

**JOINT POWERS AGREEMENT,  
ORGANIZATION AND BYLAWS OF THE NEW MEXICO SELF INSURER'S FUND**

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The authority for this Joint Powers Agreement and bylaws and organization is found in the Joint Powers Agreement Act of the New Mexico Statutes (Sections 11-1-1 to 11-7-1 NMSA 1978), and the local insurance and pooling law, 3-62-1 and 3-62-2 NMSA 1978, as amended.

The employer members which are and may become Members of the New Mexico Self Insurer's Fund are joining together in consideration of the mutual covenants contained herein for the purposes provided in Article II of this agreement, together with such additional purposes as may be hereafter adopted or contained in the Contract and Joint Powers Agreement between the Fund and a Employer Member.

This agreement and bylaws is entered into between the undersigned Member and the New Mexico Self Insurer's Fund. Upon approval and execution, the undersigned agrees to become one of the Members of the Fund upon the conditions of membership as follows:

**ARTICLE I. DEFINITIONS**

For the purpose of this agreement and bylaws,

1. The term "municipality" shall mean any incorporated city, town, village, county or school district in the State of New Mexico;
2. The term "employer member" or "member" shall mean a municipality which has become a member of the New Mexico Self Insurer's Fund;
3. The term "fund" shall mean the New Mexico Self Insurer's Fund;
4. The term "board of trustees" or "board" shall mean the board of trustees of the New Mexico Self Insurer's Fund;
5. The term "employee" shall mean an employee of an employer member and as may be further defined by applicable contract between the Fund and an employer member, by applicable law or by the board of trustees;
6. The term "insurance" shall mean indemnification against loss, damage or liability arising from unknown or determinable contingencies, or payment of a specified amount upon determinable contingencies;
7. The term "risk" shall mean any chance of loss from contingencies or perils;
8. The term "plan" or "contract" shall mean any program for insurance of self-insurance for member employers or their employees including benefits, services, protection or indemnification for life, accident and health, worker's compensation, casualty, surety or other coverage;
9. The term "premium" or "contribution" shall mean the consideration for insurance or self-insurance as further defined by applicable contract between the fund and an employer member.

**ARTICLE II. PURPOSE**

The purposes of this agreement and bylaws are to:

1. Permit the Employer Members joining herein to make a more efficient use of their powers and resources by cooperating on a basis that will be of mutual advantage; and
2. Provide a procedure for securing benefits, services, indemnification or protection for Employer Members and their Employees relating to insurance or self-insurance, as authorized by law, of any of the following as they are defined by applicable law:
  - A. Life Insurance for Employees of Member Employers;
  - B. Accident and Health Insurance for Employees of Member Employers;
  - C. Worker's Compensation Insurance for Member Employers and their Employees;
  - D. Casualty Insurance for Member Employers and their Employees;
  - E. Surety Insurance for Member Employers and their Employees;
  - F. Property Insurance for Member Employers; or
  - G. Vehicle Insurance for Member Employers and their Employees.

**ARTICLE III. EFFECTIVE DATE AND DURATION**

The effective date of this agreement and bylaws shall be November 1, 1982, or upon approval by the State Secretary of Finance and Administration as provided by the Joint Powers Agreement Act, whichever is later. The Fund shall continue from year to year, without the necessity of a formal renewal by any Member, after its adoption upon its initial membership in the Fund, unless sooner dissolved or extended by mutual agreement.

**ARTICLE IV. CREATION OF FUND, OFFICE**

To carry out the purposes of this agreement and bylaws, the New Mexico Self Insurer's Fund is created, which Fund is formed, financed, organized, shall operate and may be dissolved in accordance with the provisions of this agreement and bylaws and any Contract between the Fund and a Member. The principal office and situs of the Fund is located at 1231 Paseo de Paralta, Santa Fe, New Mexico 87501.

#### ARTICLE V. MEMBERSHIP

Membership in the New Mexico Self Insurer's Fund shall consist of those Employer Members which are or become parties to this agreement and contract for insurance with the Fund. Each Member which participates in a Plan or Contract with the Fund shall be entitled to one vote on elections of Fund officers which shall be cast by the governing body, or its designated agent.

#### ARTICLE VI. BOARD OF TRUSTEES

1. There shall be a Board of eleven (11) trustees for the New Mexico Self Insurer's Fund elected from among the Members of the Fund, with at least one trustee representing an Employer Member in each of the seven (7) districts established by the New Mexico Municipal League, except that the initial appointments shall be made by the New Mexico Municipal League board of directors as follows: three (3) trustees shall be appointed for one-year terms; four (4) trustees shall be appointed for two-year terms; and four (4) trustees shall be appointed for three-year terms. Upon the expiration of these initial terms, the trustees shall be elected for three-year terms commencing on the first day of October after their election.

2. Each trustee shall be an elected or appointed officer of a Member of the Fund. If a trustee ceases to be an elected or appointed officer of a Member of the Fund, the trustee's position shall be deemed vacant.

3. Any vacancy on the Board of Trustees shall be filled by appointment by the chairman with the advice and consent of the remaining trustees for any unexpired term.

4. Trustees may be reimbursed for their time and expenses as are incurred in the performance of their duties as authorized by applicable law and by the Board. No trustee nor the administrator appointed in Article VII shall incur any liability for any action, or failure to act, in such capacity except for gross negligence or willful misconduct.

5. A trustee may be removed from office by a two-thirds (2/3) vote of the other members of the Board for cause, or for failure to attend three (3) consecutive regularly scheduled meetings of the Board without justification acceptable to the chairman.

#### ARTICLE VII. OFFICERS, MEETINGS, PROCEDURES

The trustees shall elect from among their membership a chairman, vice-chairman and a secretary. The Board shall fix the date, time and place of regular meetings. The Board shall hold a regular meeting, which shall be the annual meeting, at which officers shall be elected following a nomination and voting of Members in accordance with a procedure adopted by the Board of Trustees. Special meetings may be called by the chairman, and in his absence the vice-chairman, or any three (3) members of the Board.

Six (6) trustees shall constitute a quorum for the transaction of business, but any official action of the Board must have a favorable vote by a majority of the trustees of the Board as constituted except as otherwise provided in this agreement and bylaws. The Board shall adopt such procedures as are deemed necessary and desirable for the conduct of its business.

#### ARTICLE VIII. ADMINISTRATOR AND STAFF

The executive director of the New Mexico Municipal League, or his designee, shall serve as administrator and treasurer of the Fund. The Board of Trustees may appoint such other employees, deputy treasurers, or employ or contract for legal counsel, actuaries or other consultants, as it deems necessary to administer to provide for the Plans, policies or services established pursuant to these bylaws.

#### ARTICLE IX. POWERS AND DUTIES OF THE BOARD

A. The Board of Trustees may establish and manage any of the Plans, policies and other services contemplated in this agreement and bylaws and the Contract or agreement between the Fund and a Member, and may:

1. Prepare specifications, request bids, and enter into any Contract for the purpose of underwriting, administering or providing any part or all of the Plans, policies or services on behalf of and with Member Employers;

2. Determine the rates, risks, benefits and terms of any Plans, policies or services contemplated in this agreement; adjust the rates and benefits based on claim experience after notice to affected Member Employers;

3. Provide for individual or collective underwriting or other agreements for Member Employers in any Plan, policy or service; serve as the policyholder of any group policies or Plans; determine the methods of claim administration and payment; provide for claim experience for Member Employers collectively or separately;

4. Determine the amount of contributions or appropriations required from Member Employers for the purpose of participating in any part or all of the Plans, policies or services established pursuant to this agreement and bylaws;

5. Establish standards for eligibility of Member Employers or Employees in any Plan, policy or service, and procedures for enrollment and withdrawal in any Plan, policy or service; and establish effective dates of coverage. The Board shall be the sole judge of whether or not an Employer Member may be admitted to membership;

6. Provide for the administration of the fund or funds established in Article X, for the manner of payments to such fund and for payment of all expenses in connection with the Plans, policies or services which may be established; and establish procedures for safekeeping, handling and investing such fund or funds and any monies received or paid;

7. Establish the duties and records of the administrator to enable the correct billing of premiums and fees, enrollment of Member Employers and their Employees, and payment of claims;

8. Serve as an appeals body for complaints of Member Employers and their Employees regarding allowances and payment of claims, eligibility and other matters, and establish procedures for grievances of Member Employers and Employees;

9. Study the operation of Plans, policies or services, gross and net costs, administrative costs, benefits, utilization of benefits and claims administration;

10. Incur expenses, acquire and hold property, and enter into agreements necessary to accomplish the purposes of this agreement and bylaws; exercise the full power and authority of any Member of the Fund when requested to do so by the Member governing body; or otherwise provide for necessary activities to accomplish the purposes of this agreement;

11. Provide for annual audit by an independent certified public accountant and for regular financial statements to account for income, expenses, assets and liabilities of the Fund;

12. Provide for independent audit of claim handling procedures, payments and overall operations of the Fund.

B. As the directors of the self-insurance Fund, the Board shall primarily and constantly keep foremost in their deliberation and decisions in operating the Fund that accounts of each of the participating Members are to be maintained separately to reflect Premiums, losses and experience of each Member. At least annually, the Board shall carefully review, study and consider the actual claims or loss experience (including reserves for future claims payments) of each of the Members, the experience rating modification developed or earned by each of the Members, the pro rata savings to the Fund resulting from overall loss experience attributed to each Member, and the pro rata portion of the cost of all catastrophic loss protection reinsurance and aggregate stop loss reinsurance allocated to each Member, as well as the pro rata allocation, as determined by the Board of the other and necessary administrative expenses of the Fund, in order to reasonably determine the actual pro rata cost, expense and loss experience of each Member and in order to maintain as nearly as possible an equitable and reasonable "self-insurance" administration of the Fund as applied to each Member.

C. The Fund shall maintain cash reserves and supplemental reserves computed in accordance with standard actuarial principles, taking into account historical and other data, designed to measure claims development and claims incurred but not yet reported, so that funds will be available to meet these claims as they become due. The Fund shall also establish and maintain a reserve for return of contributions to insure further the fiscal integrity of the Fund in the event of a potential, adverse loss development. This reserve shall be calculated on a Fund year basis, and shall be held for a multi-year period in the decreasing amounts computed as a percent of earned normal Contributions, as set by the Board.

#### ARTICLE X. FINANCING

The Board of Trustees shall establish a fund or funds as it deems necessary for the purpose of, but not limited to, the following:

1. Payment of Premiums or fees for any part of the Plans, policies or services established pursuant to this agreement and bylaws;
2. Payment of necessary expenses approved by the Board;
3. Payment of claims;
4. Payment of administration expenses; or
5. Payment of other expenses incurred in accomplishing the purposes of this agreement and bylaws.

All monies paid to such fund or funds shall be held in the name of the Fund. After payment of any expenses authorized and compensation of the administrator or other employees and other incidental expenses, any remaining money shall be held for the benefit of the Fund.

The Board shall provide for the manner and dates for preparation by the administrator of an annual budget and reports on the financial condition of any fund or funds.

Each Member Employer shall pay for all costs, Premiums, or other fees attributable to its respective participation in any Plan, policy or service established under this agreement and bylaws, and shall be responsible for its obligations under any Contract entered into with the Fund.

#### ARTICLE XI. ADDITIONAL MEMBERS, PARTICIPATION, TERMINATING MEMBERSHIP

A. Any eligible Member, as defined in Article I, may join the Fund by adoption of the Joint Powers Agreement by its governing body in accordance with the procedures of the Joint Powers Agreements Act. Any Member may withdraw from the Fund by a resolution of its governing body after sixty (60) days notice is given in writing to the chairman of the Board of Trustees. Any withdrawing Member shall relinquish all voting rights and privileges. Any and all claim of title or interest to any asset of the Fund after its withdrawal from the Fund shall be as determined by the Board of Trustees, in accordance with this agreement and bylaws and the Contract. The Fund may be terminated by a two-thirds (2/3) vote of the Board of Trustees as constituted;

B. Participation by a Member in any Contract of Insurance offered by the Fund becomes effective at the date and time shown on the certificate or declarations and may be terminated by sixty (60) days written notice of intent to terminate by either party unless otherwise specified under the terms herein or by resolution of the Board. In the event that the Member fails or refuses to make the payments of Premiums as herein provided, the Fund reserves the right to terminate such Member by giving ten (10) days written notice and to collect any and all Premiums that are earned pro rata for the period preceding Contract termination. Interest, collection expenses or penalties may also be levied for non-payment of Premium as the Board of Trustees may decide. No liability shall accrue to the Fund or its Members for any injury or accident occurring to an Employee of a Member after the effective date of the termination notice.

C. The safety engineering services of the Fund are designed to assist Members in following a plan of loss control that may result in reduced losses. The Member agrees that it will cooperate in instituting any and all reasonable safety regulations that may be recommended for the purpose of eliminating or minimizing hazards that would contribute to losses. In the event that the recommendations submitted by the Fund seem unreasonable, the Member has a right to appeal to the Board of Trustees. The Board shall hear the objections of the Member at its next regularly scheduled or special meeting and its decision will be final and binding on all parties.

D. The Member agrees that it will appoint a coordinator of department head rank, and that the Fund shall not be required to contact any other individual except this one person. Any notice to or any agreements with the coordinator shall be binding upon the Member. The Member reserves the right to change the coordinator from time to time by giving written notice to the Fund.

E. The Fund agrees to handle any and all covered claims after notice of injury or claim has been given, and provide a defense. The Member hereby appoints the Fund as its agent and attorney in fact to act in all matters pertaining to processing and handling of claims and shall cooperate fully in supplying any information needed or helpful in such defense. The Fund shall carry on all negotiations and negotiate within authority granted it. If a personal appearance by the Member or an Employee is necessary, the expense of this appearance will be paid by the Member unless otherwise agreed. The Fund will retain and supervise legal counsel on behalf of and at the expense of the Fund necessary for the prosecution of any litigation. All decisions on individual cases shall be made by the Fund, which includes the decision to appeal or not to appeal a final ruling and decision. However, any Member shall have the right in any case involving one of their Employees, to consult with the Fund on any decision made. The Board shall hear the objections of the Member at its next

regularly scheduled or special meeting and their decision will be final and binding on all parties. Any suit brought or defended by the Fund shall be in the name of the Member. Notwithstanding any provisions of this paragraph, all reports and filings required by the Workmen's Compensation Act and the state of any employer will be the responsibility of the Member.

F. The Member agrees to abide by this Agreement and Bylaws and Resolutions of the Board, and any amendments thereto.

G. The Fund and its agents are authorized at all reasonable times to inspect all work places, machinery, appliances and equipment of the Member, and books, contracts, and records related to payroll, employment job class, Premium, expenditures, or similar financial and employment data during the Members enrollment in the Fund and within two (2) years after final termination of membership in the Fund.

#### ARTICLE XII. DISSOLUTION AND DISPOSITION OF PROPERTY

The title to all property, real and personal, acquired by the Fund shall be vested in the Fund. In the event of termination of the Fund, such property shall belong to the Members of the Fund according to their participation in the Fund and in accordance with criteria developed by the Board of Trustees. Upon partial or complete termination of the Fund, the vote of at least two-thirds (2/3) of the Board of Trustees of the Fund is binding in all respects as to the disposition of property and dissolution of the Fund. The Board of Trustees shall serve as trustees for the disposition of property or funds, payment of obligations, dissolution and winding up of the affairs of the Fund.

#### ARTICLE XIII. AMENDMENT

These bylaws may be amended from time to time upon:

1. Recommendation of any member of the Board of Trustees and approval by at least two-thirds (2/3) of the Board of Trustees as constituted; or

2. Petition proposed by at least twenty percent (20%) of the Members of the Fund and approval by at least two-thirds (2/3) of the members of the Board of Trustees as constituted.

Any proposed amendment shall be circulated to trustees at least thirty (30) days prior to the date that approval is required by the Board.

IN WITNESS WHEREOF, the parties have hereunto set their hands by this 28th day of February, 2024.

South Central Regional Transit District

Member Name

By: Signature of Authorized Officer

Javier Perea, Mayor, City of Sunland Park

Name (Print) and Title

The Coordinator for the Member is \_\_\_\_\_ Fiscal Officer

Date Adopted by Board: November 1, 1982.

Approved by Secretary of Finance and Administration: /s/ Denise D. Fort  
March 11,

Amended May 19, 1984

Ratified August 14, 1985

Consolidated December 29, 1986 in One Document  
(Bylaws and Joint Powers Agreement)

Amended June 26, 1987, Articles I, II and V by striking "or employer" in Article I paragraph 2; by adding F and G to Article II; and by changing "or" to "and" and adding "which participates in a Plan or Contract with the Fund" on lines 2 and 3 of Article V.