

BYLAWS
OF
PTSC-MTA RISK MANAGEMENT AUTHORITY

ARTICLE I.
BOARD

Section 1. Board Membership: Appointment: Qualifications. The Board shall consist of three (3) persons. Two directors shall be appointed by the Los Angeles County Metropolitan Transportation Authority ("MTA") and one (1) director shall be appointed by the Public Transportation Services' Corporation ("PTSC"). The chief executive officer of each agency shall appoint the agency's representatives who shall serve at the pleasure of the appointing authority.

Section 2. Term of Office. Each director shall serve for a one-year term or until a successor is appointed. A director may serve successive terms.

Section 3. Vacancies. In the event that a director fails to attend three successive meetings of the Board, the director's position shall be automatically vacated. The vacancy shall be filled by the appointing agency within 30 days of any vacancy.

Section 4. Committees. The Board may establish such committees as may prove necessary from time to time.

Section 5. Board Meetings. There shall be a minimum of one (1) regular meeting of the Board each year. Meetings shall be held at the call of the President or a majority of the members of the Board. The Board may establish by resolution a time and place to hold regular meetings.

Meetings shall be conducted pursuant to the most current edition of Roberts Rules of Order or such other procedural rules as the Board may establish from time to time. Minutes shall be kept of all meetings. Meetings shall be noticed and conducted in accordance with the Ralph M. Brown Act, in addition to any other requirements of these Bylaws.

Section 6. Committee Meetings. Meetings of a committee may be called by the chair of the committee or a majority of the members of a committee.

Section 7. Notice of Meetings. At least seven (7) calendar days' written notice of each Board meeting and each committee meeting shall be given to each director, either personally or by mail. Such notice shall contain the date, time and place of the meeting and, to the extent possible, shall contain a specific description of the business to be transacted. Written notice may be dispensed with as to any director who at or prior to the meeting files with the Clerk a written waiver of notice or who is actually present at the meeting at the time it convenes. Special or emergency meetings may be called upon not less than 72 hours written notice.

Section 8. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting, providing that at least one director appointed by each agency is present.

Section 9. Fees and Compensation. Directors shall serve without compensation, except that they may be reimbursed for all necessary out-of-pocket costs.

ARTICLE II OFFICERS OF THE AUTHORITY

Section 1. Officers. The officers of the PRMA shall be:

- (a) President
- (b) Vice President
- (c) Clerk
- (d) Treasurer-Auditor

Section 2. Method of Selection.

- (a) The Board shall elect from among its members a President, Vice President, Clerk and Treasurer-Auditor at its first meeting and annually thereafter, except as otherwise provided herein. The officers shall take office immediately upon their election and shall continue in office for one year, or until their successor is elected, whichever is later. In the case of a vacancy in the office of the President, the Vice President shall succeed to the office and a new Vice President shall be elected.
- (b) The Board may appoint such other officers as may be necessary to carry out the purposes of PRMA.
- (c) Any Officer may be recalled at any time by a two-thirds vote of the Board.

Section 3. President.

- (d) The President shall be elected by the Board from its membership.
- (e) The duties of the President are to:
 - (1) Preside at and conduct meetings of the Board;
 - (2) Appoint committee chairs;
 - (3) Execute documents on behalf of the Authority.

Section 4. Vice President.

- (a) The Vice President shall be elected by the Board from its membership.
- (b) The Vice President shall exercise the duties of the President in the absence, or upon a vacancy in the office, of the President.

Section 5. Clerk.

- (c) The Clerk shall be elected by the Board from its membership.
- (d) The duties of the Clerk are to:
 - 1) Attend the meetings of the Board and keep minutes thereof;
 - 2) Keep all official records of the Authority not required to be kept by the Treasurer-Auditor;
 - 3) File such notices and statements as are required by Sections 6503.5 and 53051 of the Government Code; and
 - 4) Give notice of meetings as may be required by law.
- (a) The Clerk may delegate the functions prescribed in paragraph (b) to any person employed or retained by PRMA for such purpose.

Section 6. Treasurer-Auditor

- (b) The Treasurer-Auditor may be elected by the Board from its membership, provided that should the Board fail to elect a Treasurer, the Treasurer of the MTA shall serve as Treasurer-Auditor until the Board appoints another qualified person as Treasurer.
- (c) The Treasurer-Auditor of PRMA shall have the custody of and disburse the authority's funds. The Treasurer-Auditor shall have the authority to delegate the signatory function of the Treasurer-Auditor to such persons as are authorized by the Board and may delegate the functions prescribed in paragraphs (c) and (d) to any person employed or retained by PRMA for such purpose. The duties of the Treasurer-Auditor are to:
 - (1) Receive and receipt for money of the Authority and place it in the treasury of the Authority;
 - (2) Be responsible upon the Treasurer's bond for the safekeeping and disbursement of authority money held by the Treasurer;
 - (3) Pay demands against the Authority from Authority money when the demands have been approved by the President or such other persons as authorized by the Board.
- (a) The Treasurer-Auditor shall verify and report quarterly to the Board the amount of money held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.
- (b) The Treasurer-Auditor, within 120 days after the close of fiscal year, shall give a complete written report of all financial activities of the Authority for such fiscal year to the Board and to each participant.

- (c) The Treasurer-Auditor shall cause an annual independent audit to be made by a Certified Public Accountant approved by the Board. A report thereof shall be filed as a public record with each of the participants. Such report shall be filed within six months of the end of the year under examination.

Section 7. Administrator

At the first meeting of the Board, or as soon thereafter as practicable, the Board shall approve one or more agreements for the day-to-day administration of PRMA. There may be an Administrator appointed by the Board. The Administrator may be delegated the responsibility for the day-to-day administration, management and operations of Authority's programs of risk management and shall be subject to the direction and control of the Board. The Administrator may be compensated for services to the Authority in such amounts and manner as may be fixed from time to time by the Board.

ARTICLE III. AMENDMENT

All amendments to these bylaws shall be approved by a two-thirds majority of the Board, provided that such majority includes a representative of each agency. Upon its approval, the amendment shall be disseminated to the MTA and PTSC Boards. The effective date of any such amendment shall be July 1st following adoption, unless otherwise stated in the amendment.

ARTICLE IV. EFFECTIVE DATE

These bylaws shall be effective immediately upon their approval.