

**WORKERS' COMPENSATION COOPERATIVE
POOL ACCOUNT AGREEMENT As Amended**

December 24, 2018

This agreement is made and entered into by and between Capital Region Educational Service District 113, Thurston County, Washington (hereinafter referred to as ESD 113) and Arlington School District No.16, Snohomish County, Washington (hereinafter referred to as District).

I. PURPOSE

The purpose of this agreement shall be to join together in a cooperative manner and form a pool to provide self-insured industrial insurance benefits which are a liability of the District, and to establish such cooperative as a separate accounting entity as provided in RCW 39.34.030.

II. ORGANIZATION

The Cooperative shall consist of eligible school districts and educational service districts, which execute a Cooperative Pool Account Agreement. There shall be established an Advisory Board made up of one representative of each member district. The duties of the Advisory Board shall be, but not limited to, meeting periodically to rule on matters such as Cooperative membership, matters of administration, cost control and annual assessment rate. In addition, the Advisory Board shall elect for staggered terms an Executive Committee consisting of seven (7) members.

III. BYLAWS

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

IV. TERM OF AGREEMENT

The term of this agreement shall be from September 1, 2018, to midnight August 31, 2019. The agreement shall then be automatically renewed from year to year thereafter unless the District gives written notice to ESD 113 of its election to terminate the agreement at least one hundred and eighty (180) days prior to midnight August 31, of any year, unless the agreement is terminated in accordance with Paragraph XI, XII or XIII. ESD 113 and the District agree to mutually review the agreement's status every five years after the inception of the agreement.

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

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

Any District who shall become a member of the Pool Account Cooperative subsequent to midnight August 31, 1988, shall be eligible to participate at the beginning of the next calendar quarter. The assessment for such members will be established by the Advisory Board.

VI. DUTIES OF THE DISTRICT

In accordance with this agreement, the District will:

- A. Designate a representative to the Advisory Board.
- B. In accordance with the majority vote of a quorum of the Advisory Board, pay to ESD 113, as Pool trustee, the annual rate of assessment set for the term of the agreement. Said assessment shall

be postmarked within five (5) working days of the normal pay date and in any event, no later than the fifth working day of the next succeeding month. A penalty on delinquent payments shall be assessed at the rate of the highest existing interest rate that funds of the Cooperative are earning in that month plus a flat charge of twenty-five dollars (\$25).

- C. Provide to ESD 113, as Pool Account trustee, such data as may be deemed necessary by the Cooperative for statistical information purposes as related to management of the Pool Account.
- D. Pay to ESD 113 a fee for management of the Pool Account, if necessary. The fee shall be set and approved by the Advisory Board and approval shall require two-thirds (2/3) majority vote of the membership.
- E. Be ultimately responsible for any portion of workers' compensation claims charged or chargeable against the District as determined by the Advisory Board. Because the amount required fulfilling worker's compensation obligations cannot be known precisely in advance, assessments, reserve requirements and other financial parameters of the Cooperative's operation must necessarily be initially established and subsequently maintained by means of estimates. Any interim transactions and their effects on the Cooperative notwithstanding, the District further understands and agrees that the Cooperative and all members participating in the Cooperative for any period of time will be jointly and severally liable for payment of any assessments, premiums, and other amounts necessary to meet any benefit, expense or other lawful obligation of the Cooperative arising from that period of time. The District further understands and agrees that this joint and several liability will apply without limitations as to amount, without any restriction as to when any portion of the obligation is identified, and extends to all obligations including the Cooperative's joint and several liability for payment of any lawful award against any member of the Cooperative Trust Fund. The District further understand and agrees that any members who terminate their participation in the Cooperative, voluntarily or involuntarily, will remain liable for payment of their share of reassessed premium as noted in section VI-F attributable to their period of membership.
- F. In the event that a District leaves the Cooperative as provided in Section IV or Section XI-B, the District shall be required to annually fund their pro-rata portion of the Trust's obligation for each fiscal year during which they were a member of the WCT;
- G. Designate an individual to provide liaison with the ESD in workers' compensation matters.
- H. Establish and maintain underwriting requirements as specified on attachment A

VII. DUTIES OF ESD 113

In accordance with this agreement, ESD 113 shall:

- A. Act as Pool Account trustee, and in this regard will:
 - 1. Receive all Pool Account Cooperative payments per Paragraph VI-B.
 - 2. Place all Pool Account Cooperative payments on deposit with the County Treasurer of Thurston County, Washington, to the credit of the Cooperative.
 - 3. Ensure that such deposits are invested to gain maximum interest income, which will accrue to the credit of the Cooperative. Said investments shall be made through and by the County Treasurer of Thurston County, Washington
 - 4. Authorize individuals appointed by the ESD 113 Board of Directors to invest funds on behalf of

ESD 113 to invest funds on behalf of the Cooperative.

5. Pay from the Pool Account funds, on deposit with the Thurston County Treasurer, all workers' compensation claims for actual benefit liabilities. Such claims will be paid in accordance with state industrial insurance laws.
6. Provide for the receipt and disbursement of funds and maintain adequate financial records or receipts and disbursements in order to properly manage the Pool Account as well as provide financial reports to the Advisory Board. In addition, adequate statistical records will be maintained based on data referred to in Paragraph VI-C in order to project Pool Account assessments required.
7. Authorize the auditing office appointed by the ESD 113 Board of Directors for the general fund of ESD 113 to sign all claim vouchers for the Cooperative.
8. Be responsible for employment of any necessary staff and the general administration of the Cooperative to include cost control, claims review/processing and required reporting on behalf of the Cooperative.

VIII. CONFIDENTIALITY

All data or information furnished to ESD 113 as Pool Account trustee by the District pursuant to this agreement shall remain the property of the District and shall not be disclosed to third parties except by prior written consent of the District. The only exception to this will be data or information required by the Washington State Department of Labor and Industries or the Washington State Auditor's office within constraints of the Public Disclosure laws.

IX. PUBLIC DISCLOSURE

No records of the District shall be made available for public inspection or copying by any party except as set forth in Paragraph VIII without prior written notice to 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.

X. DISPUTES

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

XI. TERMINATION FOR BREACH

- A. If ESD 113, as trustee, fails to comply with the terms and conditions of this agreement, the Cooperative, by two-thirds (2/3) majority vote of the total 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 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 the District fails to comply with these terms and conditions of this agreement, the Executive Committee shall review the conditions of the breach of the agreement and make recommendations to the Advisory Board. The Advisory Board shall review the breach, and upon two-thirds (2/3) majority vote of the Advisory Board, upon thirty (30) days prior written notice to the District, may terminate this agreement. In this regard, all actions of the Advisory Board are final.

XII. TERMINATION OF TRUSTEE

ESD 113 may terminate as Pool Account trustee by thirty (30) days prior written notice to the Advisory Board with the effective date midnight, August 31, of any year.

XIII. DISSOLUTION OF THE COOPERATIVE

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

XIV. DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon dissolution of the Cooperative for any reason, each District shall be entitled to its prorated share of principal payments plus accrued interest, less prior obligations paid and current obligations to be paid, on deposit with the Thurston County Treasurer at the date of dissolution. Such prorations shall be equivalent to the percentage each district's principal payments bear to the total of all principal payments.

XV. ASSIGNMENT

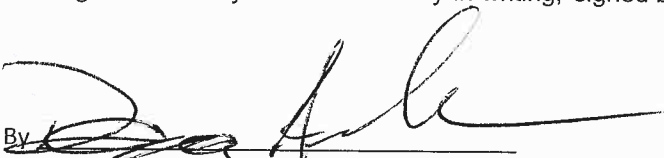
This agreement may not be assigned by either party without prior written consent of the parties.

XVI. WAIVER AND SEVERABILITY

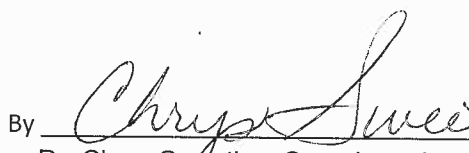
No provision of this agreement, or the right to receive reasonable performance of any act called for by its terms, shall be deemed waived by a breach thereof as to a particular transaction or occurrence.

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

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

By 
Dr. Dana Anderson, Superintendent
Capital Region Educational Service District 113

Date Signed 1-23-19

By 
Dr. Chrys Sweeting, Superintendent
Arlington School District

APPROVED

Date Signed 1-15-19

JAN 14 2019

Arlington Public Schools
Board of Directors

Attachment A Member Underwriting Requirements

Each policy year (Sept. 1 -Aug. 31) the Arlington School District in addition to requirements set forth in the Member Agreement, Bylaws and Constitution shall:

- Maintain an Accident Prevention Plan effective compliant with LNI and effective in practice
- Maintain Job hazard analysis for each position
- Include as part of new employee orientation on job/department/district safety practices and expectations
- Maintain an effective Central Safety Committee
- Maintain compliant MSDS/SDS Global Harmonized Systems and Training as per Federal Statute (voluntary)
- Scenario Learning (formerly: SafeSchools) training each year as directed by Safety & Health staff
- Supervisor & departmental managers safety training as per WCT Safety & Health Manager directive
- Claim Training for administrative staff as directed per WCT Manager of Claims
- Analysis of injuries and effective mitigation practices in special education department
- Ergo Assessments as identified WCT and ASD staff
- Maintain Injury Reporting Policy that requires reporting to supervisor within 24-48 hours
- Participate in the ESD 113 Return-To-Work Program