. The materials included should be sufficient for the employee to perform their work duties for one week, including critical supplies, necessary forms, etc. Box contents are required to have the advance approval of the CEO/Risk Manager. Confidential information will be obtain from secured backup locations and are not to be kept in the boxes.

## **NOTIFICATION**

We will communicate our Emergency Plans with staff members in the following ways:

Distribute the Continuity of Operations and Disaster Plan to the staff members.  
Posted current emergency exit maps around the building.

In the event of a disaster, we will communicate with employees in the following way:

Verbal alarm system, if incident occurs during normal operating hours  
Utilizing home and cell phones and the calling tree, wherever possible, if incident occurs outside of business hours

## **ANNUAL REVIEW**

We will periodically review and update this Continuity of Operations and Disaster Plan.

\* For additional details on safety and security policies and procedures, refer to the YCPARMIA Security Policy.

Approved 6/25/2009  
 Revised 1/6/2010  
 Revised 3/2011  
 Revised 8/2011  
 Revised 4/2012  
 Revised 8/2012  
 Revised 7/2013  
 Updated 1/2014  
 Updated 2/2015  
 Updated 4/16  
 Updated: 11/2017  
 Updated 8/6/2018  
 Updated 11/16/2018  
 Updated 4/23/2019



## **YCPARMIA SECURITY POLICY**

This policy establishes safeguards and controls to protect YCPARMIA's assets and information from physical and virtual security threats.

### **Asset Protection & Usage**

#### **a. Safe and Appropriate Employee Behavior**

YCPARMIA's most important assets are its employees. It is vital that staff members conduct themselves in a manner that ensures their own safety and well-being, as well as that of their fellow co-workers.

#### **b. Premises**

The YCPARMIA premises are located at 77 W. Lincoln Avenue, in Woodland. Due to the confidential nature and type of information utilized by YCPARMIA staff on a daily basis, it is imperative that at least one employee remains on site anytime the building is open. The building is equipped with an alarm system designed to protect against theft and fire and is monitored by Protection One and tested quarterly. This system is activated and deactivated by a passcode known only to YCPARMIA personnel and the contracted janitorial service. The building passcode must be changed each time an employee retires, resigns, or is terminated, as well as every time there is a change in contracted janitorial services. Each employee is given one key to the building. One extra key resides in the locked fire box. No copies will be made of the building key without express consent from the CEO/Risk Manager.

#### **c. Equipment**

YCPARMIA's assets also include varied electronic equipment, in addition to all of the Technology Resources outlined in the YCPARMIA Information Technology Use & Privacy Policy. YCPARMIA's electronic equipment is meant to be utilized during the course of agency business and is to be only used in accordance with the above-mentioned policy.

#### **d. System Protection**

In order to prevent exposing YCPARMIA's system and network to virtual threats such as viruses and hackers, there are several layers of protection in place. The first line of defense is our ISP's firewall, followed by YCPARMIA's own internal hardware firewall. In an effort to further prevent breaches in confidentiality, the wireless network is WPA2 encrypted with a "Wi-Fi Certified" router, all end user computers are guarded locally by high-end anti-virus and malware protection software, and remote access is prohibited. Additionally, the electronic core of YCPARMIA's network system, the File Server, is located in a locked Rackmount cabinet that is physically secured to the premises and password protected. To prevent unauthorized access and system corruption, keys to the server cabinet

are held only by the System Administrator, with an emergency set secured in the safe.

To prevent system crashes and software or hardware incompatibility, all system updates and new hardware installs to the File Server are done solely by the System Administrator, under the authorization of the CEO/Risk Manager.

In order to maintain electronic records confidentiality when replacing equipment containing hard disc drives, one or more of the following will be implemented: When replacing desktop computers, all hard drives will be removed from the equipment and physically destroyed and/or scrubbed with software that meets or exceeds the Department of Defense standard DoD5220.22-M. When replacing digital copiers and other multifunctional devices, the hard disc drives in the equipment will be scrubbed with an overwrite method compliant with Air Force standard AFSSI5020 and/or the hard drives will be removed and physically destroyed.

Backups of the File Server are done in accordance to the YCPARMIA Records Retention Policy, and the DVD backups are stored off-site in a bank safe deposit box, to protect against loss of data in a disaster. Regular backups are also stored on the external hard drive located in the server on the premises.

e. Safe

There is a fireproof safe on site and the combination is only known to key personnel.

f. Petty Cash Account

Petty Cash is a small account of cash and receipts totaling \$100.00, located in the onsite safe. Access to this account is limited to one Administrative Assistant, who keeps an ongoing accounting of the cash and receipts. The cash balance is only replenished under the authorization of the CEO/Risk Manager.

g. Postage

One Administrative Assistant keeps the required postage stamps for outgoing correspondence locked in a small box.

h. Safe Deposit Box

In an effort to prevent loss of services in case of disaster, YCPARMIA stores copies of necessary records, DVD archives, scanned claim files, and emergency contact information in a safe deposit box located offsite, at the First Northern Bank of Dixon. Although one Administrative Assistant, the Financial Analyst and the YCPARMIA Board President are signers on the box, the only signer with a key is the Financial Analyst. A backup safe deposit key is located in the fireproof safe on site.

i. Database & File Security

Due to the highly confidential nature of the information maintained on the File Server and end user machines, authorization to access any of YCPARMIA's databases is strictly limited to personnel. Every staff member has unique passwords required to access their desktop computers and are required to regularly change and register their login and email passwords, in accordance with the YCPARMIA Information Technology Privacy & Use Policy. To further protect the integrity of our files and software, all end user computers will be turned off every night. To prevent unauthorized access to digital statement files, files will be burned to disc within 1 week of the statement date, and then erased from both the handheld recorder and the investigator's hard drive.

j. Periphery Equipment & Miscellaneous Assets

All periphery equipment, such as printers, workstations, phones, chairs, etc., are the property of YCPARMIA and are not to be removed from the premises without express permission from the CEO/Risk Manager.

k. Fireproof Filing Cabinets

Critical historical documents and policies are kept onsite in locked fireproof filing cabinets. These records are annually scanned onto discs for archive purposes and stored in the safe deposit box off site. Both Administrative Assistants have a set of keys to these cabinet drawers.

l. Cash & Cash Equivalents

Any cash or checks received are handled in accordance with YCPARMIA Internal Controls Policy and temporarily stored in the safe.

Approved June 25, 2009  
Amended 1/6/2010  
Revised 5/27/2010  
Revised 3/22/2012  
Reviewed 3/26/2019

## **WORKERS' COMPENSATION HEARING CLAIMS POLICY**

On an annual basis a limited number of member employees are subject to OSHA mandated hearing tests. During this test there are a number of individuals identified as suffering a threshold shift; this leads to a second test intended to confirm the shift. Annually the significant majority of the people subjected to the second test are determined not to have suffered a shift. Generally the second test is conducted after ears have been cleaned, and the worker is insulated from loud noise for 24 hours. Those that have a confirmed shift are referred to an ENT for further testing and treatment.

When an individual is identified as suffering a potential threshold hearing shift on their annual OSHA mandated testing, a follow-up test is mandated to confirm the injury. If the second test confirms the threshold hearing shift the member is to submit an Employer's Report of Occupational Injury or Illness (5020), and provide their worker with a claim form (DWC1). As a matter of policy, the cost of the second test that confirms the threshold shift will be credited against the member's workers' compensation deductible.

Adopted May 5, 2011  
Reviewed 11/16/2018  
Reviewed 3/26/2019

## **UNDERWRITING POLICY**

### **Objective**

The YCPARMIA Board has established underwriting criteria for the purpose of marketing its programs to current and prospective members. Underwriting information is also used for rate making/premium calculation, measuring member performance, and calculating dividends or assessments based upon equity levels. Underwriting standards and guidelines are outlined in various governing documents, including the JPA Agreement, By-Laws and YCPARMIA Policies. This Underwriting Policy provides a summary and highlights much of the criteria utilized to complete the underwriting process.

### **Underwriting Function/Mission**

Establishing underwriting criteria ensures that all YCPARMIA coverage programs are analyzed for risk exposures, funding requirements, dividend and assessment calculations, risk retention levels, compatibility between members and serviceability by staff. Adherence to these Board approved standards and guidelines help guarantee the continued financial viability and security of YCPARMIA.

### **New Members**

The guidelines for admittance of new members to YCPARMIA are set forth in the Joint Powers Agreement and By-Laws. Membership eligibility requires the public entity have "substantial activity within the County of Yolo". Approval by two-thirds of the entire Board is required. Applicants accepted for membership must participate in the Liability pooled coverage program. The applicant agrees to participate as a member for a minimum of three consecutive years. The new participating agency will be an Associate Member Agency unless an affirmative vote of seventy-five percent (75%) of the Participating Agencies designate it a Member Agency.

### **Application Process**

An applicant for membership must complete YCPARMIA's membership application form, and submit it at least six months prior to the start of YCPARMIA's fiscal year in which the applicant seeks membership. The Board will not consider the application unless it includes adequate information to evaluate the potential risk represented by the potential membership, including but not limited to, premium, loss experience, risk exposure data, and any additional information that the Board may require during its review process, including, if felt appropriate, an actuarial study. Any costs associated with the application process are to be borne by the applying agency, and are not covered by any application fee required by YCPARMIA to offset its costs.

### **Underwriting Guidelines**

Any prospective member, including existing members not participating in a program, must meet the following minimum underwriting guidelines:

- a. Have a loss rate calculated for the past three years that does not exceed the average loss rate of the current members;
- b. Demonstrate a commitment to support risk management and safety programs to control or prevent claims;

c. Accept a minimum deductible of \$1,000 to \$5,000 per occurrence under the Liability program, and set deductibles for all other programs.

The CEO, with the concurrence of two-thirds of the Board, may waive any of these guidelines if circumstances so warrant.

### **Rate Setting/Funding Requirements**

The Liability, Worker's Compensation, Property and Fidelity programs are subject to annual cash payment formulas found in the YCPARMIA By-Laws. Each formula sets forth specified elements, including for the Liability and Worker's Compensation programs, an annual independent actuarial study. Other programs are offered on a "pass-thru" funding basis.

### **Dividend/Assessment**

The Joint Powers Agreement authorizes the distribution of dividends or collection of assessments based upon the financial position of each fund at the close of the fiscal year. The Board has adopted a Policy for Granting of Credits of Excess Reserve Funds Against Cash Payments; no rebate of excess funds shall be made to the participating agency except as a credit against their premium/cash payment costs.

### **Periodic Review**

This Underwriting Policy is hereby established as set forth above, and will be periodically reviewed by the Board, or at their direction the CEO/Risk Manager, at least once every three years to ensure that risk and costs are properly measured and allocated. A measure of success for this Policy will be, for all programs, fully funded program reserves, fully funded confidence margins at Board approved levels, and fully funded Catastrophic Funds at Board approved levels.

Approved: 6/25/2015

Reviewed 4/26/2018

Reviewed 3/26/2019

## **TREE CLAIM POLICY**

Under the City of Pasadena v. Superior Court (214)228 C.A. 4<sup>th</sup> 1228, the California Court of Appeal has held that a public tree that is part of the entity's forestry program can constitute a public improvement supporting an action for inverse condemnation; inverse condemnation is excluded under the Authority's Memorandum of Coverage.

It is recognized that there will be claims where the involved tree does not satisfy the elements of a Dangerous Condition as defined in the California Government Code, and the entity's exposure is confined to an uncovered potential inverse condemnation exposure. In those situations the Authority will seek settlement authority from the involved entity, and upon concluding the claim will include the entire settlement amount in the next deductible billing. It is noted that this policy does not apply to bodily injury claims caused by the failure of an entity's tree.

Approved: 1/28/2016  
Reviewed 11/16/2018  
Reviewed 3/26/2019

## **Policy for Excess Premium Calculations**

For the purpose of premium calculations using the formulas found in YCARMIA's Bylaws, the "Excess Coverage" amount will include the actual amount billed by the excess group, or a reasonable estimate of what that amount will be if unavailable. Additionally, it will include any retroactive premium charges, or assessments, made by the excess group to supplement previously billed premiums.

Approved: 10/27/2016

Reviewed 11/16/2018

Reviewed 3/26/2019



## **WIRELESS COMMUNICATION STIPEND POLICY**

### **PURPOSE**

To establish policy and guidelines for the provision of a wireless communications stipend to employees who have documented an official YCPARMIA business need for a communications device and continue to meet this need under the Eligibility Requirements section of this policy.

### **SCOPE**

This policy applies to employees who, as a part of their official YCPARMIA employment, have a constant and recurring need for using a wireless communications device. The wireless communication stipend is intended to reimburse the employee for the business use of the device. The stipend is not intended to fund the cost of the device nor pay for the entire monthly bill. The assumption is that most employees also use their wireless communication devices for personal calls.

### **OBJECTIVE**

To assist YCPARMIA in achieving maximum productivity by an employee using a wireless communication device and complying with IRS Regulations, YCPARMIA will reimburse the employee for the costs associated with business use related to the wireless communication device owned by the employee.

### **DEFINITIONS**

**Wireless Communication Device** A device that transmits and receives voice, data, and/or text without being physically connected to YCPARMIA network. This definition includes but is not limited to such devices as cellular telephones, wireless internet services, wireless data devices, tablets and hot spots.

**Wireless Communications Stipend** The wireless communications stipend does not constitute an increase in base pay, nor will it be included in the calculation of percentage increases to base pay. The stipend will be itemized and reported on employee pay statements and W-2s and subject to withholding taxes.

### **EFFECTIVE DATE**

Policy becomes effective on July 1, 2019.

## **POLICY**

### **Eligibility Requirements**

To qualify for the wireless communication stipend, the employee must have a YCPARMIA business need, defined and approved by the CEO/Risk Manager, that includes one or more of the following:

- a. The duties of the position may lead to potentially dangerous scenarios and situations with no other acceptable or reliable means of alternative communications.
- b. The duties of the position require that the employee work regularly in the field away from landline communication and needs to be immediately accessible.
- c. The duties of the position are such that immediate emergency response is critical (executive, police, or emergency responder) or the employee is responsible for critical infrastructure or operational support and needs to be immediately accessible at all times (telecommunication, computer, or network responder).
- d. The duties of the position require a significant amount of travel during regular work hours or outside normal hours but related to official YCPARMIA business and access to information technology systems, which in the judgment of YCPARMIA, render the employee more productive and/or the service the employee provides more effective.
- e. The duties of the position require response and decision making to life-threatening or public safety issues and situations.
- f. The duties of the position make it necessary that the employee be accessible to communicate with management at any time.
- g. CEO/Risk Manager of YCPARMIA deems it necessary to ensure the flow of information and critical support of the YCPARMIA mission.

### **Responsibilities of Employees Receiving Stipend**

The employee is responsible for purchasing a mobile device and establishing a service contract with the provider of his/her choice. The contract is in the name of the employee, who is solely responsible for all payments to the service provider. The employee purchases service and equipment; determines plan choices, service levels, calling areas, service and features; and accepts termination clauses and payment terms. If, prior to the end of the cell phone or data contract, a personal decision by the employee, employee misconduct, or misuse of the phone results in the need to end or change the cell phone contract, the employee will bear the cost of any fees associated with that change or cancellation.

Because the mobile device is owned, the employee may use the phone for both business and personal purposes, as needed. The employee may, at his or her own expense, add extra services or equipment features, as desired. If there are problems with service, the staff member is expected to work directly with the carrier for resolution. Support from YCPARMIA is limited. Should employee device or data/wireless plan not be compatible with YCPARMIA's systems, the stipend will not be activated and/or will be terminated.

An employee receiving a Stipend must be able to show, if requested by CEO/Risk Manager, a copy of the monthly access plan charges and business related use to determine if the amount of YCPARMIA compensation is appropriate. If the employee terminates the wireless contract at any point, he/she must notify CEO/Risk Manager within 5 business days to terminate the Stipend.

YCPARMIA does not accept any liability for claims, charges or disputes between the service provider and the employee. Use of the mobile device in any manner contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the Stipend.

Devices covered by this policy are used in part to conduct YCPARMIA business and/or to create, receive, send, or store business data. As a result, information contained on devices covered by this policy are also subject to Federal and State data maintenance and protection laws (e.g., FERPA, records retention requirements), as well as all YCPARMIA policies, including those pertaining to data security, acceptable computing use, and email. Employees are not use their personal email accounts in conducting YCPARMIA business. An employee receiving a YCPARMIA Stipend must comply with Federal, State, and YCPARMIA requirements, and assist the YCPARMIA in providing access to information about or contained on the mobile device covered by this policy in response to requests for such data or information by third parties as required by Federal and/or State law.

Any mobile device that has data capabilities must be secured based on current YCPARMIA security standards including password protection and encryption. If a device with data capabilities is stolen or missing, it must be reported to CEO/Risk Manager and the wireless device service provider. Employees are expected to delete all YCPARMIA data from the device when their employment with the YCPARMIA is severed except when required to maintain that data in compliance with a litigation hold notice.

When a wireless communication stipend has been approved and provided to an employee for the conduct of official business, the employee must comply with the following:

- a. The employee will provide the phone number to CEO/Risk Manager and YCPARMIA's employees within five days of activation and will be available for calls (in possession of the wireless communication device and have it turned on) during business hours.
- b. The employee may select any wireless carrier whose service meets the requirements of the job responsibilities as determined by the CEO/Risk Manager. CEO/Risk Manager should be consulted and will determine carrier requirements if problems arise or circumstances exist that require a specific carrier/technology be used.
- c. The employee must inform CEO/Risk Manager immediately when the eligibility criteria are no longer met or within 5 working days if the wireless service has been canceled.
- d. Management may periodically request that the employee provide a copy of the first page of the phone bill in order to verify that he/she has an active wireless

phone plan. Management may also periodically request documentation of substantial business use. At minimum, documentation is required when initially applying for the stipend and annually when the stipend is renewed. The Wireless Communications Stipend Status form (attached) will be used for the yearly review and re-authorization, or cancellation of allowance.

- e. The employee is responsible for all charges on his/her personal wireless plan, including early termination fees. If the employee leaves the position, he/she continues to be responsible for the contractual obligations of his/her wireless plan.
- f. The employee is personally responsible for complying with international, federal, state, and municipal laws regarding the use of wireless phones and other communication devices while driving. Under no circumstances will YCPARMIA be liable for non-compliance.
- g. The employee should use discretion in relaying confidential business related information over any wireless devices since wireless transmissions are not secure.
- h. The employee does not need to maintain a log for business and personal phone calls if receiving a wireless stipend.

A stipend for the equipment will not be provided. However, if circumstances exist that require a specific carrier/technology be used, CEO/Risk Manager may approve a stipend to off-set the additional cost of this specific equipment.

## **Safety**

Safety comes before all other concerns. Employees whose job responsibilities include occasional driving are encouraged to refrain from using a mobile device while driving. Regardless of the circumstances, including slow or stopped traffic, employees are strongly encouraged to pull off to a reasonably safe location and safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, employees are required to use hands-free options and are expected to keep the call short, refrain from discussion of complicated or emotional issues, and keep their eyes on the road.

Special care should be taken in situations where there is traffic, inclement weather or the employee is driving in an unfamiliar area. Under no circumstances are employees allowed to place themselves at risk to fulfill business needs. Text messaging, reading emails, writing emails, or accessing the internet while driving is strictly prohibited under any circumstance.

Employees who receive traffic citations resulting from the improper and unlawful use of a mobile device while driving on duty may be subject to disciplinary action. Employees bear full responsibility for such traffic violations and are responsible for paying the cost of the citation.

## **Stipend Allowances**

This Stipend does not constitute an increase to base pay, and will not be included in the calculation of percentage increases to base pay due to annual raises, job upgrades, bonuses, benefits based on a percentage of salary, etc. The Stipend will be paid as a flat rate per month, based on the selected service(s) and usage level(s) outlined below. As a Stipend, YCPARMIA will pay only the agreed upon amount, even if monthly costs exceed that amount. The Stipend is neither permanent nor guaranteed. YCPARMIA reserves the right to remove a participant from this plan and/or cancel the plan if there is insufficient budget to meet the plan costs. The amount of the Stipend will be determined based on the business contact required of the employee's position and the minutes/texts/data needed for the employee to perform his or her job responsibilities. The Stipend amount agreed by CEO/Risk Manager should cover all reasonable and appropriate business use of employee.

- "Occasional" business users who use, on average, less than 10% of their monthly text/minutes/data plan on business, will receive \$20 per month.
- "Regular" business users who use, on average, close to 25% of their monthly text/minutes/data plan on business, will receive \$50 per month.

**WIRELESS COMMUNICATION DEVICE JUSTIFICATION AND  
ACKNOWLEDGEMENT REQUEST FORM  
(New and Revisions)**

Employee Name (Print): \_\_\_\_\_

Employee Title: \_\_\_\_\_

**Section A: Justification of Business Need**

- ☐ The duties of the position may lead to potentially dangerous scenarios and situations with no other acceptable or reliable means of alternative communications.
- ☐ The duties of the position require that the employee work regularly in the field and need to be immediately accessible.
- ☐ The duties of the position are such that immediate emergency response is critical (executive, police, or emergency responder) or the employee is responsible for critical infrastructure or operational support and needs to be immediately accessible at all times (telecommunication, computer, or network responder).
- ☐ The duties of the position require a significant amount of travel during regular work hours or outside normal hours but related to official YCPARMIA business and access to information technology systems, in which the judgment of YCPARMIA render the employee more productive and/or the service the employee provides more effective.
- ☐ The duties of the position require response and decision making to life-threatening or public safety issues and situations.
- ☐ The duties of the position make it necessary that the employee be accessible to communicate with management at any time.
- ☐ The CEO/Risk Manager of YCPARMIA deems it necessary to ensure the flow of information and critical support of YCPARMIA mission.

Device description and wireless carrier: \_\_\_\_\_

Authorized stipend amount: \_\_\_\_\_

I have read and understand the wireless communication device policy and the applicable subscription plan:

Employee Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

☐ Occasional business use

☐ Regular business use

CEO/Risk Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Wireless Communications Stipend Status

Employee Name (Print): \_\_\_\_\_

**Please Check the Appropriate line:**

\_\_\_\_\_ The employee status remains the same. The allowance for the cellular phone service is to continue.

\_\_\_\_\_ The employee status has changed and the allowance for the cellular phone service is to be discontinued beginning \_\_\_\_\_, 20\_\_\_\_.

CEO/Risk Manager: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Approved: 6/27/2019



RESERVED FOR FUTURE POLICIES