

NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON

RESOLUTION NO. 03-2009

Authorizing Membership in Enduris Insurance

A RESOLUTION of the North Beach Water User District authorizing membership with Enduris (formerly WGEP) for the purpose of providing liability and property insurance for the District; approving a Master Agreement and authorizing execution thereof; and accepting a Memorandum of Insurance coverage under such contract.

WHEREAS, the North Beach Water User District, Pacific County, Washington, the "District" is authorized, pursuant to Chapters 48.62 and 39.34 RCW, to join with other governmental entities of the State through an interlocal cooperation agreement for the purpose of providing property and liability insurance coverage for the District; and

WHEREAS, the North Beach Water User District hereby finds and determines that the best means for securing such insurance at this time is to become a member of Enduris (formerly WGEP).

NOW, THEREFORE, BE IT RESOLVED by the North Beach Water User District, Pacific County, Washington, as follows:

Section 1. Master Agreement. The form of Master Agreement attached hereto as Appendix A is hereby approved: and the President and Secretary of the Board are hereby authorized and directed to execute the Master Agreement on behalf of the District.

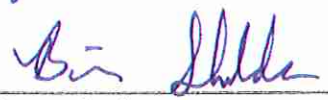
Section 2. Severability. If any provision of this Resolution or the agreements authorized herein on behalf of the District is declared by any court of competent jurisdiction to be contrary to law, such provision shall be null and void and deemed separable from the remaining provisions to assure continuous insurance coverage for


the District.

ADOPTED by the Board of Commissioners of North Beach Water District, Pacific County, Washington, at a special meeting held on January 5, 2009.

NORTH BEACH WATER DISTRICT

By 
Commissioner

By 
Commissioner

By 
Commissioner



MASTER AGREEMENT



endurisTM
WASHINGTON
Formerly WGEP

**MASTER AGREEMENT
ENDURIS**

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MASTER AGREEMENT ENDURIS

This Agreement is made and entered into by the undersigned Entities who, upon execution of this Agreement, will become Members of Enduris (formerly WGEP).

WHEREAS, the laws of the state of Washington, specifically Chapter 48.62 RCW, permit various local entities to form together into a pool pursuant to the Interlocal Cooperation Act (Chapter 39.34 RCW) for joint self-insuring and/or for the joint purchase of insurance;

NOW, THEREFORE, the undersigned executes this Agreement in consideration for other Entities executing this Agreement for the purpose of joining and establishing a risk pool known as Enduris (formerly WGEP). The undersigned agrees to abide by the terms and conditions of this Agreement and all actions taken pursuant to this Agreement. In consideration of the mutual covenants of all signatories to this Agreement it is agreed as follows:

ARTICLE 1. NAME OF ENTITY. The name of the entity created herewith shall be Enduris (formerly WGEP).

The signatories hereto, together with future signatories, establish a risk pool as authorized by Chapter 48.62 RCW as a separate legal and administrative entity for the purpose of effectuating this Agreement; which pool shall have a perpetual duration and shall continue until terminated pursuant to the terms and conditions of this Agreement.

ARTICLE 2. PURPOSE. The purposes of the pool are: to serve as a risk sharing pool of entities defined in Chapter 48.62 RCW operated and controlled by its members, and to provide stability through financial risk sharing and risk management services responsive to members' needs.

The purpose of this Agreement is to enter into a Master Agreement to form a local government risk pool, to provide for joint or cooperative action by Members relative to their financial and administrative resources for the purpose of providing risk management services and risk sharing facilities to the Members and to the Members' employees, and to defend and protect, in accordance with this Agreement, any Member of the Pool against liability pursuant to the Memorandum of Coverage issued to each Member.

This Agreement shall constitute a contract among those Entities, which shall now or at any time enter into this Agreement and become Members of the Pool.

In no event shall a Member be responsible, jointly or severally, for the liabilities of any other Member.

ARTICLE 3. DEFINITIONS. In the interpretation of this Agreement the following definitions shall apply unless the context requires another interpretation:

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|-----------------------|--|
| 1. Act | "Act" shall mean such Acts of the state of Washington, pursuant to which this Pool is organized, as the same may be amended from time to time. |
| 2. Executive Director | "Executive Director" shall mean the individual or entity designated by the Board to supervise the administration of the |

- Pool and to perform such additional duties as shall be delegated by the Board.
3. Agreement "Agreement" shall mean this Master Agreement for Enduris (formerly WGEP) and all of the counterparts subsequently executed.
 4. Board "Board" shall mean the Board of Directors of Enduris (formerly WGEP).
 5. Contribution "Contribution" shall mean that amount necessary to provide coverage to a Member for a one (1) year period including those amounts necessary to operate and manage the Pool as determined by the Board.
 7. Member "Member" shall mean an Entity participating in Enduris (formerly WGEP) by executing this Agreement.
 8. Memorandum of Coverage "Memorandum of Coverage" shall mean the coverage limits and deductibles as outlined in the Appendix and subsequent amendments thereto.
 9. Pool "Pool" shall mean Enduris (formerly WGEP), an unincorporated association of all of its Members.

ARTICLE 4. MEMBERSHIP. The membership of the Pool shall consist of Entities who have entered into this Agreement or its counterpart by the governing body duly authorized by law to execute this Agreement, and who have agreed to make their Contributions pursuant to the further provisions hereof. Members agree to the admission of future Members and acknowledge that they shall have no right to object to the addition of such Members provided they are admitted in accordance with the terms hereof. This Agreement shall be automatically renewed unless provisions for withdrawal or termination are applied.

Each Member shall appoint an individual and an alternate to represent the Member with the Pool. That individual shall act as liaison between the Member and the Pool for purposes of relating risk reduction and loss control information, and any other information or instructions concerning the obligations of the Member imposed by this Agreement and the rules and regulations established hereunder. The individual or alternate shall cast, on behalf of the Member, any vote to which the Member is required or permitted to cast.

The obligations of Members of the Pool shall be as follows:

1. To promptly report to the Pool any incident which could result in a claim being made by or against the Member within the Memorandum of Coverage.
2. To cooperate with and institute to the degree possible all loss prevention procedures established by the Board or the Executive Director pursuant to this Agreement.
3. To provide to the Pool such information as needed for rating purposes, including but not limited to a budget legally adopted by the Member for any fiscal year of the Member requested by the Pool.

4. To provide representatives of the Pool access to all records, including financial records and/or properties of the Member provided the Pool or the Executive Director determines the information or access is necessary.
5. To cooperate with the Pool's attorneys, claims adjusters, the Executive Director and any employee, officer or subcontractor relating to the purpose and powers of the Pool.
6. To allow attorneys and others employed by the Pool to represent the Member in investigation, settlement and all levels of litigation arising out of any claims made against the Member within the Memorandum of Coverage furnished by the Pool.
7. To pay when due all Contributions, deductibles and/or co-payments due or required pursuant to this Agreement.

ARTICLE 5. BOARD OF DIRECTORS.

1. Administration and Management of the Pool. The administration and management of the Pool shall be governed by a Board of seven (7) directors; however, the Pool's Executive Director shall be a nonvoting member of the Board
2. Directors' Qualifications. Directors shall be either:
 - a. Elected or appointed officials of a Pool Member;
 - b. Employees of a Pool Member; or
 - c. Volunteer of a pool member.
3. Eligibility and Vacancies. Should the number of directors become less than seven (7) due to disqualification, death, incompetence, resignation or other cause, the remaining directors shall appoint a person or persons to fill such vacancy or vacancies for the unexpired term(s) thereof so that a Board of seven (7) persons shall be maintained. Any director may resign by sending a notice of his resignation to the Chair of the Board.
4. Election and Term of Directors. Directors shall be elected in accordance with the terms of the Bylaws. Directors so elected shall serve for a three (3) year term or until such new directors are elected. Members may nominate candidates for the terms to be filled according to rules to be promulgated by the Board. Each Member shall have one (1) vote which shall be cast either in person or by mail. There shall be no prohibition on election to successive terms, and election shall be by a majority of those Members voting.
5. Meetings of the Board of Directors. Meetings of the Board shall be held at least four times per year at such time as it shall prescribe. Any item of Pool business may be considered at such meetings. Special meetings may be called in the manner set forth in the Bylaws of Enduris (formerly WGEP) as promulgated by the Board.
6. Executive Committee. The Executive Committee shall consist of the Chair, Vice-Chair, and the Secretary/Treasurer. The Executive Committee shall inform and direct the Executive Director on Board policy and shall exercise powers for and on behalf of the Board as it deems necessary for the prudent operation and management of the Pool until matters requiring Board action are considered at the next Board meeting.

7. Directors' Reimbursement. The directors shall be entitled to reimbursement of actual expenses incurred in the pursuit of Pool business.
8. Officers. By majority vote, the Board, shall select from the directors a chair, vice-chair, secretary/treasurer as prescribed in the Bylaws.

ARTICLE 6. POWERS AND DUTIES OF THE BOARD. The Board shall be permitted and authorized to perform and carry out, or delegate to others to perform and carry out, on behalf of the Pool, each and every act necessary, convenient or desirable to, and for carrying out the purpose of the Pool, including, but not limited to:

1. Govern the Pool, receive Members' Contributions to the Pool, and settle and pay claims and loss adjustment expenses on behalf of its Members.
2. Make and enter into contracts to conduct and operate the business of the Pool, including, but not limited to, the execution of a management services agreement.
3. Employ agents.
4. Incur debts, liabilities and obligations, but no debt, liability or obligation so incurred shall be the debt, liability or obligation of any Member to this Agreement.
5. Sue or be sued in its own name, and prosecute and defend claims.
6. Acquire, hold or dispose of personal and real property.
7. Advise Members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information.
8. Purchase reinsurance and/or excess insurance and enter into such excess risk sharing pools as may be available and deemed desirable for the protection of the Members and/or the Pool itself.
9. Invest Pool funds in securities and investments in a prudent and lawful manner.
10. Promulgate policies and regulations for the general operation of the Pool.
11. Take such action as is necessary to terminate the participation of any Member that fails to comply with the reasonable requirements of the Board concerning contractual obligations.
12. Provide surety and/or fidelity bonds, as may be available, for directors, officers and all persons charged with the custody or investment of Pool monies.
13. Appoint an Executive Director who will provide for the management and operation of any joint self-insurance pool established by the organization.
14. Provide insurance coverage for those claims which the organization plans to jointly self-insure, such coverage to be effective only in the event of the exhaustion of the joint self-insurance pool's resources for a given fiscal period.
15. Establish deductibles and/or limits to any coverage that is provided.

16. Provide an annual report of the operations of the organization to the participating entities, the state risk manager and the state auditor's office.
17. Contract or otherwise provide for risk management and loss control services.
18. Contract or otherwise provide legal counsel for the defense of claims and/or other legal services.
19. Consult with the state risk manager.
20. Jointly purchase insurance coverage in such form and amount as the organization's participants may by contract agree.
21. Establish an associate membership program pursuant to guidelines issued by the State Risk Manager and Chapter 48.62 RCW.
22. Possess any other powers and perform all other functions reasonably necessary to carry out the purposes of this Agreement.

ARTICLE 7. EXECUTIVE DIRECTOR . The Board may hire an Executive Director and delegate the day-to-day management of the Pool to said Executive Director.

The Board shall receive, at least quarterly, a report from the Executive Director. The nature and details of the report shall be established by the Board and shall be in addition to or supplemented to any reports that the Executive Director shall be required to file with any regulatory authority having jurisdiction over the Pool.

ARTICLE 8. LIABILITY OF THE BOARD OF DIRECTORS, OFFICERS, EXECUTIVE DIRECTOR, SUBCONTRACTORS OR EMPLOYEES. The directors and officers of the Pool and the Executive Director, its directors, officers, employees and subcontractors shall:

1. Use reasonable and ordinary care in the exercise of their duties hereunder.
2. Be afforded all of the privileges and immunities that attach generally to governmental officers.
3. Not be liable for, and be held harmless and defended by the Pool, for any act of negligence, any mistake of judgment or any other action, made, taken or omitted in good faith unless the same is the result of a willful act done in bad faith.
4. Not be liable for any loss incurred through investment of funds or failure to invest such funds, unless the same is the result of a willful act done in bad faith.

The Pool may purchase, subject to availability and cost, insurance providing coverage for directors, officers and the Executive Director.

The undersigned agrees that the funds of the Pool shall be used to hold harmless and defend any Pool director, officer, Executive Director or employees (including its officers) for any act or omission taken or omitted in good faith by the Board, the Executive Director, or Pool's employees relating to or arising out of the conduct of Pool business. This obligation shall be considered an expense of the Pool.

No covenant or agreement contained herein shall be deemed to be the covenant or agreement of any member of the Board or the Executive Director nor any of its employees (including its officers) and none of such persons shall be subject to any personal liability or accountability by reason of the acceptance of a position or the undertaking of the performance of any of the responsibilities or obligations or duties contemplated in the carrying out of this Agreement, whether by virtue of any construction, statute or rule of law.

ARTICLE 9. ESTABLISHMENT OF MEMBER CONTRIBUTIONS AND ASSESSMENTS. The Board shall set the Contribution of each Member based on that Member's Memorandum of Coverage taking into account the type and scope of coverage, the experience of that Member, independent actuarial evaluation and reasonable expenses for operation of the Pool including the establishment and maintenance of reserves. In the event that the annual independent financial audit determines there to be an adverse loss in any given year, and the Board determines that insufficient funds are available from the risk surplus account, a Member may be assessed their pro rata share, based on their Contribution, of such loss if they were a Member of the Pool in such year of loss.

ARTICLE 10. MEMBER'S WITHDRAWAL, CANCELLATION OR TERMINATION.

1. Members agree to continue membership for a period of not less than one (1) full policy year. At the conclusion of a policy year, a Member who has given sixty days (60) prior written notice to the Pool may withdraw at policy year-end. All notices received by Enduris (formerly WGEF) stating an intention to withdraw from the program, or notification that the member is exploring the possibility of withdrawal, either conditional or unconditional, will be considered a notice to withdraw from the pool. When any member gives notice to withdraw or intent to withdraw as described in this section, the Member is not eligible to participate in the next policy coverage period and must wait a minimum of one year before making application to re-join the Enduris (formerly WGEF) program. Upon notification of withdrawing from the pool, the withdrawing Member equity is forfeited to the remaining Members of the pool.
2. The Pool may, by an affirmative vote of a two-thirds (2/3) majority of the Board and by providing a Member sixty (60) days prior written notice, cancel that Member's participation in the Pool effective at the end of any year for failure to implement the loss reduction/risk control policies of the Pool and/or failure to continue to meet the underwriting criteria of the Pool or the excess carrier.
3. In the event a Member withdraws under subparagraph 1 above or is canceled under subparagraph 2 above, it shall thereafter be the responsibility of the Pool to defend, settle and pay claims within the scope and limits set forth in the canceled Member's Memorandum of Coverage in effect on the date of the occurrence out of which such claim arose. This provision shall apply solely to claims which occurred during a Member's participation and evidenced by the Member's Memorandum of Coverage.
4. Any Member failing to make Contributions, deductibles and/or co-payments when due as required by this Agreement shall be terminated from the Pool effective on the date the Contribution was due and upon that effective date of termination all coverages and benefits hereunder shall cease. If the Member shall subsequently submit its Contribution, the Board may at its discretion, reinstate such membership.
5. Any Member terminated or withdrawing from the Pool shall be liable pro rata for any assessments levied against Members for any year in which that Member belonged to the Pool as if they were still a Member.

6. If a Member ceases to exist legally, then their obligation to the initial one (1) year commitment ceases. However, the obligation for assessments under subparagraph 4 of this Article shall remain.
7. Organizations that leave Enduris (formerly WGEP) forfeit any and all accumulated assets to the remaining members of the pool.

ARTICLE 11. MEMORANDUM OF COVERAGE.

1. The Pool will provide a Memorandum of Coverage to each Member upon joining the Pool and will make or secure payment on behalf of each Member under criteria and procedures to be established for the payment of claims as provided in the Member's Memorandum of Coverage. A Member may, with the approval of the Executive Director, add additional parties provided it is the Member's obligation or prerogative to provide coverage for such additional named party.
2. The Pool may obtain excess insurance or reinsurance.
3. In the event that a claim or a series of claims exceed the amount of protection provided by the Member's Memorandum of Coverage, or in the event that a claim or a series of claims should exhaust the self-insured retention and the excess limit, then payment of valid claims shall be the sole and separate obligation of the individual Member or Members against whom the claim was made and perfected by litigation or settlement or otherwise.
4. The Board may make changes in the Memorandum of Coverage, the amount of protection or retention by the Pool upon consideration of the needs and requirements of Members, loss experience, the kind and amounts of reinsurance or other excess coverage available and any such changes shall require a two-thirds (2/3) majority of the Board. Where the Board takes such action immediate notice after the taking of such action shall be sent to all Members (or their representatives) together with a replacement or updated Appendix to reflect the changes made.

ARTICLE 12. TERMINATION. The Pool shall terminate at such time as two-thirds (2/3) of the Members vote for such termination. A vote for termination must occur at least ninety (90) days prior to the end of the Pool's fiscal year in which the termination is to take effect. Termination shall take effect on the last day of the applicable fiscal year. After a vote to terminate, the Board shall commence with the orderly liquidation of the Pool's business and shall complete the same as promptly as possible. During such period of liquidation the Pool shall continue to pay claims and losses incurred within the Memorandum of Coverage until all funds of the Pool are exhausted.

After payment of all claims and losses, any remaining funds held by the Pool shall be paid to all Members of the Pool at the time of the vote of termination, pro rata based on Contribution.

No Member shall be responsible for any claim, claims, judgment or judgments against any other Member or Members. However, if upon termination of the Pool the remaining assets of the Pool are insufficient to satisfy indebtedness of the Pool (excluding claims or judgments against the Members), such deficiency shall be made up by assessments against Members of the Pool by a fair and reasonable method established by the Board.

ARTICLE 13. MISCELLANEOUS PROVISIONS.

1. The provisions of this Agreement shall be interpreted pursuant to the laws of the state of Washington.

2. This Agreement may be executed in duplicate originals or counterparts now or at any time in the future.
3. No waiver of any breach of this Agreement or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.
4. The provisions of this Agreement shall be deemed severable and if any provision or part thereof is held illegal, void or invalid under applicable law, such provision or part may be changed to the extent reasonably necessary to make the provision or part, as so changed, legal, valid or binding. If any provision of this Agreement is held illegal, void, or invalid in its entirety, the remaining provisions of this Agreement shall not in any way be affected or impaired but shall remain binding in accordance with their terms and this Agreement shall be so interpreted.
5. This Agreement and the Memorandum of Coverage contain the complete Agreement between the parties and no representations or oral statements made or heretofore given shall constitute a part of this Agreement.
6. This Agreement may be altered or amended only by amendments duly adopted in accordance with the terms and conditions of this Agreement; provided, however, that the Memorandum of Coverage may be amended from time to time to reflect the exposures of each Member and such changes shall be exempted from the preceding terms of this subparagraph.
7. This Agreement may be amended by the Board with the approval of two-thirds (2/3) of the directors; all Members agree to properly execute and adopt amendments so approved.
8. The Pool shall maintain a fiscal year ending August 31.

ARTICLE 14. AGENT AND OFFICE. The agent of the Pool for service of notice shall be Enduris (formerly WGEP), attention Executive Director. The office of the Pool shall be 5709 W. Sunset Hwy, Suite 105, PO Box 19330, Spokane, Washington 99219-9330.

ARTICLE 15. NOTICE. All notices required to be given under this Agreement shall be in writing and sent certified mail return receipt requested with postage prepaid. Notices by a Member to the Pool shall be sent to the address in Article 14 to the attention of the Executive Director. Notices to any Member shall be sent to the representative of the Member at the Member's last known address.

In the event that any party to this Agreement desires to change its address, notice of change of address shall be sent to the other party in accordance with the terms and provisions of this Article.

IN WITNESS WHEREOF, this Agreement was executed on the 5TH day of JANUARY, 2009 by the undersigned duly authorized officer of Enduris (formerly WGEP) indicated below.

Name of Entity NORTH BEACH WATER DISTRICT

Authorized Signature [Signature]

Title: GENERAL MANAGER

Accepted for Enduris (formerly WGEP)

Authorized Signature _____

Executive Director on behalf of all other current and future signatories