

**EXHIBIT 1**

THIRD AMENDED AND RESTATED  
BYLAWS OF THE  
GOVERNMENT FINANCIAL SERVICES  
JOINT POWERS AUTHORITY

# **THIRD AMENDED AND RESTATED BYLAWS OF THE GOVERNMENT FINANCIAL SERVICES JOINT POWERS AUTHORITY**

## **ARTICLE 1**

### **Section 1.1 – Purpose**

The GOVERNMENT FINANCIAL SERVICES JOINT POWERS AUTHORITY (the “Authority” or “GFSJPA”) is established pursuant to a Joint Powers Agreement which took effect on July 1, 2022 (the “Agreement”), for the purposes stated in the Agreement.

## **ARTICLE 2 – GOVERNING DOCUMENTS**

### **Section 2.1 – Governing Documents**

The “Governing Documents” of the Authority shall be the Agreement and these Bylaws. In the event of a conflict between the Agreement and these Bylaws, the Agreement controls.

## **ARTICLE 3 – MEMBER ENTITIES**

### **Section 3.1 – Membership**

Each party to the Agreement is a “Member”. Only those agencies defined in the Agreement are eligible to become Members of the Authority by agreeing to be bound by the Governing Documents and by complying with all of the following requirements:

3.1.1 Submit a completed application for membership and submit payment of Application Fee.

3.1.2 Be accepted for membership as provided in Section 3.2.

3.1.3 Submit copy of a resolution by its governing body providing authorization to join the Authority.

3.1.4 Designate in writing by the Chief Executive Officer or comparable position, a Representative and Alternate to represent the Member in communications with the Authority. Such designation may be changed with fourteen (14) days written notice. The Authority may delay acceptance of such designation pending a confirming action of a Member’s governing board, at the Authority’s written request and sole discretion. Such written designation shall include an email address to be used for communication. Electronic communication to the Representative shall suffice as written communication to the Member.

For those Members whose Representatives serve on the Board of Directors of the Authority (“Board”), designate in writing an Alternate to represent the Member on the Board as

described in Article 4. The written designation shall include an email address to be used for communication. Electronic communication to the Representative and the Alternate shall suffice as written communication to the Member.

3.1.5 For those Members whose Representatives serve on the Board, ensure each Representative and Alternate file with the Authority any required Fair Political Practices Commission (“FPPC”) forms upon assuming office, during office, and upon termination of office.

### **Section 3.2 – Approval of Membership**

Authority staff shall review each application and report the results, which shall be the basis for the recommendation to the Board or Executive Committee (as described in Article 6). The Board or Executive Committee shall either approve or disapprove the application after consideration of the staff recommendation, the application, and any inspections, reports, or other material which would be pertinent to the decision.

## **ARTICLE 4 – BOARD OF DIRECTORS**

### **Section 4.1 – Board Composition**

4.1.1 The Board shall be comprised of one Representative from each Founding Member and up to four (4) at large Board Members, selected from the Membership. In addition to the Representative appointed to represent the Member, an Alternate is to be designated by the Member, who may vote only in the absence of the Representative. A Representative must be, the Chief Executive Officer, the Chief Financial Official or a comparable position of the Member.

4.1.1.1 Each Board Member agrees that its Representative (or Alternate in the absence of the Representative), when voting on Authority business, shall have the authority to bind the Member to the action taken by the Board.

4.1.1.2 Each Member holding a seat on the Board may replace its Representative and/or its Alternate by providing written notice to Authority evidencing an action of the Member’s governing board, if applicable, subject to the Authority confirming receipt of written notice. The Board may reject a Member’s selection of a Member Representative or Alternate in the event that Member or Alternate, acts in a manner that is repeatedly disruptive to the effective functioning of the Board, or for failure to attend meetings. Members or Alternates will first be given notice and fair opportunity to cure their behavior before the Board may expel the Member. The Member shall be given the opportunity to select a replacement Representative or Alternate. This section shall also apply to Representatives or Alternates serving on the Executive Committee, as described in Article 6 below.

4.1.1.3 If at a Board meeting both the Representative and the Alternate are in attendance, only the Representative may vote on behalf of the Member.

4.1.1.4 If an Executive Committee is in existence, then the Board or Executive Committee may function as the Board as described in these Bylaws.

## **Section 4.2 – Meetings of the Board**

4.2.1 The Board shall hold at least four (4) regular meetings annually to review operations of the Authority. The Board will establish a time and place to hold such regular meetings and notice shall be sent to each Representative and Alternate. Video and telephone conferencing may be used as determined by the Board and when authorized by law.

4.2.2 All meetings of the Board and Executive Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code § 54950, *et seq.*) (“Brown Act”).

4.2.3 A special meeting may be called by the President, or Vice President in the absence of the President, or a majority of the Board. Notice will be provided in accordance with the Brown Act.

## **Section 4.3 – Voting**

4.3.1 Each Board Member shall have one (1) vote.

4.3.2 The presence of a majority of the number of serving Board Members shall constitute a quorum for the transaction of business. Following the establishment of a quorum, measures may be passed by a majority of a quorum of Representatives present and voting, except as stated below.

4.3.3 A majority vote of the Board attending the Meeting is required as to those matters which are so specified in the Agreement except for agreeing to amend the Agreement, which is by two-thirds vote.

4.3.4 Voting by proxy shall not be permitted. Only the Representative or Alternate, if the Representative is not in attendance, may vote on behalf of the Member.

## **Section 4.4 - Board Functions and Authority**

4.4.1 The Board shall provide policy direction for the Authority, its Executive Committee, other appointed committees, and the Chief Executive Officer.

4.4.2 The Board of Directors shall have the power and authority to receive, accept and utilize the services of personnel offered by any of the parties to the Agreement, or their representatives or agents; to receive, accept, utilize property, real or personal, from any of the parties to the Agreement, or their agents or representatives; and to receive, accept, and expend funds by contract or otherwise for purposes consistent with the provisions of the Agreement, which funds may be provided by any of the parties to the Agreement or their agents or representatives, as otherwise state in the Joint Power Agreement.

4.4.3 The Board shall annually adopt a budget showing estimated revenues, expenditures, and fund balance.

## **ARTICLE 5 – OFFICERS OF THE BOARD**

### **Section 5.1 – Officers**

The Officers of the Board shall consist of a President, a Vice President, a Treasurer, a Secretary, and the Immediate Past President (if unavailable, the office shall be filled using the procedure to fill vacancies, as described in Section 5.4.2.)

### **Section 5.2 – Eligibility for Offices**

Except with respect to the office of Immediate Past President, eligibility for election and continuation in office shall be limited to the designated Representative of a Member.

### **Section 5.3 – Terms of Office**

5.3.1 The terms of office shall be staggered and for three (3) years, commencing with the start of the fiscal year.

### **Section 5.4 – Elections**

5.4.1 Election of all Officers shall be performed annually or as needed by the Board, except for the Immediate Past President, who shall automatically take office at the conclusion of their term as President.

5.4.2 Vacancies in any office shall be filled by appointment by the President of the Board. The appointed replacement shall take and hold office until the next regularly scheduled Board meeting, at which time the Board shall either confirm the appointment or appoint another replacement, who shall serve until the term for the office expires. A vacancy in the position of President shall be filled by election at the next Board meeting held after the vacancy occurs.

### **Section 5.5 – Duties**

5.5.1 President – The President shall preside at all meetings of the Authority. The President shall execute documents or delegate such authority to the Chief Executive Officer on behalf of the Authority as authorized by the Board.

5.5.2 Vice President – In the absence of or temporary incapacity of the President, the Vice President shall exercise the functions covered in Section 5.5.1 above.

5.5.3 Secretary – The Secretary will be responsible for the oversight of Authority staff's preparation and distribution of all minutes and agendas of the Board, and any other

committee meetings, preparing necessary correspondence, and maintaining files and records.

5.5.4 Treasurer – The Treasurer will be responsible for the oversight of Authority staff’s treasury and audit practices including the following as described by Government Code sections 6505.5 and 6505.6:

5.5.4.1 Ensuring the custody of and disbursement of Authority funds, accounts, and property, in accordance with the California Government Code;

5.5.4.2 Supervising the maintenance of such records to assure that financial accounts, records, funds, and property are maintained in accordance with accepted accounting practices and procedures prescribed by the Government Accounting Standards Board;

5.5.4.3 Providing for inspection of all financial records;

5.5.4.4 Overseeing, monitoring, and reporting on investment action; and

5.5.4.5 Overseeing and monitoring the financial audit.

## **ARTICLE 6 – COMMITTEES**

### **Section 6.1 – Executive Committee**

6.1.1 Members – To facilitate the expeditious handling of transactions relating to the Authority’s operations, an Executive Committee may be established by action of the Board or shall be, when and if the Board of Directors has more than ten (10) seats. The Executive Committee consists of the representatives chosen by the Board which shall include at least two (2) Founding Members and the Secretary of the Board and at least one (1) At Large Board Member.

6.1.2 Meetings – The Executive Committee will meet between Board meetings as required by business. A majority of the members of the Executive Committee, but at least three (3), is a quorum for the transaction of business. The Secretary of the Board shall be responsible for minutes of the meetings of the Executive Committee. Video and telephone conferencing may be used as determined by the Executive Committee and when authorized by law.

6.1.3 Authority – The Executive Committee shall exercise the authority of the Board except for those items specifically reserved for the Board in Article 8 of the Agreement. Any action by the Executive Committee in place of the Board shall be reported to the Board at the next Regular Board Meeting unless not already reported on in a special meeting.

6.1.4 Attendance – Attendance of Executive Committee members is essential to conducting the business of the Authority. An Executive Committee member missing two (2) or more meetings in a fiscal year shall be subject to review of the Executive Committee concerning forfeiture of their position on the Executive Committee.

6.1.5 Vacancies – A Representative to fill the remaining term of any vacant position on the Executive Committee shall be appointed by the President, with the approval of the Executive Committee as soon as possible.

6.1.7 Minutes – The Secretary of the Board shall promptly distribute draft minutes of the meeting to the Executive Committee and corrections and updates shall promptly be provided. Executive Committee minutes will be provided to Members upon request or via the website.

### **Section 6.3 – Other Committees**

6.3.1. At any time, the President may appoint limited term, ad hoc advisory committees. Such ad hoc advisory committees may be formed as necessary or appropriate to provide advice or recommendations to the Executive Committee but shall not have the authority to act on behalf of the Executive Committee.

6.3.2. The Board and the Executive Committee each shall have the authority to add additional committees as they deem necessary.

## **ARTICLE 7 – FINANCIAL AUDIT**

### **Section 7.1 – Audit Required**

The Board shall cause to be made an audit of the financial accounts and records of the Authority, at least biennially. Such audit may cover a two-year period as permitted by Government Code section 6505, subdivision (f). The audit shall be conducted by a qualified, independent individual or firm. The audit requirement may be fulfilled by annual or special audits as determined by the Board so long as all requirements of state law are met.

### **Section 7.2 – Filing an Audit**

Within twelve (12) months of the end of the fiscal year or years covered, the financial audit report shall be provided to each Member with notice that it is a public record and also provided to the county auditor of the county where the home office of the Authority is located, as determined by the Board. The financial audit report shall be made available to any public agency or person in California that submits a written request to the Authority.

### **Section 7.3 – Costs of Audit**

The Authority shall bear all costs of the required financial audit. Such costs shall be charged against the operating funds of the Authority.

## **ARTICLE 8 – FISCAL YEAR**

### **Section 8.1 – Fiscal Year**

The fiscal year of the Authority shall be the period from July 1st of each year through June 30th of the subsequent year.

## **ARTICLE 9 – BUDGET**

### **Section 9.1 – Budget**

The Board shall adopt an annual budget by July 1st of each year, with receipt of a draft budget forty-five (45) days prior. At the time the budget is adopted, the Board shall determine the target range of fund balance necessary to facilitate continued viability of the Authority. If the funds of the Authority exceed the high end of the target range, the Board may order a distribution of such excess. If the funds of the Authority are below the low end of the target range and the continued viability of the Authority appears to be threatened as a result, the Board may assess the Members an additional contribution or by cutting the costs of the Authority. Distributions and assessments shall be in the same proportions as current Members contributed during the prior year of membership, with “contribution” defined as annual fees and fees for service paid or payable during the most recently completed fiscal year. To the extent possible, the Board shall assure that rates for services provided to Members are set at a level as to minimize the need for assessments, so long as the fiscal solvency of the Authority is maintained.

## **ARTICLE 10 – ESTABLISHMENT AND ADMINISTRATION OF FUNDS**

### **Section 10.1 – Administration of Funds**

The Authority is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It shall comply with every provision of law relating to the subject, particularly section 6505 of the California Government Code, and any other regulations that become applicable based on the source or nature of funding received.

## **ARTICLE 11 – ADMINISTRATION**

### **Section 11.1 – Chief Executive Officer**

The Board shall appoint the Authority’s Chief Executive Officer. The Chief Executive Officer shall be responsible for the daily administration, management, and operation of the Authority’s activities and shall be subject to the direction and control of the Board and takes steps to ensure compliance with applicable state law, the Agreement, and these Bylaws.

## **Section 11.2 - Compensation and Employment of Chief Executive Officer**

The Authority shall compensate the Chief Executive Officer for services rendered to the Authority in such amount and manner as may be approved by the Board. Details regarding compensation, termination, and other employment related matters pertaining to the Chief Executive Officer shall be governed by such terms and conditions as the Board shall establish.

## **ARTICLE 12 – RESPONSIBILITIES OF THE MEMBER ENTITIES**

### **Section 12.1 – Compliance**

Each Member shall comply with the provisions of the Agreement, these Bylaws and any duly approved actions of the Board and Executive Committee.

### **Section 12.2 – Timely Payment**

Each Member shall timely pay all fees, charges and assessments imposed or levied by the Authority.

### **Section 12.3 – Commitment to Authority**

Unless otherwise agreed to by Authority and Member, 1) the Authority shall provide financial planning and implementation services for every issuance of debt by each Member, and 2) each Member shall pay the Authority fees for every debt issuance of Member as specified in the Authority's then current fee schedule. The Authority may engage external financial professionals to assist in providing such services. In the event a Member issues debt without engaging the Authority, the Member shall still be required to pay the Authority's fees for the debt issuance as specified in the Authority's then current fee schedule, and the Authority shall provide the Member with a review report of the debt issuance. Members shall cooperate as described in Article 13, below.

## **ARTICLE 13 – DUTY OF COOPERATION**

13.1 Each Member shall provide the Authority with all requested information and assistance in order to fulfill the Authority's purpose under the Agreement.

13.2 Each Member shall, in all ways, cooperate with and assist the Authority in all matters relating to the Agreement and comply with the policies, procedures and rules promulgated by the Authority.

## **ARTICLE 14 - EXECUTION OF CONTRACTS**

### **Section 14.1 - Authorization by Board**

The Board may authorize the Chief Executive Officer, or any Officer or Officers, agent, or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority and such authorization may be general or confined to specific instances. However, no contract or instrument made pursuant to the delegation and authorization shall be valid or constitute an enforceable obligation against the Authority unless and until the same shall have been approved or ratified by the Board. Unless so authorized by the Board, no Officer, agent, or employee of the Authority shall have any power or authority to bind the Authority by any contract or to pledge its credit or to render it liable for any purpose or to any amount. Pursuant to Section 6.1.3 the Executive Committee, shall exercise the authority of the Board.

The Board may adopt a rule, delegating to, the Chief Executive Officer, or any Officer or Officers, Authority staff, agent or agents, the authority to purchase supplies, materials, apparatus, equipment, and services. No rule shall authorize any Officer or Authority employee to make any purchases involving an expenditure by the Authority in excess of the amount specified by section 20111 of the Public Contract Code. The rule shall prescribe the limits of the delegation as to time, money, and subject matter. All transactions entered into by the Officer or Authority employee shall be reviewed by the Board every sixty (60) days.

## **ARTICLE 15 – INSURANCE**

### **Section 15.1 – Representative and Officers Insurance**

The Authority may purchase insurance indemnifying the Directors, Officers, and Authority administrative staff for personal liabilities arising out of any alleged failures to discharge their duties to the Authority and/or failure to perform duties. The Authority may also insure itself against any insurable liability exposure it may have. The Authority may self-insure or participate in a joint powers' authority for insurance, as allowed by law.

## **ARTICLE 16 - DEFAULTS AND EXPULSION OF MEMBERS FROM THE AUTHORITY**

### **Section 16.1 - Events or Conditions of Default Defined**

16.1.1 A Member is in “default” under the Agreement and these Bylaws if the Member does any of the following and receives written notice from the Authority specifying the nature of the default:

16.1.1.1 Failure by a Member to observe and/or perform any material covenant, condition, or agreement under the Governing Documents;

16.1.1.2 Repeated failures to submit requested documents and/or cooperate in the fulfillment of the Authority's objectives as determined by the Board or Executive Committee;

16.1.1.3 Failure to pay any amounts due to the Authority for more than ninety (90) days;

16.1.1.4 The filing of a petition applicable to the Member in any proceedings instituted under the provisions of the Federal Bankruptcy Code or under any similar act which may hereafter be enacted; or

16.1.1.5 Any condition of the Member which the Board believes jeopardizes the financial viability of the Authority.

## **Section 16.2 – Remedies on Default**

16.2.1 Remedies – Whenever any event of default referred to in Section 16.1 of this Article shall have occurred, it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to the Agreement and these Bylaws. However, no remedy, including the remedy of expulsion as described in Section 16.2.2 below, shall be sought for defaults under Sections 16.1.1.1, 16.1.1.2, and 16.1.1.3 unless the Member has failed to cure such default within thirty (30) days of receiving written notice of default.

16.2.2 – Expulsion of a Member from the Authority:

16.2.2.1 The Board, as provided in Article 7 of the Agreement, may expel from the Authority any Member that fails to cure a default after receiving written notice of the default, as described in Section 16.1 of this Article.

16.2.2.2 Such expulsion shall be effective on the date prescribed by the Board, but not earlier than thirty (30) days after written notice of expulsion has been personally served on or sent certified mail to the Member. Prior to expiration of the 30-day period, a Member subject to a notice of expulsion may request in writing an opportunity to meet with the Board to provide an explanation or defense concerning the uncured default, in which case the Board shall not act on the expulsion until providing this opportunity. The meeting with the Board shall not be an evidentiary hearing, and neither party shall be entitled to call witnesses. The decision of the Board following the meeting shall be final. After expulsion, the Member shall have no vote on the Board or any Committee of the Authority and shall have no right to any distribution from the Authority.

16.2.2.3 The expulsion of any Member shall not terminate the Member's responsibility to pay amounts due to the Authority. All current and past participants shall also be responsible for their annual membership fee and fees for services provided by the JPA, as determined by the Board, for the period of participation.

### **Section 16.3 – No Additional Waiver Implied by One Waiver**

In the event any condition contained in the Governing Documents is breached by either party and thereafter expressly waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## **ARTICLE 17 – TERMINATION AND VOLUNTARY WITHDRAWAL**

### **Section 17.1 – Termination and Distribution**

The Agreement may be terminated as specified in Article 11 of the Agreement.

### **Section 17.2 – Withdrawal from the Authority**

17.2.1 Any Member having completed at least one (1) three-year term as a Member of the Authority may withdraw from membership at the end of the three-year term then in progress by submitting to the Board, at least six (6) months before the end of the three-year term, a resolution to withdraw approved by the Member's governing board.

17.2.2 A Member withdrawing from the Authority shall continue to be responsible for the amount of any costs, liabilities, assessments, or contingencies for the fiscal years in which the Member participated. No distribution shall be made to any Member upon withdrawal.

17.2.3 After withdrawal, a Member shall have no vote on the Board or any Committee of the Authority.

## **ARTICLE 18 – NOTICES**

### **Section 18.1 – Notices**

Any notice to be given or to be served upon any party subject to the Agreement in connection with these Bylaws must be in writing (which may include electronic transmittal) and will be deemed to have been given and received when receipt is confirmed by the Authority. The Authority will make all reasonable efforts to promptly confirm receipt of any such notices. Any party may, at any time, by giving seven (7) days prior written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice will be given.

### **Section 18.2 – Claims Against the Authority**

Claims against the Authority shall be presented to the mailing address of the Authority.

## **ARTICLE 19 – EFFECTIVE DATE**

### **Section 19.1 – Effective Date and Supremacy**

These Bylaws shall be effective immediately upon the date of approval and upon adoption shall supersede and cancel any prior Bylaws. The Bylaws are an agreement between the Members and supplement the Agreement to the extent they are not inconsistent with it. Any clauses in these Bylaws that are inconsistent with the Agreement shall be superseded by those clauses in the Agreement but only to the extent of the inconsistency.

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