

## Cooperative Pool Account Agreement

This agreement is made and entered into (as authorized in Section 14, Chapter 292, Laws of 1977) by and between Educational Service District 113, Thurston County, Washington (hereinafter referred to as "ESD 113") and the several School Districts signatory hereto. The purpose of this agreement shall be to join together in a cooperative manner and form a pool to reimburse the Washington State Department of Employment Security for unemployment compensation benefits paid which are a liability of a district.

### I. TERM OF AGREEMENT

This agreement shall be for the period January 1, 1978, to midnight December 31, 1978, and shall automatically be extended in force and effect for successive, equivalent periods of time except as terminated in part or unless terminated in whole, as provided in this paragraph or in paragraph X. Any District may terminate its participation in, and the incurrence of further obligations pursuant to, this agreement as of midnight, December 31<sup>st</sup> of any year by providing written notice of its intent to terminate to each of the other parties no later than November 15 of the same year. In any year in which a district gives notice of intent to terminate by November 15, any other District may then terminate its participation in, and the incurrence of further obligations pursuant to this agreement, as of midnight December 31 of the same year by providing written notice of its intent to terminate to each of the other parties no later than December 1 of the same year. No district may terminate its participation in the Pool Account Cooperative as long as said District's liabilities to the Pool Account Cooperative exceed its payments to the Pool Account Cooperative. ESD 113 may terminate its participation in, and the incurrence of further obligations pursuant to this agreement, as of midnight December 31 of any year by providing written notice of its intent to terminate to each of the Districts no later than December 8 of the same year.

### II. MEMBERSHIP IN POOL ACCOUNT COOPERATIVE

Each district shall become a full member of the Pool Account Cooperative. Membership shall entitle the District to designate a representative to the Cooperative Advisory Board.

### III. COOPERATIVE ADVISORY BOARD

A Cooperative Advisory Board consisting of the superintendent of each District or designee thereof is hereby created. The purpose of such Board shall be to monitor the performance of this agreement, insure that the cooperative is operated in accordance with the by-laws, and provide advice on matters relating to this agreement to ESD 113, who shall administer this agreement. ESD 113 shall solicit the prior advice of the superintendent of each district or his/her designee on matters relating to this agreement and shall schedule meetings of the Board as required for this purpose. Special meetings of the board may be called by the ESD 113 superintendent or the superintendent of any District. The Cooperative Advisory Board shall elect an Executive Committee which shall be responsible for establishing the by-laws of the cooperative, duties as stated in this agreement, and such other duties as may be assigned by the Cooperative Advisory Board.

#### IV. NEW MEMBERS AND EFFECTIVE MEMBERSHIP DATE

Any District which shall become a member of the Pool Account Cooperative on January 1 of any subsequent year. Such District's rate of assessment will be equal to the Pool Reserve Ratio as defined in paragraph V-B in its first year of membership; provided, that a District which becomes a member effective January 1, 1979, will have a rate of assessment equal to two and one-half percent (2 1/2%) for calendar year 1979 and the established assessment rate used by the cooperative for years after 1979.

#### V. DUTIES OF THE DISTRICT

In accordance with this agreement, each District will:

- A. Through its designated representative to the Cooperative Advisory Board, meet periodically on matters such as Pool Account Cooperative membership, assessment rates, Executive Committee membership and other Pool Account Cooperative policies.
- B. In accordance with the majority vote of a quorum of the Cooperative Advisory Board, pay to the Pool Account Cooperative and to the ESD 113, as Trustee, the annual Rate of Assessment set for the term of the agreement. The Assessment Rate for Districts becoming members effective January 1, 1978 shall be one percent (1%) of the first \$8,400 of gross pay earned during the calendar year 1978 by each employee of the District, excluding those employees paid solely by CETA/PSE. The 1979 assessment rate for school Districts shall be one and one-half percent (1 1/2%) of the first CETA/PSE. ESD 113 will periodically submit a bill to each District based on the Effective Assessment Rate, which bill shall be due and payable within 45 days of billing and shall be considered delinquent thereafter. A penalty shall be assessed by the Executive Committee at the rate of one percent (1%) per month of the amount due on delinquent payments. The Assessment Rate for membership to the Pool Account Cooperative for years subsequent to calendar year 1979 may vary by District and will be based in part upon each District's experience of unemployment claims. The rate will be computed using factors which are defined as follows and shall be applied against the Taxable Wage.

#### Pool Reserve Ratio:

The Pool Reserve Ratio shall be defined as one and one half percent (1 1/2%) of the taxable wages of the prior calendar year of those member districts in the Cooperative and shall be the level of reserve that is to be maintained in the Pool Account Cooperative. Individual member district's Pool Reserve Amounts in excess of two percent (2%) will be refunded to the individual members by June 30<sup>th</sup> of each year if so requested.

Rate of Assessment:

The Rate of Assessment (RA) will be the percentage of taxable wages (up to a maximum of three (3%) percent) required to maintain the Pool Reserve Ratio, as defined above, and calculated on a district by district basis from the previous year. For RA purposes, cash investment earnings received during the previous year will be distributed to each individual district's current fund balance prior to determining the district's required Pool Reserve Ratio. The formula for distribution will be the ratio of the district's fund balance to the Cooperative's fund balance excluding investment earnings.

Special Assessment:

In addition to any special assessment levied in accordance with paragraph VI-4, when the funds of the Pool Account Cooperative are depleted or anticipated to be depleted for any cause deemed to be good and sufficient, the Pool Account Cooperative, upon a two-thirds majority vote of the Cooperative Advisory Board, may levy a special assessment on each District.

Taxable Wage:

The taxable wage shall be defined as each individual employee's earnings during a year up to the ceiling set by the Executive Committee. This ceiling will be approximately the same as that set by the Washington State Department of Employment Security for unemployment compensation.

- C. During the calendar year ending December 31, 1978, Districts shall secure the services of the Gibbens Company, Inc., 14042 N.E. 8<sup>th</sup> Street, Bellevue, Washington, 98007, as a common source of control of unemployment compensation costs, which will be the source of notices, and a collector of completed forms relative to this service. Such service shall not be part of the Pool Account Cooperative, but any charges therefore will be paid from the contributions of each respective District to the Pool Account Cooperative. Such source may be reviewed annually by the Cooperative Advisory Board and such service may be discontinued or changed to another source in accordance with the majority vote of the quorum.
- D. Pay to ESD 113 from the fund of the Pool Account Cooperative a fee for management of the Pool Account Cooperative. Beginning in 2004, the annual fee, as reviewed by the Executive Committee, will be based on budgeted direct costs of administering the program plus recovery of state authorized indirect costs. Such direct costs exclude unemployment claims.
- E. This agreement shall not relieve each District of the responsibility for making required payments to the Washington State Department of Employment Security in the event that funds are not available in the Pool Account Cooperative.

- F. This agreement does not relieve the District of the responsibility for making the required quarterly report to the Washington State Department of Employment Security.

#### VI. DUTIES OF ESD 113

In accordance with this agreement, the ESD 113 will:

A. Act as a Pool Account Trustee and in this regard will:

1. Receive all Pool Account Cooperative payments from each District as prescribed in paragraph V. B.
2. Establish a Pool Cooperative Fund with the Thurston County Treasurer and shall deposit all payments in this fund.
3. Be authorized to instruct the Thurston County Treasurer to invest in funds on behalf of the Pool Account Cooperative. Provided: That only those individuals approved by the ESD 113 Board to invest funds on behalf of the ESD shall be authorized to direct investment of Pool Account Cooperative Funds.
4. Pay from the Pool Account Cooperative Funds, on deposit with the Thurston County Treasurer, all unemployment claims from the Department of Employment Security for actual benefit liabilities paid on behalf of each District to the extent of available funds. Such payments shall be made when they have been properly approved and presented to ESD 113 by each District or its agent. The auditing officer and deputy auditing officer shall be those individuals so appointed by the ESD 113 Board for the General Fund of ESD 113 and will be authorized to sign all claim vouchers. All such payments shall be vouchered and approved for payment by the Board of Directors of ESD 113 at their regular monthly meeting. In the event funds are not sufficient in any one month for payment of all claims approved and presented to ESD 113 the following shall apply.

The claims will be paid with the funds available on a prorata basis. Such proration shall be on the balance of claims to be paid for each District as a portion of the total balance of claims. In such event, District shall be assessed a special assessment as determined by the Cooperative Advisory Board, sufficient to pay outstanding claims.

5. Have budget responsibility including maintenance of adequate financial records in order to properly manage the Pool Account Cooperative.

6. Have general administrative responsibility of the cooperative.

#### VII. CONFIDENTIALITY

All data or information furnished by any District to ESD 113, as Pool Account Cooperative Trustee, pursuant to this agreement shall remain the property of said District and shall not be disclosed to third parties except by written consent of the District. The only exception to this will be data or information requested by the Washington State Department of Employment Security or the Washington State Auditor's Office within the constraints of Public Disclosure Laws.

#### VIII. PUBLIC DISCLOSURE

No records of any District shall be made available for public inspection or copying by any party except as set forth in paragraph VII without written consent of the District. Requests pursuant to RCW 42.17 for inspection or copying of public records of the District held or maintained by ESD 113 as Trustee shall be referred to the District.

#### IX. DISPUTES

Any dispute, claim, or grievance arising out of or relating to the interpretation of application of this agreement shall be submitted first to the Executive Committee of the Pool Account Cooperative for their recommendation. The final resolution of all disputes shall be made by the Cooperative Advisory Board.

#### X. TERMINATION FOR BREACH

- A. If ESD 113, as Trustee, fails to comply with the terms and conditions of this agreement, the Pool Account Cooperative by two-thirds (2/3) majority vote of the total Cooperative Advisory Board, upon thirty (30) days prior written notice to ESD 113, may terminate ESD 113 as Trustee. If ESD 113 is terminated as Trustee, the Pool Account Advisory Board, on recommendation of the Executive Committee, will name a new Trustee who will function in that position on behalf of the Cooperative.
- B. If any District fails to comply with the terms and conditions of this agreement, the Executive Committee shall review the conditions of the breach of the agreement and, if necessary, make recommendations to the Cooperative Advisory Board for termination of the agreement with the District. In this regard, the Cooperative by two-thirds (2/3) majority vote of the total Advisory Board, upon thirty (30) days prior written notice to the District, may terminate this agreement with said District as of December 31 of any year.

#### XI. DISSOLUTION

The cooperative may be dissolved as of midnight, December 31<sup>st</sup> of any year by a two-thirds (2/3) majority vote of a quorum of the Cooperative Advisory Board. Such action for dissolution shall occur no later than December 8 of such year.

#### XII. DISTRIBUTION OF COOPERATIVE POOL ACCOUNT ASSETS UPON DISSOLUTION/TERMINATION

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

- A. If for any reason the Pool Account Cooperative is dissolved, each District shall be entitled to a share of the assets of the Pool Account Cooperative as of the date of dissolution. Prorata share shall be computed by the Executive Committee based upon each District's contributions to the Pool Account Cooperative.
- B. No distribution of funds to any District shall be made if assets of the Pool Account Cooperative are less than liabilities, including amounts owed the Washington State Department of Employment Security.
- C. No distribution of assets shall be made to any District until delinquent amounts of all Districts are paid.

### XIII. ASSIGNMENT

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

### XIV. AGREEMENT IMPLEMENTATION

This agreement shall become effective when sufficient agreements have been entered into representing at least fifteen districts.

### XV. WAIVER AND SEVERABILITY

No provisions of this agreement, or the right to receive reasonable performance of any act called for by its terms, shall be deemed waived by a breach thereof as to a particular transaction or occurrence.

If any term or condition of this agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, conditions, or applications of the agreement which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this agreement are declared severable.

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

This agreement may be modified only by two thirds (2/3) majority vote of member districts.

BYLAWS FOR  
ESD 113 UNEMPLOYMENT COMPENSATION POOL COOPERATIVE  
Adopted May 16, 1978

I. NAME

This organization shall be known as the Educational Service District 113 Unemployment Compensation Pool Cooperative (hereinafter referred to as "Cooperative").

II. PURPOSE

The purpose of this Cooperative shall be to provide member local school districts with a means to comply with the new unemployment compensation law.

III. POWERS

This Cooperative shall have the power to prepare and adopt; amend; and repeal bylaws; rules and regulations; and general policy statements for its own organization, government, and guidance, provided action taken with respect thereto is not inconsistent with State Law.

IV. MEMBERS

The membership of the Cooperative each year shall consist of the several districts that have on file with ESD 113 their local school district's board resolution authorizing membership in the Cooperative.

Districts applying for membership after January 1, 1979, shall be offered membership only upon majority vote approval of member-district representatives meeting at a regular advisory board meeting; provided, that the local school district applying for membership shall first have on file with ESD 113 their local school district's board resolution authorizing membership in the Cooperative.

V. GOVERNANCE AND MANAGEMENT

A. The powers of the Cooperative shall rest with the Cooperative Advisory Board consisting of one representative of each member district.

B. Each representative shall have an equal vote in all deliberations of the Cooperative.

C. Between meetings of the Cooperative Advisory Board, the powers of the Cooperative shall be exercised by a five-member Executive Committee selected by the Cooperative Advisory Board for staggered three-year terms. All members will remain on the Committee the second year. Beginning with the third year, terms will be staggered, with consideration being given to district size in membership selection. All actions of the Executive Committee are subject to ratification of the Cooperative Advisory Board at its next meeting.

- D. The Executive Committee shall select a chairperson from among its members annually. The chairperson of the Executive Committee shall preside at all Cooperative Advisory Board meetings. In his absence, the Cooperative Advisory Board shall select a temporary chairperson.
- E. The superintendent of Educational Service District 113, or his designee, shall serve as Secretary for the Cooperative, for the Cooperative Advisory Board, and for the Executive Committee.
- F. Management of the Cooperative shall rest with Educational Service District 113.

#### VI. VACANCIES

Vacancies on the Executive Committee shall be filled by the Cooperative Advisory Board consistent with the criteria set forth in "C" above, at the next regular meeting after the occurrence. Members selected to fill a vacancy shall serve the unexpired portion of the term involved.

#### VII. MEETINGS

- A. The Cooperative Advisory Board shall meet as required, when called by the chairperson of the Executive Committee or a majority of its members or a majority of the Executive Committee to conduct the Cooperative's business except that there shall be at least one meeting of said board between September 1 and August 31.
- B. The Executive Committee shall meet as required when called by the chairperson of the Executive Committee or a majority of its members, provided that there shall be one meeting between September 1 and August 31. The Executive Committee Chairperson or designee shall present an Executive Committee report annually to the Cooperative Advisory Board.
- C. At all meetings of the Cooperative Advisory Board, 25 percent of the membership of the Cooperative shall constitute a quorum.
- D. At all meetings of the Executive Committee, a majority of its members (three) shall constitute a quorum. After two consecutive unexcused absences from Executive Committee Meetings, the Committee member's office shall automatically be vacant. Such vacancy shall be filled by appointment by the Chairperson of the Executive Committee. Such appointee shall serve the unexpired portion of the term involved.

VIII. OTHER COMMITTEES

The Chairperson of the Executive Committee may appoint such other ad hoc committees as are deemed necessary from time to time to advise the Cooperative Advisory Board / Executive Committee.

IX. PARLIAMENTARY PROCEDURES

All questions of parliamentary procedure shall be governed in accordance with Roberts Rules of Order (Revised).

X. AMENDMENTS

These bylaws may be amended at any regular meeting of the Cooperative Advisory Board by a two-thirds majority vote of all member districts provided that notice, in writing, has been sent to all members of the Cooperative not less than twenty days in advance of the meeting.