

**AUBURN AREA RECREATION AND PARK DISTRICT MEETING OF THE
PROGRAM, PERSONNEL, POLICY, FEE & LEGAL REVIEW COMMITTEE AGENDA**

WEDNESDAY, JANUARY 23, AT 1:00 PM

CANYON VIEW COMMUNITY CENTER

471 MAIDU DRIVE, AUBURN, CA 95603

Materials related to an item on this Agenda submitted to the District after distribution of the agenda packet are available for public inspection in the District's Office at 471 Maidu Drive, Auburn, CA 95603. In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (530) 537-2187. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

1.0 CALL TO ORDER

Holbrook _____ Ferris _____

2.0 ANNOUNCEMENTS, AGENDA REVIEW, CHANGES AND APPROVAL

3.0 PUBLIC COMMENT – This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Committee Chairperson, please state your name and address for the record (optional). There is a time limitation of three minutes.

4.0 BUSINESS

4.1 Approval of Minutes from the December 5, 2018 Program, Personnel, Policy, Fee & Legal Review Committee Meeting

Recommendation: Review and approve minutes.

4.2 Amending ARD Ordinance #1: Prohibited Presence in Parks; Trash and Littering; Fires and BBQ Grills

Shall the Auburn Area Recreation and Park District (ARD) consider amending ARD Ordinance #1 to clarify what activities are prohibited in parks after dusk, to strengthen rules on littering and the use of ARD trash receptacles and to clarify what sort of fuels can be used in ARD BBQ grills?

4.3 ARD Legal Counsel, 2019

Shall the Auburn Area Recreation and Park District (ARD) re-address the performance of its current legal counsel?

4.4 Amending Board Policy: Cancelling Meetings

Shall the Auburn Area Recreation and Park District (ARD) amend its Board Procedures and Responsibilities Manual to include information about cancelling meetings?

4.5 Term Limits for ARD Board Members

Shall the Auburn Area Recreation and Park District (ARD) create term limits for the Board of Directors?

4.6 SDRMA Quote

Shall the Auburn Area Recreation and Park District (ARD) move their self-insurance policies (Workers' Compensation and Property/Liability) from CAPRI to SDRMA?

4.7 Approval of Legal Bills from December 2018 and January 2019

Recommendation: Review and approve legal bills.

Discussion Item:

1. Permanent Restraining Order Against Matthew Rhines.

5.0 ITEMS TO BE CONSIDERED AT FUTURE PROGRAM, PERSONNEL, POLICY & FEE COMMITTEE MEETINGS

5.1 PENDING ITEMS REQUIRING MORE DETAILED RESEARCH

- Review the District Transparency Checklist - ongoing.

ADJOURNMENT

AUBURN AREA RECREATION AND PARK DISTRICT
This agenda is hereby certified to have been posted as follows:

1-17-19
Date

3:20 p.m.
Time

P. Laram
Secretary to the Board

**Auburn Area Recreation and Park District
Minutes
of the Program, Personnel, Policy, Fee & Legal Review Committee Meeting
Wednesday, December 5, 2018, 12:30 p.m.
Canyon View Community Center
471 Maidu Drive
Auburn, CA 95603**

1.0 CALL TO ORDER

The meeting of the Program, Personnel, Policy, Fee & Legal Review Committee was called to order at 12:30 p.m.

ROLL CALL

Directors Holbrook and Ferris were both present.

2.0 ANNOUNCEMENTS, AGENDA REVIEW, CHANGES AND APPROVAL

None.

3.0 PUBLIC COMMENT- This is the time wherein any person may comment on Any item not on the agenda within the subject matter jurisdiction of the Committee. After you are recognized by the Committee Chairperson, please state your name and address for the record (optional). There is a time limit of three minutes.

None.

4.0 BUSINESS

4.1 Approval of Minutes from the November 14, 2018 Program, Personnel, Policy, Fee & Legal Review Committee Meeting

The minutes from the November 14, 2018 Program, Personnel, Policy, Fee & Legal Review Committee meeting were reviewed and approved by Directors Holbrook and Ferris.

4.2 Permanent Restraining Order Against Matthew Rhines

This item will be followed-up on with more information being provided at the January, 2019 Policy meeting.

4.3 Vandalism Statement

The Policy Committee did not forward a recommendation to make a public vandalism statement to the Board of Directors on this item.

4.4 Approval of Legal Bills

The Committee reviewed and approved the legal bills.

Discussion Item:

1. Quote from SDRMA – the results on the quote from SDRMA should be available in January, 2019.

5.0 ITEMS TO BE CONSIDERED AT FUTURE PROGRAM, PERSONNEL, POLICY, FEE & LEGAL REVIEW COMMITTEE MEETINGS

None.

5.1 PENDING ITEMS REQUIRING MORE DETAILED RESEARCH

Review the District Transparency Checklist – ongoing.

ADJOURNED

As there was no further business, the meeting was adjourned at 1:24 p.m.

Board Secretary

Date

Item 4.2 Cover sheet – Amending ARD Ordinance #1: Prohibited Presence in Parks; Trash and Littering; Fires and BBQ Grills

Auburn Area Recreation and Park District (ARD) Policy Committee meeting January, 2019

The Issue

Shall the Auburn Area Recreation and Park District (ARD) consider amending ARD Ordinance #1 to clarify what activities are prohibited in parks after dusk, to strengthen rules on littering and the use of ARD trash receptacles and to clarify what sort of fuels can be used in ARD BBQ grills?

Background

California Public Resources Code (PRC) section 5786.1 empowers the Boards of Special District to adopt and enforce ordinances necessary for the administration, government and protection of all property, improvements and facilities under its management or belonging to the District.

Staff is proposing three amendments at this time:

Proposed Amendment #1:

ARD Ordinance #1, Section R, states the following:

R. Prohibited presence. No person shall tent, camp, lodge, or otherwise be present in any park after dusk or before dawn or at times otherwise posted, except when lawfully in attendance at an event permitting such.

ARD Ordinance #1, Section CC, states the following:

CC. Lights. No person utilizing an illuminated playing area shall continue to do so after 10:45 p.m. of each day. The persons using such an area shall ensure that all lights for the area are turned off no later than 10:45 p.m. unless authorized by Special Use Permit.

Section R does not address people who may be using a park to participate in an authorized activity at a lit facility. These activities may include (but are not limited to): adult softball, youth baseball, pickleball/tennis played on lit courts, outdoor basketball played on lit courts.

A recent emphasis placed on enforcing Section R used added signage to notify users of park hours. This caused some concern with at least one person who thought she may not be able to play evening pickleball.

Proposed amendments to this section are attached.

Proposed Amendment #2:

ARD Ordinance #1, Section T, states the following:

T. Waste liquids and refuse. No person shall dispose of dishwater or other waste liquids or dispose of any garbage, empty container, or other solid waste material within a park, other than in receptacles or other facilities provided for such disposal.

ARD has been having some issues with people using District trash receptacles and dumpsters to dispose of their personal trash.

Proposed amendments to this section are attached.

Proposed Amendment #3:

In December of 2016, the ARD Board considered amending ARD Ordinance #1 to clarify what sort of fuel materials could be used in ARD grills. The Board decided at that point that it would wait until the next time ARD Ordinance #1 was amended to make any changes to these sections.

Proposed amendments to these sections are attached.

Recommendation for the Policy Committee

Review and discuss the proposed changes. Forward to the ARD Board for review and comment.

Ordinance amendment procedures would need to be followed should the Board opt to amend ARD Ordinance #1. This involves public notice and two readings. The process will take 2 – 3 months.

Fiscal Impact

The proposed amendment would have a minor fiscal impact to the District, including costs to publicly notice the amendment (approx. \$500) and signage (less than \$500).

Attachments

Proposed amendments to ARD Ordinance #1, Section R

Proposed amendments to ARD Ordinance #1, Section T

Proposed amendments to ARD Ordinance #1, Sections A and S

Proposed new language for ARD Ordinance #1 re: Prohibited presence

(new language in red)

R. Prohibited presence. No person shall tent, camp, lodge, or otherwise be present in any park after dusk or before dawn or at times otherwise posted, except when lawfully in attendance at an event or authorized rental permitting such or participating in an approved activity at a lit facility. All activities at lit facilities must obey Section CC.

CC. Lights. No person utilizing an illuminated playing area shall continue to do so after 10:45 p.m. of each day. The persons using such an area shall ensure that all lights for the area are turned off no later than 10:45 p.m. unless authorized by Special Use Permit.

Proposed Amendment to ARD Ordinance #1, Section T re: Trash and Littering

Current ARD Ordinance #1, Section T :

T. Waste liquids and refuse. No person shall dispose of dishwater or other waste liquids or dispose of any garbage, empty container, or other solid waste material within a park, other than in receptacles or other facilities provided for such disposal.

Current Placer County Ordinance:

B. Littering Prohibited. No person shall leave or deposit rubbish, litter or trash of any kind, except in receptacles provided for said purposes. Receptacles in public recreation areas are intended solely for the purpose of park generated trash or rubbish. Under no circumstances may any person bring rubbish or trash into a PRA for the purpose of disposing into PRA receptacles.

Proposed ARD Ordinance, Section T:

T. Waste liquids, refuse and littering. No person shall leave or deposit rubbish, litter, waste liquids or trash of any kind, except in receptacles provided for said purposes. Receptacles in District parks are intended solely for the purpose of park generated trash or rubbish. Under no circumstances may any person bring rubbish or trash into a District park for the purpose of disposing into District park receptacles.

Proposed Amendments to ARD Ordinance #1, Section A and S: BBQ grills and fires

ARD Ordinance #1, Section A, states the following:

A. Fires. No person shall make or kindle a fire within any park except in stoves or other facilities specifically provided by the District or in a container commercially manufactured for such purposes, and used only in areas designated for such use. **All persons must obey Section S.** No fire shall be lit or maintained within a park between the hours of 10 p.m. and 7 a.m. of the next succeeding day, except by Special Use Permit.

S. Picnicking. No person shall cook any meal within a park except in an area authorized and provided for such use. **Only charcoal briquettes or other commercially made cooking briquettes are allowed in District BBQ grills.**

Cover sheet – ARD Legal Counsel, 2019

Auburn Area Recreation and Park District Policy, Program and Fee Committee Meeting January, 2019

The Issue

Shall the Auburn Area Recreation and Park District (ARD) re-address the performance of its current legal counsel?

Background

District Policy, Section VI, Policy on Authorization for Legal Services, states the following:

- D. Policy to Re-Address Performance of Legal Counsel. The District will re-address performance of the contracted Legal Counsel every two years. If services and fees are not found to be in accordance with the Legal Services Agreement as signed by the District Administrator and Legal Counsel, the District may seek new counsel.

ARD's current legal counsel is Cole Huber. Cole Huber has been with ARD since August of 2016. ARD's main contact at Cole Huber, Ron Scholar, has worked with the District since 2006.

ARD staff sent out a Request For Proposal (RFP) for new legal counsel in 2016. After review, the District decided to switch from Kronick, Moskovitz, Tiedemann and Girard (KMTG) to Cole Huber.

The ARD Board of Directors readdressed the performance of KMTG in July, 2012 and June, 2014 and May, 2016.

Recommendation for the Policy Committee

Review and provide direction.

Staff recommends staying with Cole Huber.

Fiscal Impact

There is no projected fiscal impact to perform this review.

The following is a chart of ARD's legal costs for the past 11 Fiscal Years:

FY 06/07	FY 07/08	FY 08/09 *	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
\$30,652	\$24,824	\$1,363	\$20,131	\$13,475	\$7,710	\$6,648	\$8,421	\$15,301	\$6,693

FY 16/17	FY 17/18
\$4,533	\$12,552

*Note: ARD moved its Fiscal Year Calendar in 2009/2010, resulting in a 9 month Fiscal Year.

Attachments

None

Item 4.4 Cover sheet – Amending Board Policy: Cancelling Meetings

Auburn Area Recreation and Park District Policy Committee January 2019

The Issue

Shall the Auburn Area Recreation and Park District (ARD) amend its Board Procedures and Responsibilities Manual to include information about cancelling meetings? Director Lynch requested that this item be considered.

Background

Director Lynch has requested that the Board consider changes to the ARD Board Procedures and Responsibilities Manual that will allow for ARD to cancel any meeting with a minimum notice and to specifically cancel the December Board meeting depending on holiday conflicts and/or a lack of significant business.

Proposed amended language is attached.

CA PRC 5780 (Rec and Park District code) states the following:

§5784.11. A board of directors shall meet at least once every three months. Meetings of the board of directors are subject to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

Recommendation for the Policy Committee

Review and provide direction. Forward to the Board for review and possible action.

Fiscal Impact

There is no fiscal impact to changing this policy.

Attachments

Proposed amendments to the ARD Board Procedures and Responsibilities Manual

ARD Board Procedures and Responsibilities

6. Review proposals from the Board or public for new programs or services to be offered.
7. Review proposed changes to all rentals and other fees. This includes, but is not limited to: Processing fees, rental fees, custodial fees, and public swim fees. Program fees will not be reviewed unless specifically requested by a Board member, staff or member of the public.
8. Review and approve/disapprove all legal billings received by the District.

FINANCE COMMITTEE

The Finance Committee has an agenda, is generally composed of two Board Members and is responsible for the following:

1. Review and forward to the Board all monthly financial statements as presented by staff. This should include summaries of all checks and other payments made. This review is for the purpose of accuracy and comparison with budget.
2. Evaluation of budget performance.
3. Review fiscal impact of items, if such items are above District Administrator limits.
4. Review the fiscal impact of new job descriptions and proposed changes to current job descriptions.
5. Review the fiscal impact of changes to the project list.

ACQUISITION & DEVELOPMENT COMMITTEE

The Acquisition & Development Committee has an agenda, is generally composed of two Board Members and is responsible for the following:

1. Review the staff prepared project list and send recommendations to the Board for approval.
2. Review and track the Board approved project list.
3. Make recommendations to the Board for changes in the approved project list.
4. Review and approve all contracted projects prior to final payment.
5. Review and make recommendations for construction or projected related contracts.
6. Review proposed acquisitions and make recommendations to the Board.

PROCEDURES FOR THE CONDUCT OF BOARD AND COMMITTEE MEETINGS

The Board of Directors of the Auburn Area Recreation & Park District deems it advisable to establish written procedures for the conduct of its Board meetings to conform with current legislation as it relates to the Ralph M. Brown Act, California Government Code Section 54950 et. seq., and proper parliamentary procedure, pursuant to the authority provided in Public Resources Code Section 5782, hereby adopts the following procedural rules for the conduct of its meetings:

Regular Meetings The regular meetings of the Board of Directors shall be held on the last Thursday of each month at 6:00 p.m. ~~A board meeting may be cancelled when it is known 72-hours [or 24-hours?] in advance that a quorum of the Board cannot attend.~~ The November and December Board meetings will be scheduled in consideration of recognized holidays ~~and the December meeting may be cancelled due to holiday conflicts and/or lack of significant business.~~ All regular meetings shall be held at the Canyon View Community Center, 471 Maidu Dr., Auburn, California unless otherwise noticed. An agenda containing a brief general description of each matter to be considered or discussed must be posted at least 72 hours prior to the meeting in accordance with Chapter IV of Government Code Section 54954.2.

Deleted: in

Deleted:

Any meeting of the Board of Directors may be adjourned to a time and place specified in the order of adjournment. Unless otherwise noticed, meetings shall be held at the District office located at 471 Maidu Drive, Auburn, California.

At the December meeting, or January meeting if there is no meeting in December, of each calendar year or at the first meeting of a newly elected Board of Directors, the Board of Directors shall elect a Chairperson and Vice Chairperson to serve for a period of one (1) year or until the election of their successors.

Deleted: seated

Meetings of the Board of Directors shall be conducted by the Chairperson in a manner consistent with the policies of the District. *Roberts Rules of Order, Newly Revised* may be used as a general guideline for meeting protocol. District policies shall prevail whenever they are in conflict with *Robert's Rules of Order, Newly Revised*.

Writings which are public records, except those exempt from public disclosure as provided by the Government (or other) Code, which are distributed prior to commencement of a public meeting, or during a public meeting, shall be made available for prior inspection upon request.

PRESIDING OFFICER – DESIGNATION. The Chairperson, or in his/her absence the Vice-Chairperson, shall take the chair at the hour appointed for the meeting and shall call the Board to order. In the absence of the Chairperson and the Vice-Chairperson, the Secretary of the Board shall call the Board to order, whereupon a Temporary Chairperson shall be selected by the Board Members present. Upon the arrival of the Chairperson or the Vice-Chairperson, as the case may be, the person who is then presiding shall relinquish the chair at the conclusion of the business then before the Board.

CHAIRPERSON – POWERS AND DUTIES. The Chairperson shall act as the Presiding Officer and shall assume his/her place and duties, as such, immediately following his/her election.

He/she shall preserve order and decorum at all Board meetings, state questions coming before the Board, announce its decision on all subjects and decide all questions of order; subject, however, to appeal by a Board Member to the Board as a whole, in which event the majority shall govern and conclusively determine such questions of order.

He/she may vote on all questions on Roll Call vote. His/her name should be called last.

The Chairperson shall sign all ordinances and resolutions adopted and contracts approved by the Board at meetings at which he/she is in attendance. In the event of his/her absence, the District Administrator or other individual as approved by Board Action shall sign such documents.

The Presiding Officer shall control public debate so that repetitive or irrelevant statements are not made, so that where public participation is in order, everyone will have a chance to speak before other persons have a second chance to speak, to expedite business at hand and to prevent Board meetings from being used as a forum for libel, slander or otherwise defamation of persons, under the cloak of "public privilege."

ROLL CALL. Before proceeding with the business of the Board, the Clerk to Board shall call the roll of the members and the names of those present shall be entered in the minutes.

GAINING THE FLOOR. Every Board Member desiring to speak shall first address the chair and gain recognition by the Presiding Officer. Such member shall confine himself/herself to the question under debate, avoiding reference to character and indecorous language. Every Board Member desiring to question the District staff shall, after recognition by the Presiding Officer,

Item 4.5 Cover sheet – Term Limits for ARD Board Members

Auburn Area Recreation and Park District (ARD) Program, Personnel, Policy, Fee and Legal Review Committee January, 2019

The Issue

Shall the Auburn Area Recreation and Park District (ARD) create term limits for the Board of Directors? Director Ferris requested that this item be considered.

Background

The ARD Board of Directors currently does not have any term limits. After the request from Director Ferris, staff began research in to what it would take to create term limits. Internet based research did not produce any definitive answers, and a posting on the CSDA resources (helpline) Board did not produce any definitive answers other than such a thing may need to be voted on by the electorate. The closest thing that staff could find was the following information from the CA Education Code:

Education Code Section 35107(c) states that the governing board of a school district may adopt a proposal to limit the number of terms a member of the governing board of the school district may serve on the governing board of the school district. Any proposal to limit the number of terms a member of the governing board of the school district may serve on the governing board of the school district shall apply prospectively only and shall not become operative unless it is submitted to the electors of the school district at a regularly scheduled election and a majority of the votes cast on the question favor the adoption of the proposal.

Similar language applying to Recreation and Parks Districts and/or Special Districts in general could not be found, however that does not mean that such language doesn't exist.

Recommendation for the Policy Committee

Review and discuss. If this is an item that the Committee and/or Board wishes to pursue, staff will contact ARD's attorneys.

Fiscal Impact

N/A

Attachments

None

Item 4.6 Cover Sheet for competitive bid from SDRMA on Property/Liability Insurance and Worker's Compensation Insurance

Auburn Area Recreation and Park District Finance Committee meeting January, 2019

The Issue: Shall the Auburn Area Recreation and Park District (ARD) move their self-insurance policies (Workers' Compensation and Property/Liability) from CAPRI to SDRMA?

Background: On September 5, 2018, a package of information was sent to SDRMA for a quotation for Workers' Compensation and Property/Liability Insurance, including: Workers' Compensation work history for the last 10 years, Property/Liability loss history from the last 6 years, a report on internal controls from our last audit report, ARD's Current approved Operating budget, a Worker's Compensation program application, and a Property/Liability application which included; a schedule of values/property schedule, property inventory list, equipment inventory, Driver information and a vehicle schedule.

SDRMA (Est 1986) returned a quotation on November 19, 2018. SDRMA is offering Property/Liability Insurance Program for a \$93,733 annual premium. SDRMA is offering Workers' Compensation Insurance Program for a \$92,673 annual premium. This would be a total annual cost of \$186,406 for the year July 2018 – June 2019. SDRMA offers a safety credit (after the first year insured) of 13%, which is approximately \$5,100 on the General Liability portion of their premium as well as a safety credit (after the first year insured) of 13%, which is approximately \$12,680 on their Worker's Compensation premium. This is for a 3-year contract beginning July 2019.

Currently, Auburn Area Recreation and Park District is self-insured with CAPRI (California Association for Park and Recreation Indemnity), a member-directed joint powers authority (Est 1986). ARD pays \$108,864 for Workers' Compensation and \$72,138 for Property/Liability insurance; \$181,002 in total for the year July 2018 – June 2019. CAPRI offers a safety credit of 15%, which is approximately \$5,440 on the General Liability portion of their premium on the Worker's Compensation premium. CAPRI also pays dividends annually to their members when appropriate, depending on how the pool does on the investment side, this year is estimated to be approximately \$5,500.

Recommendation for the Finance Committee:

Staff recommends staying with CAPRI for our Liability & Property coverages, and move to SDRMA for our Worker's Compensation coverage for these reasons:

- Savings for the first year of approximately \$7,000
- Savings for the 2nd & 3rd years of approximately \$20,000 per year
- Liability & Property coverages are less expensive through CAPRI and coverage is broader.
- CAPRI is focused toward Park Districts exclusively. This brings added value because they understand the business of Park Districts very well.

Alternatives available to the Finance Committee:

- 1- Stay with CAPRI
- 2- Switch both property/liability and worker's comp over to SDRMA in July, 2019
- 3- Get updated Quotes for the 2019-2020 year

Financial Impact:

The impact of the recommended option:

Will save the District approximately \$7,000 in 2019-2020, but save approximately \$20,000 in 2020-2021 and \$20,000 in 2021-2022.

Alternative 1 will have no financial impact

Alternative 2 will cost the District an additional \$10,900 the first year, but save approximately \$7,000 in 2020-2021 and \$7,000 in 2021-2022.

Alternative 3 is informational.

Attachments: Quotation from SDRMA

Attachment checklist

Resolution for Workers' Compensation covering Board Members and Volunteers

Resolution for accepting a Joint Powers agreement with SDRMA

Joint Powers Agreement

SDRMA ByLaws

Comparison Spreadsheet describing Property/Liability coverage

Proposal Spreadsheet for Contracting with SDRMA and CAPRI

November 19, 2018

Mr. Kahl Muscott
District Administrator
Auburn Area Recreation and Park District
471 Maidu Drive, Suite 300
Auburn, California 95603

Dear Mr. Muscott,

Thank you for the opportunity to provide Auburn Area Recreation and Park District with this 2018-19 Property/Liability and Workers' Compensation Program quotations. Established in 1986, the Special District Risk Management Authority has a proven reputation for competitive rates, actuarially based fiscal management, and sound underwriting practices. We are confident that our Programs offer the highest level of protection and service at the lowest possible rate.

Valid for sixty (60) days from the date of this letter, the following quotation represents twelve (12) months of coverage and is subject to verification and final underwriting review. Coverage bound mid-year will be prorated based on effective dates. Auburn Area Recreation and Park District's quotation is as follows:

PROPERTY/LIABILITY PROGRAM QUOTATION

Coverage Limits: \$25 Million - July 1, 2018 through June 30, 2019 \$93,733.13
(Includes a 5% Multi-Program Discount, based on net package contribution)

WORKERS' COMPENSATION PROGRAM QUOTATION

Coverage: July 1, 2018 through June 30, 2019 \$92,672.58
(Includes a 5% Multi-Program Discount, based on an experience modification of 94%)

SCHEDULED PROPERTY/COVERAGES

COVERAGE	TOTAL INSURED VALUE	DESCRIPTION
Property Inventory	\$17,993,871	64 structures and contents
Vehicle Inventory	\$218,430	12 scheduled vehicles
Comp and Collision	\$218,430	12 scheduled vehicles 250/500 Comp/Coll Deductibles
Mobile Equipment	\$617,566	70 mobile equipment items
Trailer Inventory	\$3,000	2 scheduled trailers
Estimated Payroll	\$2,390,296	23 FT EE's and 77 PT EE's

Special District Risk Management Authority's Credit Incentive Program (CIP) awards points up to 15% of the annual contribution for completion of approved risk management and training programs. Members can reduce future contributions each year by earning CIP points or not experiencing any paid claims.

Auburn Area Recreation and Park District
Page 2

Please be advised that coverage may be bound upon submitting the following documentation:

- Adoption of a Resolution by the Auburn Area Recreation and Park District Board of Directors approving the form and authorizing the Execution of the Sixth Amended Joint Powers Agreement and agreeing to membership in the SDRMA Property/Liability and Workers' Compensation Programs for an initial 3-year commitment.
- Execution and delivery of the Sixth Amended Joint Powers Agreement of the Special District Risk Management Authority.
- Completion of the Alliant Crime Policy application.
- The Adoption of the Resolution and Approval of the State Application for a Certificate to Self-Insure by Auburn Area Recreation and Park District.
- The Completion of the State Application for a Certificate to Self-Insure by the Auburn Area Recreation and Park District.
- Approval by SDRMA's Board of Directors of Auburn Area Recreation and Park District's membership in the Property/Liability and Workers' Compensation programs. (In the event the Auburn Area Recreation and Park District requires coverage prior to approval by SDRMA's Board of Directors, the SDRMA underwriters are authorized to issue a 60-day conditional binder).
- Annual Membership in California Special Districts Association is required and separate from this quotation.

Upon receipt of all membership documents, SDRMA will forward pro-rated invoices for the annualized Property/Liability and Workers' Compensation Program contributions.

We look forward to Auburn Area Recreation and Park District's participation in the SDRMA Property/Liability and Workers' Compensation Programs. Should you have any questions, or if we can provide any additional information, please do not hesitate to contact us at 800.537.7790. All necessary membership documents will be sent to you upon notification of the District's decision to proceed with membership in the program.

Sincerely,
Special District Risk Management Authority



Ellen Mirabal Doughty, ARM
Chief Member Services Officer

**Actions Required to Secure Membership in the
Special District Risk Management Authority
Workers' Compensation and Property/Liability Programs**

- Attachment One:** **Resolution—**Adoption of A Resolution of the Board of Directors Approving the Form of and Authorizing the Execution of a Sixth Amended and Restated Joint Powers Agreement and Authorizing Participation in the Special District Risk Management Authority Workers' Compensation and Property/Liability Programs (an electronic version is enclosed). Please note, the Board President/Chairperson or an Agency staff member with signature authorization must sign this document.

- Attachment Two:** **Resolution –** Adoption of a Resolution of the Board of Directors Approving the Form of Authorizing coverage for Governing Body members and/or volunteers.

- Attachment Three:** **Joint Powers Agreement—**Execution of the Sixth Amended and Restated Joint Powers Agreement Relating to the Special District Risk Management Authority (. Please note, the Board President/Chairperson must sign the original document.

- Attachment Four:** **State of California Application and Resolution—**Approval and completion of the State of California Application for a Public Entity Certificate of Consent to Self-Insure (an electronic version is enclosed). The Board President/Chairperson or an Agency staff member with signature authorization must sign this document on page 4. An Agency Seal is not required on page 5. Person signing application (page 4) cannot sign Resolution (page 5).

- Attachment Five:** **Crime Policy Application—**Completion of the Crime Policy Application for Special District Risk Management Authority (an electronic version is enclosed) for employee and public officials' fidelity blanket bond. The General Manager or another financial administrative staff member should complete and sign this application.

- Attachment Six:** **Loss History—**Please submit complete loss history. If the Agency has no losses, please provide on Agency letterhead a no known losses letter indicating such.

- Attachment Seven:** **By-Laws—**By-Laws of Special District Risk Management Authority (an electronic version is enclosed). No action is required as this item is for the Agency's review and file.

Please complete and return all items to:

Member Services
Special District Risk Management Authority
1112 "I" Street, Suite 300
Sacramento, California 95814

Premium and Payment Terms

Special District Risk Management Authority's (SDRMA's) policy period for both workers' compensation and property/liability programs is July 1 through June 30. Workers' compensation and Property/Liability invoices are billed annually. Upon receipt of the Agency's membership documents, SDRMA will forward pro-rated invoices. Payments are due upon receipt of the invoices.

New Member Packet

Each member will receive a new member packet containing SDRMA membership contact information, claim forms and a certificate of coverage. Additionally, once the Agency's membership documents have been processed, copies of the fully executed Sixth Amended and Restated Joint Powers Agreement and the State of California Certificate of Consent to Self-Insure Workers' Compensation Liabilities will be forwarded for your files.

Loss Prevention Program

RESOLUTION No. **XXXXXXXXXX**

**RESOLUTION OF THE GOVERNING BODY OF
THE **AGENCY NAME**,
DECLARING THAT GOVERNING BODY MEMBERS AND VOLUNTEERS SHALL
BE DEEMED TO BE EMPLOYEES OF THE DISTRICT FOR THE PURPOSE OF
PROVIDING WORKERS' COMPENSATION COVERAGE FOR SAID CERTAIN
INDIVIDUALS WHILE PROVIDING THEIR SERVICES**

WHEREAS, the **Agency Name** utilizes the services of Governing Body Members and Volunteers; and

WHEREAS, Section 3363.5 of the California Labor Code provides that a person who performs voluntary service for a public agency as designated and authorized by the Governing Body of the agency or its designee, shall, upon adoption of a resolution by the Governing Body of the agency so declaring, be deemed to be an employee of the agency for the purpose of Division 4 of said Labor Code while performing such services; and

WHEREAS, the Governing Body wishes to extend Workers' Compensation coverage as provided by State law to the following designated categories of persons as indicated by a checkmark in the box to the left of the descriptions:

- All Members of the Governing Body of the **[Agency Name]** as presently or hereafter constituted and/or
- All persons performing voluntary services without pay other than meals, transportation, lodging or reimbursement for incidental expenses
- Individuals on Work-study programs
- Interns
- Other Volunteers

_____ [designate]

NOW, THEREFORE, BE IT RESOLVED, that such persons coming within the categories specified above, including the duly elected or appointed replacements of any Governing Body Member and other designated individuals be deemed to be employees of the **Agency Name** for the purpose of Workers' Compensation coverage as provided in Division 4 of the Labor Code while performing such service. However, said Governing Body Members and other designated individuals will not be considered an employee of the **Agency Name** for any purpose other than for such Workers' Compensation coverage, nor grant nor enlarge upon any other right, duty, or responsibility of such Governing Body Members or other designated individuals, nor allow such persons to claim any other benefits or rights given to paid employees of the **Agency Name**.

PASSED, APPROVED AND ADOPTED this **DATE** by the following vote:

AYES:
NOES:
ABSENT:

Name, Chairperson
Agency Name

APPROVED AS TO FORM:

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF (AGENCY NAME HERE) APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A SIXTH AMENDED JOINT POWERS AGREEMENT AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY PROPERTY /LIABILITY PROGRAM and WORKERS' COMPENSATION PROGRAMS

WHEREAS, (Agency Name Here), a special district duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), has determined that it is in the best interest and to the advantage of the Agency to participate for at least three full years in the property/liability program and workers' compensation program offered by the Special District Risk Management Authority (the "Authority"); and

WHEREAS, California Government Code Section 6500 *et seq.*, provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, Special District Risk Management Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing its members with risk financing and risk management programs; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, participation in Special District Risk Management Authority programs requires the Agency to execute and enter into a Sixth Amended Joint Powers Agreement (the "Amended JPA Agreement"); which states the purpose and powers of the Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AGENCY AS FOLLOWS:

Section 1. Findings. The Agency Board of Directors hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the Agency.

Section 2. Sixth Amended JPA Agreement. The Amended JPA Agreement, proposed to be executed and entered into by and between the Agency and members of the Special District Risk Management Authority, in the form presented at this meeting and on file with the Agency Secretary, is hereby approved. The Agency Board and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver to the Authority the Amended JPA Agreement in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Program Participation. The Agency Board of Directors approves participating for three full program years in Special District Risk Management Authority Property/Liability Program and Workers' Compensation Program.

Section 4. Other Actions. The Authorized Officers of the Agency are each hereby authorized and directed to execute and deliver any and all documents which is necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this ____ day of _____, 20____ by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Name

Title

Agency Secretary



State of California
Department of Industrial Relations
OFFICE OF SELF-INSURANCE PLANS

**APPLICATION FOR CERTIFICATE OF CONSENT
TO SELF-INSURE AS A PUBLIC AGENCY EMPLOYER SELF-INSURER**

All questions must be answered. If not applicable, enter "N/A".

To the Director of the Department of Industrial Relations: The public agency employer identified below submits the following information to obtain a Certificate of Consent to Self-Insure the payment of workers' compensation under California Labor Code Section 3700.

LEGAL NAME OF APPLICANT (Show exactly as on Charter or other official documents):

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Federal Tax ID # of Group: _____

CONTACT - Who Should Correspondence Regarding This Applicant Be Addressed To:

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Phone: _____ E-Mail: _____

TYPE OF PUBLIC ENTITY (Check one):

City and/or County School District Police and/or Fire District Hospital District

Joint Powers Authority Other (describe): _____

TYPE OF APPLICATION (Check one):

New Application Reapplication (Merger/Unification) Reapplication (Name Change)

Other (describe): _____

Date Self-Insurance Program will begin: _____

CURRENT WORKERS' COMPENSATION PROGRAM

- Currently Insured with State Fund Policy # _____ Expiration Date: _____
- Currently Self Insured, Certificate # _____
- Other (describe): _____

CLAIMS ADMINISTRATION

Who will be administering your agency's workers' compensation claims? (Check one)

- JPA will administer
- Third Party Administrator, TPA Certificate # 132
- Public entity will self-administer
- Insurance Carrier will administer

Name of Third Party Administrator:

Name: Dorienne Zumwalt Title: Account Manager

Company Name: York Risk Services Group

Address: Post Office Box 619058

City: Roseville State: CA Zip + 4: 95661 - _____

Phone: (916) 960-0900 E-Mail: doriennezumwalt@yorkrsg.com

of claims reporting locations to be used to handle Agency's claims: 1

Does applicant currently have a California Certificate of Consent to Self-Insure? Yes No

If yes, what is the current Certificate Number: _____

Total Number of Affiliate's California employees to be covered by Group: _____

AGENCY EMPLOYER

Current # of Agency Employees: _____ # of Public Safety Employees (police//fire): _____

If school District, # of certificated employees: 0

Will all Agency employees be covered by this self-insurance plan? Yes No

If 'No', explain who is not covered and how workers' compensation coverage will be provided to the excluded employees:

JOINT POWERS AUTHORITY

Will applicant be a member of a JPA for workers' compensation ?

Yes No (If 'yes', complete the following)

Effective date of JPA Membership: _____ JPA Certificate # 5806

Name of JPA: Special District Risk Management Authority

AGENCY SAFETY PROGRAM

Does the Agency have a written Injury and Illness Prevention Program (IIPP)? Yes No

Individual responsible for Agency workplace safety and IIPP program:

Name: _____ Title: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip + 4: _____ - _____

Phone: _____ E-Mail: _____

SUPPLEMENTAL COVERAGE

1.) Will your program be supplemented by any insurance or pooled coverage under a **STANDARD** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

2.) Will your program be supplemented by any insurance or pooled coverage under a **SPECIFIC EXCESS** workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: California Association of Counties - Excess Insurance Authority

Policy #: WCEL-LCA-SDRMA-2018-19 Effective Date of Coverage: 07/01/2018

Retention Limits: \$750,000 SIR

3.) Will your program be supplemented by any insurance or pooled coverage under an **AGGREGATE EXCESS** (stop loss) specific excess workers' compensation insurance policy? Yes No (If 'Yes', complete the following):

Name of Excess Pool/Carrier: _____

Policy #: _____ Effective Date of Coverage: _____

Retention Limits: _____

RESOLUTION FROM GOVERNING BOARD

Attach a properly executed Governing Board Resolution. See attached sample resolution on page 5.

CERTIFICATION

The undersigned on behalf of the applicant hereby applies for a Certificate of Consent to Self-Insure the payment of workers' compensation liabilities pursuant to Labor Code Section 3700. The above information is submitted for the purpose of procuring said Certificate from the Director of Industrial Relations, State of California. If the Certificate is issued, the applicant agrees to comply with applicable California statutes and regulations pertaining to the payment of compensation that may become due to the applicant's employees covered by the Certificate.

X _____ DATE: _____
SIGNED: Authorized Official / Representative

Printed Name

Title

Agency Name

RESOLUTION NO.: _____ DATED: _____

**A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF-INSURE
WORKERS' COMPENSATION LIABILITIES**

At a meeting of the _____
(Enter Name of the Board)

of the _____
(Enter Name of Public Agency, District, Etc.)

a _____ organized and existing under the
(Enter Type of Agency, i.e., County, City, School District, etc.)

laws of the State of California, held on the _____ day of _____, 20____,

the following resolution was adopted:

RESOLVED, that the above named public agency is authorized and empowered to make application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure workers' compensation liabilities and representatives of Agency are authorized to execute any and all documents required for such application.

IN WITNESS WHEREOF: I HAVE SIGNED AND AFFIXED THE AGENCY SEAL.

X _____ DATE: _____
SIGNED: Board Secretary or Chair

Printed Name

Title

Agency Name

Affix Seal Here

**SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
 COMMERCIAL CRIME
 INSURANCE APPLICATION**

For Agency Use Only Producer Name: _____ Producer Number: _____ Office: Newport Beach
--

Note: Please complete one questionnaire for each legal entity to be insured.

Applicant: _____

Complete Named Insured:	_____

Insured Address: _____
 For overnight mail _____
 (No P.O. Box) _____

Mailing Address: _____
 Same as above _____

Contact: _____ Title: _____
 Phone: () - Ext. _____ Fax: () - _____
 email: _____

• **CURRENT COVERAGE** •

Total Limit: \$ _____ Deductible: \$ _____ Policy Expiration Date: ____ / ____ / ____

• **OPTIONAL QUOTATIONS** •

Limits Requested:	\$ 1,000,000 <input type="checkbox"/>	Deductible:	\$ _____
	\$ _____		\$ _____
	\$ _____		
	\$ _____		

• **RENEWAL INFORMATION REQUIRED** •

Description of Operations:	_____		
Type of Entity to be Insured:	<input type="checkbox"/> Municipality	<input type="checkbox"/> Nonprofit Corporation	
	<input type="checkbox"/> District Hospital	<input type="checkbox"/> Other (please specify) _____	
	<input type="checkbox"/> Special District		
Total Number of Employees (Break down as follows):	Full Time: _____	Part Time: _____	
Elected/Appointed Officials:	_____	Volunteers: _____	
Number of Employees who actually handle, have access to or maintain records of money, securities or other property:	_____		
Number of Locations where all employees are located:	_____		
Total Revenues: \$ _____	Total Assets: \$ _____	Net Income or Revenue: \$ _____	
Total Fund Equity (Total Assets – Total Liabilities):	\$ _____		
Have any control recommendations been made by your CPA in the past 2 years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
(If yes, provide a list and explain):	_____		

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY COMMERCIAL CRIME INSURANCE APPLICATION

Note: Please complete one questionnaire for each legal entity to be insured.

Have any control recommendations made by your CPA within the last 2 years NOT been implemented?
Yes No If yes, explain _____

Do you have separation of duties over wire fund transfer procedures (i.e. the same person does not authorize and execute the transfer?) Yes No If no, explain _____

Are any bank deposits or accounts reconciled on a monthly basis by someone NOT authorized to deposit or withdraw? Yes No If no, explain _____

Do you have counter signature on all checks? Yes No If no, describe alternate procedures: _____

Is an authorized vendor list utilized? Yes No
Are your procedures designed so that no single employee can control a transaction from beginning to end (i.e. approve a voucher, request and sign a check?) Yes No If no, explain _____

Do you have any employees on staff who act as internal claims adjuster? Yes No
If yes, please attach an explanation of the internal controls over the establishment of claims files and issuance of claims settlement checks.

Please list any changes or revisions to your audit or internal control procedures during the last 12 months.

Has the Insured had any Commercial Crime losses in the last six (6) years? Yes No
(If yes, please provide details): _____

Please provide the latest annual financial statement and CPA Memorandum on Internal Controls if excess limits are being purchased.

NOTICE TO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

The undersigned authorized officer/manager of the applicant declares that the statements set forth herein are true. The undersigned authorized officer/manager agrees that if the information supplied on this application changes between the date of this application and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the insurer of such changes, and the insurer may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance

Signing of this application does not bind the applicant or the insurer to complete the insurance, but it is agreed that this application shall be the basis of the contract should a policy be issued.

All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signed _____ Title _____
(Applicant)

Date _____

Actions Required to Secure Membership



Upon securing membership in SDRMA, the Agency will be contacted by SDRMA's Safety and Loss Prevention staff to schedule a comprehensive on-site safety analysis by a certified safety professional, at no additional cost to the member. This value-added service is intended to take a proactive approach to loss prevention, claims education and management. Should you have any questions regarding our safety and loss prevention program, please contact our Chief Risk Officer Dennis Timoney at 800.537.7790.

Please do not hesitate to call 800.537.7790, should you have any additional questions. For more information regarding SDRMA services, please visit our website at www.sdrma.org.

**SIXTH AMENDED
JOINT POWERS AGREEMENT**

RELATING TO THE

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Adopted August 1, 1986
1st Amended February 5, 1988
2nd Amended March 31, 1990
3rd Amended July 1, 1993
4th Amended February 9, 1998
5th Amended and Restated
- Approved March 24, 2003
- Effective July 1, 2003
6th Amended October 2, 2007

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**SIXTH AMENDED JOINT POWERS AGREEMENT
RELATING TO THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

THIS SIXTH AMENDED JOINT POWERS AGREEMENT (the "Agreement") is made and entered into by and among the public agencies (the "Members") organized and existing under the laws of the State of California, which are signatories to this Agreement.

RECITALS

WHEREAS, California Government Code Section 6500 *et seq.* (the "Act") provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Labor Code Section 3700(c) permits pooling by public agencies of self insurance for Workers' Compensation liability; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties to this Agreement desire to join together for the purposes set forth in Article 2 hereof, including establishing pools for self-insured losses and purchasing Excess or Re-Insurance and administrative services in connection with joint protection programs (the "Programs") for members of the California Special Districts Association ("CSDA"); and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so; and

WHEREAS, the Members have previously executed that certain Fifth Amended and Restated Joint Powers Agreement (the "Original JPA"), which Original JPA the Members desire to amend and restate by this Agreement; provided that such amendment and restatement shall not affect the existence of the Authority; and

WHEREAS, CSDA exists to assist and promote special districts, and has been responsible for the original creation of the Special District Risk Management Authority ("Authority") and Special District Workers Compensation Authority ("SDWCA"), and determined the consolidation of SDWCA and the Authority on July 1, 2003 was in the best interests of special districts and other public agencies throughout the State.

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1. Definitions. The following definitions shall apply to the provisions of this agreement:

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended or supplemented.

“Alliance Executive Council” means the council organized pursuant to the MOU.

“Assessment” means an additional amount, in addition to the Member’s or Former Member’s original contribution, which the Board of Directors determines in accordance herewith and/or with the Bylaws that a Member or Former Member owes on account of its participation in a Program for a given Program year.

“Authority” shall mean the Special District Risk Management Authority created by the original version of this Agreement.

“Board of Directors” or “Board” shall mean the governing body of the Authority.

“Bylaws” means the Bylaws of the Authority adopted by the Board of Directors, as they may be amended from time to time.

“Chief Executive Officer” shall mean that employee of the Authority who is so appointed by the Board of Directors.

“Claim” shall mean a demand made by or against a Member or Former Member which is or may be covered by one of the Programs approved by the Board of Directors.

“Contribution” means the amount determined by the Board of Directors to be the appropriate sum which a Member should pay at the commencement of or during the Program Year in exchange for the benefits provided by the Program.

“Coverage Documents” shall mean the Declarations, Memorandum of Coverages, Coverage Agreements, Endorsements, Policies of Insurance or any other documents that provide the terms, conditions, limits and exclusions of coverage afforded by a Program.

“CSDA” means the California Special Districts Association.

“District” shall mean a special district, public agency or public entity within the State of California which is both a Member of the CSDA and a signatory to this Agreement.

“Duly Constituted Board Meeting” shall mean any Board of Directors meeting noticed and held in the required manner and at which a Quorum was determined to be present at the beginning of the meeting.

“Estimated Contribution” means the amount which the Board of Directors estimates will be the appropriate contribution for a Member’s participation in a Program for a Program Year.

“Excess or Re-Insurance” shall mean that insurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the Members or Former Members against catastrophic losses or an unusual frequency of losses during a single year in excess of the self-insurance retention maintained by the Authority.

“Fiscal Year” shall mean that period of twelve months which is established as the fiscal year of the Authority.

“Former Member” shall mean a District which was a signatory to the Agreement but which has withdrawn from, or been involuntarily terminated from participating in, the Authority.

“Joint Protection Program” means a Program offered by the Authority, separate and distinct from other Programs, wherein Members will jointly pool their losses and claims, jointly purchase Excess or Re-Insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

“Member” shall mean a signatory to this Agreement, which is qualified as a Member under the provisions of this Agreement and the Bylaws.

“MOU” means the Memorandum of Understanding - Alliance Executive Council, dated as of September 20, 2001, among the Authority, CSDA, the CSDA Finance Corporation and SDWCA.

“Program” or “Programs” means the specific type of protection plan as set forth in the terms, conditions and exclusions of the Coverage Documents for self-insured losses, and the purchasing of Excess or Re-Insurance and administrative services.

“Program Year” shall mean a period of time, usually 12 months, determined by the Board of Directors, in which a Program is in effect.

“Retained Earnings,” as used herein, shall mean an equity account reflecting the accumulated earnings of a Joint Protection Program.

“SDWCA” means the Special Districts Workers Compensation Authority, and its successors or assigns.

Article 2. Purposes. This Agreement is entered into by the Members pursuant to the provisions of California Government Code section 990, 990.4, 990.8 and 6500 *et seq.* in order to provide, subject to the provisions of the Coverage Documents, economical public liability and workers’ compensation coverage, or coverage for other risks which the Board of Directors may determine.

Additional purposes are to reduce the amount and frequency of losses, and to decrease the cost incurred by Members in the handling and litigation of claims. These purposes shall be

accomplished through the exercise of the powers of such Members jointly in the creation of a separate entity, the Special District Risk Management Authority (the "Authority"), to establish and administer Programs as set forth herein and in the Bylaws.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion, at a subsequent date, and subject to approval by the Board of Directors, of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and Members of the Authority.

Article 3. Parties to Agreement. Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 18. Each party to this Agreement also certifies that the withdrawal from or cancellation of membership by any Member, pursuant to Articles 19 and 20 or otherwise, shall not affect this Agreement nor such party's intent, as described above, to contract with the other remaining parties to the Agreement.

Article 4. Term of Agreement. This Agreement shall become effective as to existing Members of the Authority as set forth in Article 33 hereof. This Agreement shall continue thereafter until terminated as hereinafter provided. This Agreement shall become effective as to each new Member upon: (i) approval of its membership by the Board of Directors, (ii) the execution of this Agreement by the Member, and (iii) upon payment by the Member of its initial Contribution for a Program. Any subsequent amendments to the Agreement shall be in accordance with Article 27 of this Agreement.

Article 5. Creation of Authority. Pursuant to the Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Special District Risk Management Authority. Pursuant to Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority, including but not limited to, debts, liabilities and obligations of any of the Programs shall not constitute debts, liabilities or obligations of any party to this Agreement or to any Member or Former Member.

The Authority is not an insurer, and the coverage programs offered by the Authority do not provide insurance, but instead provide for pooled joint protection programs among the members of the Authority. The Joint Protection Programs offered by the Authority constitute negotiated agreements among the Members which are to be interpreted according to the principles of contract law, giving full effect to the intent of the Members, acting through the Board of Directors in establishing the Programs.

Article 6. Powers of Authority. (a) The Authority shall have all of the powers common to Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

- (1) to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former

Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;

- (2) to accept an assignment from SDWCA of all its assets, obligations and liabilities prior to the dissolution of SDWCA (including claims and contracts in existence prior to such dissolution) in order to benefit the Members or Former Members participating in the SDWCA workers compensation program; provided, that except for the fair and equitable allocation of administrative and overhead expenses, funds from such assignment shall not be co-mingled and shall be separately accounted for as provided for in this Agreement and the Bylaws.
- (3) to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;
- (4) to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;
- (5) to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (6) to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities
- (7) to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;
- (8) to employ agents and employees, and/or to contract for such services;
- (9) to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority under Article 2 or Article 4 of the Act;
- (10) to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;
- (11) to sue and be sued in its own name;
- (12) to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act; and
- (13) to exercise all powers and perform all acts as otherwise provided for in the Bylaws.

(b) Said powers shall be exercised pursuant to the terms hereof, in the manner provided by law and in accordance with Section 6509 of the Act. The foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Member or Former Member designated in the Bylaws.

Article 7. Board of Directors. Subject to the limitations of this Agreement and the laws of the State of California, the powers of this Authority shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board of the Authority, which is hereby established and designated as the agency to administer this Agreement pursuant to Section 6506 of the Act. The powers of the Authority shall be exercised through the Board of Directors, who may, from time to time, adopt and modify Bylaws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The officers of the Board shall be as set forth in the Bylaws.

So long as the MOU has not been terminated or the Authority has not withdrawn from the MOU, the Board of Directors shall be composed of seven (7) directors elected by the Member entities who have executed the current operative Agreement and are participating in a Joint Protection Program. The terms of directors, procedures for election of directors, procedures for meetings and provisions for reimbursement of Director expenses shall be as set forth in the Bylaws. Each Member of the Board of Directors shall have one vote. Each Member of the Board shall serve as set forth in the Bylaws.

So long as the Authority is a participant in the MOU, the Board of Directors of the Authority shall appoint three (3) members of its board to serve as members of the Alliance Executive Council. No member of the Board of Directors of the Authority shall serve as a director on any other board of directors of an entity or organization that is a signatory to the MOU during the term of the MOU. In the event a director is elected to such a board, that director shall immediately resign from the Board of Directors of the Authority.

In the event SDRMA withdraws from the MOU, the Board of Directors of the Authority shall consist of those seven (7) Directors who hold seats on the Authority's Board of Directors at the time of the withdrawal and who were duly appointed by the Board, or elected or re-elected by the Member entities of SDRMA plus the additional directors appointed by CSDA as provided in Article 25.

Article 8. Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Article 9. Powers of the Board of Directors. The Board of Directors shall have such powers and functions as provided for pursuant to this Agreement and the Bylaws and such additional powers as necessary or appropriate to fulfill the purposes of this Agreement and the Bylaws, including, but not limited to, the following:

- (a) to determine details of and select the Program or Programs to be offered, from time to time, by the Authority;

- (b) to determine and select all insurance, including Excess or Re-insurance, necessary to carry out the programs of the Authority;
- (c) to contract for, develop or provide through its own employees various services for the Authority;
- (d) to prepare or cause to be prepared the operating budget of the Authority for each fiscal year;
- (e) to receive and act upon reports of committees and from the Chief Executive Officer;
- (f) to appoint staff, including a Chief Executive Officer, and employ such persons as the Board of Directors deems necessary for the administration of this Authority;
- (g) to direct, subject to the terms and conditions of the Coverage Documents, the payment, adjustment, and defense of all claims involving a Member during their period of membership in and coverage under a Program;
- (h) to fix and collect Contributions and Assessments for participation in the Programs;
- (i) to expend funds of the Authority for the purpose of carrying out the provisions of the Agreement and the Bylaws as they now exist or may be hereafter amended;
- (j) to purchase excess insurance, liability insurance, stop loss insurance, officers and directors liability insurance, and such other insurance as the Authority may deem necessary or proper to protect the Program, employees of the Authority and employees of the Members;
- (k) to defend, pay, compromise, adjust and settle all claims as provided for in the Coverage Documents;
- (l) to obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds for the Authority;
- (m) to establish policies and procedures for the operation of the Authority and the Programs;
- (n) to engage, retain, and discharge agents, representatives, firms, or other organizations as the Board of Directors deems necessary for the administration of the Authority;
- (o) to enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of the Authority;

- (p) to acquire, hold, lease, manage and dispose of, as provided by law, any and all property necessary or appropriate to carry out the purposes and functions of the Authority;
- (q) to transact any other business which is within the powers of the Board of Directors;
- (r) to invest funds on hand in a manner authorized by law, the Agreement and the Bylaws;
- (s) to provide financial administration, claims management services, legal representations, safety engineering, actuarial services, and other services necessary or proper to carry out the purposes of the Authority either through its own employees or contracts with one or more third parties;
- (t) to exercise general supervisory and policy control over the Chief Executive Officer;
- (u) to establish committees and sub-committees as it deems necessary to best serve the interests of the Authority; and
- (v) to have such other powers and functions as are provided for pursuant to the Act, this Agreement or necessary or appropriate to fulfill the purpose of this Agreement and the Bylaws.

Article 10. Officers of the Authority. The officers of the Authority shall be as set forth in the Bylaws. The Board may elect or authorize the appointment of such other officers than those described in the Bylaws as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Agreement, or as the Board, from time to time, may authorize or determine.

Any officer may be removed, either with or without cause, by a majority of the directors of the Board at any regular or special meeting of the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Members of the Board until such time as a successor for said office has been appointed.

Article 11. Provision for Bylaws. The Board shall promulgate Bylaws to govern the day-to-day operations of the Authority. The Board may amend the Bylaws from time to time as it deems necessary, and as provided in the Bylaws. Each Member shall receive a copy of any Bylaws and agrees to be bound by and to comply with all of the terms and conditions of the Bylaws as they exist or as they may be modified. The Bylaws shall be consistent with the terms of this Agreement. In the event any provision of the bylaws conflicts with a provision of this Agreement, the provision contained in this Agreement shall control.

Article 12. [Reserved].

Article 13. Coverage Programs.

(a) The Authority shall maintain such types and levels of coverage for Programs as determined by the Board of Directors. Such coverage may provide for binding arbitration before an independent arbitration panel of any disputes concerning coverage between the Authority and a Member.

(b) The coverage afforded under one or more Programs may include protection for general liability, auto liability, property, boiler and machinery, public officials errors and omissions, employment practices, employee benefits liability coverage, employee dishonesty coverage, public officials personal liability coverage and workers' compensation, as well as coverage for other risks which the Board of Directors may determine to be advisable. More than one type of coverage may be afforded under a single Program.

(c) The Board of Directors may arrange for group policies to be issued for Members, their board members and employees interested in obtaining additional coverage, at an appropriate additional cost to those participating Members.

(d) The Board of Directors may arrange for the purchase of Excess or Re-Insurance. The Authority shall not be liable to any Member or to any other person or organization if such excess or reinsurance policies are terminated, canceled or non-renewed without prior notice to one or more Members, or if there is a reduction in the type of coverage afforded under a program by reason of any change in coverage in a succeeding excess or reinsurance policy, even if such reduction occurs without prior notice to one or more Members.

Article 14. Implementation of the Programs. The Board of Directors shall establish the coverage afforded by each Program, the amount of Contributions and Assessments, the precise cost allocation plans and formulas, provide for the handling of claims, and specify the amounts and types of Excess or Re-Insurance to be procured. The Contributions and Assessments for each Program shall be determined by the Board of Directors as set forth herein, in the Bylaws or in the operating policies established for a Program.

Article 15. Accounts And Records.

(a) **Annual Budget.** The Authority shall, pursuant to the Bylaws, annually adopt an operating budget, including budgets for each Joint Protection Program.

(b) **Funds and Accounts.** The Authority shall establish and maintain such funds and accounts as required by the Board of Directors and as required by generally accepted accounting principles, including separate funds and accounts for each Program, including Joint Protection Programs. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members, or as otherwise required by law.

(c) **Investments.** Subject to the applicable provisions of any indenture or resolution providing for the investment of moneys held thereunder, the Authority shall have the power to invest any money in the treasury that is not required for the immediate necessities of the Authority, as the Board determines is advisable, in the same manner as local agencies pursuant to

California Government Code Sections 53601 *et seq.* (as such provisions may be amended or supplemented).

(d) **No Commingling.** The funds, reserves and accounts of each Program shall not be commingled and shall be accounted for separately; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be fairly and equitably allocated among Programs as determined by the Board of Directors. Investments and cash accounts may be combined for administrative convenience, but a separate accounting shall be made for balances of individual funds and Program revenues and expenses.

(e) **Annual Audit.** The Board shall provide for a certified, annual audit of the accounts and records of the Authority, in the manner set forth in the Bylaws.

Article 16. Services Provided by the Authority. The Authority may provide, at the sole discretion of the Board of Directors, the following services in connection with this Agreement:

(a) to provide or procure coverage, including but not limited to self-insurance funds and commercial insurance, as well as excess coverage, re-insurance and umbrella insurance, by negotiation or bid, and purchase;

(b) to assist Members in obtaining insurance coverage for risks not included within the coverage of the Authority;

(c) to assist risk managers with the implementation of risk management functions as it relates to risks covered by the Programs in which the Member participates;

(d) to provide loss prevention and safety consulting services to Members;

(e) to provide claims adjusting and subrogation services for Claims covered by the Programs;

(f) to provide loss analysis and control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;

(g) to review Member contracts to determine sufficiency of indemnity and insurance provisions when requested;

(h) to conduct risk management audits relating to the participation of Members in the Programs; and

(i) to provide such other services as deemed appropriate by the Board of Directors.

Article 17. Responsibilities of Members. Members or Former Members shall have the following responsibilities, which shall survive the withdrawal from, or involuntary termination of participation in, this Agreement:

(a) Each Member shall designate a person to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.

(b) Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices and/or hazard mitigation.

(c) Each Member shall maintain its own set of records, including a loss log, in all categories of risk covered by each Program in which it participates to insure accuracy of the Authority's loss reporting system, unless it is no longer deemed necessary by the Board of Directors.

(d) Each Member shall pay its Contribution, and any adjustments thereto, and any Assessments within the specified period set forth in the invoice, or as otherwise may be set forth herein or in the Bylaws. After withdrawal or termination, each Former Member or its successor shall pay promptly to the Authority its share of any additional Contribution, adjustments or Assessments, if any, as required of it by the Board of Directors under Article 21 or 22 of this Agreement or the Bylaws.

(e) Each Member or Former Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement in which the Member or Former Member participates or has participated.

(f) Each Member or Former Member shall in any and all ways cooperate with and assist the Authority and any insurer of the Authority, in all matters relating to this Agreement and covered claims.

(g) Each Member or Former Member will comply with all Bylaws, rules and regulations adopted by the Board of Directors.

(h) Each Member shall remain a member in good standing of CSDA.

Article 18. New Members. The Authority shall allow entry into its Programs of new Members only upon approval of the Board, with any conditions or limitations as the Board deems appropriate. In order to become a Member and remain a Member, any District must be a member in good standing of CSDA, shall participate in at least one (1) Joint Protection Program and shall be authorized to exercise the common powers set forth in this Agreement.

Article 19. Withdrawal.

(A) Any Member may voluntarily withdraw from this Agreement only at the end of any applicable Program Year and only if:

- (i) The Member has been a signatory to this Agreement for not less than three (3) full Program Years as of the date of the proposed withdrawal;

- (ii) The Member submits a written withdrawal notification in accordance with the Bylaws;
 - (iii) In order to withdraw from the agreement the member must have completed the three (3) full program year participation requirement for each Joint Protection Program the member participated in at the time of withdrawal.
- (B) Any Member may voluntarily withdraw from any particular Joint Protection Program; and
- (i) It has participated in such Joint Protection Program for at least three (3) full Program Years;
 - (ii) it is a participant in another Joint Protection Program; and
 - (iii) the Member submits a written withdrawal notification in accordance with the Bylaws.
- (C) In the event that the three year participation requirement as required by (A)(i) or (B)(i) as to any such Joint Protection Program above has not been met, for each Program the withdrawing Member participated in at the time of its withdrawal, for less than three years such withdrawing member shall be obligated to pay all Contributions and Assessments as if that Member had remained in each such Program for the full three years from the inception of its membership in the Authority.
- (D) In the event that the notice is not provided as required by (A)(ii) or (B)(iii) above, any such withdrawing Member shall, with respect to each Program the Member participated in, be obligated to pay any and all Contributions and Assessments for the next full Program Year.
- (E) A Member may withdraw from any Program (other than a Joint Protection Program) as provided by the Coverage Documents relating to such Program.
- (F) Withdrawal of one or more Members shall not serve to terminate this Agreement.
- (G) A Member may not withdraw as a party to this Agreement until it has withdrawn, as provided in the Bylaws from all of the Programs of the Authority.

Article 20. Involuntary Termination.

(a) Notwithstanding the provisions of Article 19, the Authority shall have the right to involuntarily terminate any Member's participation in any Program, or terminate membership in the Authority, as provided in the Bylaws.

(b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's Programs, may be involuntarily terminated at the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the

discretion of the Board of Directors, to place coverage elsewhere. Any such involuntary termination shall not relieve the Member or Former Member of its responsibilities as provided for in Articles 17 or 21.

Article 21. Effect of Withdrawal or Involuntary Termination. The withdrawal from or involuntary termination of any Member from this Agreement shall not terminate this Agreement, and such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid, or donated by the Member to the Authority, or to any return of any loss reserve contribution, or to any distribution of assets (except payment of any Retained Earnings, as set forth in the following paragraph).

The withdrawal from or involuntary termination of any Member after the effective date of any Program shall not terminate its responsibility to pay its unpaid Contribution adjustments, or Assessments to such Program. The Board of Directors shall determine the final amount due from the Member or Former Member by way of contribution or assessments, if any, or any credit due on account thereof, to the Member or Former Member for the period of its participation. Such determination shall not be made by the Board of Directors until all Claims, or other unpaid liabilities, have been finally resolved. In connection with this determination, the Board of Directors may exercise similar powers to those provided for in Article 22(b) of this Agreement, or as otherwise set forth in the Bylaws. Upon such withdrawal from or cancellation of participation in any Program by any Member, said Member shall be entitled to receive its pro rata share of any Retained Earnings declared by the Board of Directors after the date of said Member withdraws or is involuntarily terminated.

Article 22. Termination and Distribution; Assignment.

(a) This Agreement may be terminated any time with the written consent of two-thirds of the voting Members; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of net assets and all other functions necessary to wind up the affairs of the Authority.

(b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members or Former Members, including those which were signatory hereto at the time the subject Claims arose or was/were incurred, to pay any Assessment in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement or the Bylaws. A Member or Former Member's Assessment shall be determined as set forth in the Bylaws or the applicable Coverage Documents.

(c) Upon termination of a Program, all net assets of such Program other than Retained Earnings shall be distributed only among the Members that are participating in such Program at the time of termination, in accordance with and proportionate to their cash payments (including Contributions, adjustments, Assessments and other property at market value when received) made during the term of this Agreement for such Program. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by such Program, or as otherwise set forth in the Bylaws.

(d) Upon termination of this Agreement all net assets of the Authority, other than of any Program distributed pursuant to (c) above, shall be distributed only among the Members in good standing at the time of such termination in accordance with and proportionate to their cash contributions and property at market value when received. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by this Agreement, or as otherwise set forth in the Bylaws.

(e) In the event the Board of Directors is no longer able to assemble a quorum, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Board of Directors or Chief Executive Officer under this Article shall be final.

(f) In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the voting Members, may elect to assign and transfer all of the Authority's rights, assets, liabilities and obligations to a successor joint powers authority created under the Act.

Article 23. Enforcement. The Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce the terms of this Agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors and the nondefaulting party(s) should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party(s) herein contained, the defaulting party agrees that it will on demand therefore pay to the nondefaulting party(s) the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party(s).

Article 24. Nonliability of Directors, Officers and Employees. The Board of Directors, and the officers and employees of the Authority, including former directors, officers and employees, shall not be liable to the Authority, to any Member or Former Member, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any employee or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer or employee. No director, officer or employee, including former directors, officers and employees, shall be liable for any action taken or omitted by any other director, officer or employee. The Authority shall defend and shall indemnify and hold harmless its directors, officers and employees, including former directors, officers and employees, from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such directors, officers or employees of the Authority except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of the Authority shall be used for such purpose. The Authority may purchase conventional insurance to protect the Authority, and its participating Members or Former Members, against any such acts or omissions by its directors, officers and employees, including former directors, officers and employees.

Article 25. Provisions Relating to CSDA. It is agreed and understood the mandatory membership in CSDA provision in Article 18 is in consideration of CSDA's exclusive endorsement of SDRMA's programs as they exist or may be modified. CSDA and the Authority

may from time to time exchange services or enter into separate service agreements pursuant to Section 6505 of the Act, including, but not limited to, services relating to educational programs, marketing, web-site graphics and conferences.

So long as the Authority is a participant in the MOU, the Board of the Authority shall appoint three members of the Board to serve as members of the Alliance Executive Council. In the event the MOU has been terminated or the Authority has withdrawn from the MOU, the composition of the Authority Board of Directors shall be increased by two (2) additional directors to be appointed by CSDA. CSDA appointees shall be a director serving on the CSDA Board of Directors and said director(s) shall be a member of an agency who is a signatory to the current SDRMA Joint Powers Agreement.

CSDA shall be a third party beneficiary to Sections 18, 25, 27 of this Agreement.

Article 26. Notices. Notices to Members or Former Members hereunder shall be sufficient if delivered to the principal office of the respective Member or Former Member.

Article 27. Amendment. This Agreement may be amended at any time by a two-thirds vote of the Members; provided, that any amendment to Article 18, Article 25, or Article 27 shall require the prior written consent of CSDA. The Bylaws may be amended as provided therein. Upon the effective date of any validly approved amendment to this Agreement, such amendment shall be binding on all Members.

Article 28. Prohibition Against Assignment. No person or organization shall be entitled to assert the rights, either direct or derivative, of any Member or Former Member under any coverage agreement or memorandum. No Member or Former Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member or Former Member shall have any right, claim or title or any part, share, interest, fund, contribution or asset of the Authority.

Article 29. Agreement Complete. The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein. This Agreement supersedes and replaces the Fifth Amended Joint Powers Amendment.

Article 30. Counterparts. This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

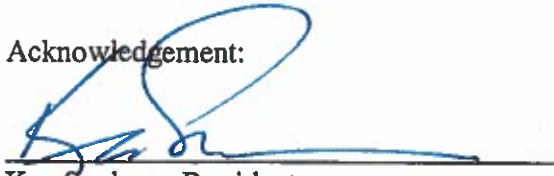
Article 31. California Law. This Agreement shall be governed by the laws of the State of California.

Article 32. Severability. Should any part, term or provisions of this Agreement be determined by any court of component jurisdiction to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Article 33. Effective Date. This Agreement shall become effective as to existing Members of the Authority on the date on which the last of two-thirds of such Members have executed this Agreement.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below:

Acknowledgement:



Ken Sonksen, President
Board of Directors
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Oct 2, 2007

Date

I hereby certify this Amended Joint Powers Agreement has also received the required approval of not less than two-thirds of the Member entities then parties to the Fifth Amended Joint Powers Agreement.



James W. Towns, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

OCT. 2 2007

Date

EXECUTION BY MEMBER

The Amended and Restated Joint Powers Agreement of the Special District Risk Management Authority, has been approved by the Board of Directors of the Member listed below, on the date shown, and said Member agrees to be subject to all of the terms and conditions set forth in said Agreement.

Entity Name: _____

By: _____ President

By: _____ Clerk

Date: _____

EXECUTION BY AUTHORITY

The Special District Risk Management Authority (the "Authority"), operating and functioning pursuant to this Sixth Amended Joint Powers Agreement, hereby accepts the entity named above as a participating member in the Authority, subject to all of the terms and conditions set forth in this Sixth Amended Joint Powers Agreement and in the Bylaws, effective as of

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

By: _____
Jean Bracy, President
Board of Directors

Date: _____

**BYLAWS
OF
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

THESE BYLAWS are for the regulation of Special District Risk Management Authority (the "Authority"). The definitions of terms used in these Bylaws shall be those definitions contained in the Sixth Amended and Restated Joint Powers Agreement relating to the Authority (the "Agreement"), supplements to such Agreement, and subsequent amendments to such Agreement, unless the context requires otherwise.

**ARTICLE I
MEMBERSHIP**

- 1. Eligibility**

Any district, public agency, or public entity organized under the laws of the State of California, which is a member of the California Special Districts Association ("CSDA") is eligible for membership in the Authority upon approval by the Board of Directors of the Authority.
- 2. Participating Member**

A "Member," as that term is used herein, is any public entity described in Section 1 above in the State of California whose participation in the Authority has been approved by the Board of Directors, and which (a) has executed the Joint Powers Agreement or successor document pursuant to which these Bylaws are adopted, and (b) which participates in a Joint Protection Program. Absent specific approval of the Board of Directors, all members shall at all times be a participant in either the Property/Liability Program or Workers' Compensation Program established by the Authority.
- 3. Successor Member Entity**

Should any Member reorganize in accordance with the statutes of the State of California, the successor in interest, or successors in interest, if a member of CSDA, may be substituted as a Member upon approval by the Board of Directors of the Authority.
- 4. Annual Membership Meeting**

An annual meeting of the members of the Authority shall be held at a time and place to be determined by the Board of Directors. The annual meeting shall be conducted in accordance with policies established by the Board of Directors. Each and every entity that is a Member of the Authority shall, no less than thirty (30) calendar days prior to such meeting, be given written notice of the time and place of the meeting. The final agenda will be posted 72 hours prior to the meeting in the manner provided by the Ralph M. Brown Act (California Government Code Section 54950 *et seq.* (the "Brown Act"). The agenda shall include:

 - a. Those matters which are intended to be presented for action by the Board of Directors;
 - b. The general nature of any proposal to be presented for action; and
 - c. Such other matters, if any, as may be expressly required by statute or by the Agreement.

**ARTICLE II
BOARD OF DIRECTORS**

- 1. Powers**

Under the Agreement or successor document, the Authority is empowered to carry out all of its powers and functions through a Board of Directors. The Board of Directors shall have the powers set forth as follows, or as otherwise provided in the Agreement:

 - a. to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;
 - b. to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them,

- c. to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;
- d. to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- e. to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities;
- f. to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;
- g. to employ agents and employees, and/or to contract for such services;
- h. to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority under Article 2 or Article 4 of the Act;
- i. to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;
- j. to sue and be sued in its own name; and
- k. to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act.

2. Nomination of Directors

Members may nominate candidates to the Board of Directors in the following manner:

- a. A Member may place into nomination its candidate for any open position on the Board of Directors in accordance with election guidelines established by the Board of Directors.
- b. Each candidate for election as a director must be a member of the board of directors or a management employee of a Member (as determined by the Member's governing board). Only one representative from any Member may serve on the Board of Directors at the same time.
- c. Nominating forms must be completed and received by the Authority at least fifty (50) days before the date the election will occur.
- d. This nomination process shall be the sole method for placing candidates into nomination for the Board of Directors.

3. Terms of Directors

The composition of the Board shall be as set forth in the Agreement. The election of directors shall be held in each odd-numbered year. The terms of the directors elected by the Members will be staggered. Four directors will serve four-year terms, to end on December 31 of one odd-numbered year. Three directors will serve four-year terms, to end on December 31 of the alternate odd-numbered year.

The failure of a director to attend three (3) consecutive regular meetings of the Board (provided such meetings shall occur in a period of not less than three (3) successive months), except when prevented by sickness, or except when absent from the State with the prior consent of the Board, as provided by Government Code, Section 1770 shall cause such director's remaining term in office to be considered vacant. A successor director shall be selected for the duration of such director's term as set forth in Section 5 hereof.

4. Election of Directors

Members may vote for directors in accordance with the balloting process guidelines established herein or as otherwise established by policy of the Board of Directors. Each Member shall have one vote in the election per elected position.

The Board of Directors will conduct the election of directors to serve on the Board of Directors by all-mail ballot. Written notice shall be sent by mail to each Member no later than ninety (90) days prior to the date scheduled for such election. Said notice shall (i) inform each Member of the positions to be filled on the Board of Directors at such election; and (ii) inform each Member of its right to nominate candidates for any office to be filled at the election to Article II, Section 2 of the Bylaws. A form of mail ballot containing all mailed nominations accepted for any office to be filled at the election shall be mailed in accordance with policy established by the Board of Directors to each Member. Said mailed ballot shall indicate that each Member may return the ballot to the principal business address of the

Authority and that only those ballots received prior to the close of business on the date designated for the election shall be considered valid and counted.

5. Vacancy

Upon the death or resignation of any member of the elected Board of Directors, or the determination such member's remaining term is vacant pursuant to Section 3 hereof, the vacancy shall be filled for the balance of the unexpired term by appointment in accordance with policy established by the Board of Directors.

6. Meetings

The business of the Board of Directors shall be conducted and exercised only at a regular or special meeting of the Board of Directors held in accordance with law. Written notice of each meeting shall be given to each director of the Board by mail or other means of written communication, in the manner provided by the Brown Act. Such notice shall specify the place, the date, and the hour of such meeting.

Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement, may be called at any time by the President, or by the Vice President in the absence or disability of the President, or by a majority of the members of the Board.

Any annual, regular, or special Board of Directors' meeting, whether or not a quorum is present, may be adjourned from time to time, as provided by the Brown Act.

Minutes of any and all open meetings shall be available to Members upon request and distributed by mail, electronically, or available on the Authority's MemberPlus on-line web portal.

7. Quorum and Required Vote

A quorum of the Board of Directors shall be a majority of the total number of directors. A quorum must be present at any meeting before the business of the Board of Directors can be transacted. The vote of a majority of the Board of Directors shall be required for any act or decision of the Board of Directors, except as otherwise specifically provided by law or the Agreement. The directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave less than a quorum.

8. Expenses

Board members shall be reimbursed by the Authority in accordance with policy approved by the Board of Directors for all reasonable and necessary travel expenses when required or incurred by any director in connection with attendance at a meeting of the Board of Directors or a committee thereof and for such other expenses as are approved by the Board. These expenses shall include, but shall not be limited to, all charges for meals, lodging, airfare, and the costs of travel by automobile at a rate per mile established by the Board of Directors.

**ARTICLE III
OFFICERS AND EMPLOYEES**

1. President, Vice President and Secretary

There shall be three officers of the Board: a president, a vice president and a secretary, who shall be members of the Board of Directors.

Election of officers shall be held at the first meeting following January 1 of each year, and each officer's term shall begin immediately thereafter, and shall end following adjournment of the first meeting following January 1 of the next year, or as soon thereafter as a successor is elected.

In the event the president, vice president or secretary so elected ceases to be a member of the Board of Directors, the resulting vacancy in the office shall be filled by election at the next regular meeting of the Board of Directors after such vacancy occurs. The president or vice president may be removed, without cause, by the Board of Directors at any regular or special meeting thereof, by a two-thirds vote of the voting members of the Board.

The president shall preside at and conduct all meetings of the Board of Directors, and shall carry out the resolutions and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. The president shall be ex-officio a member of all standing committees, if any. In the absence of the president, the vice president shall carry out the duties of the president. The secretary shall keep, or cause to be kept, minutes of all meetings, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

2. Board Committees

Committees of the Board may be appointed in accordance with policy established by the Board of Directors, and membership on such committees may be open to non-members of the Board of Directors. Committees shall include at least one (1) member of the Board of Directors, but may not include a majority of the Board of Directors.

3. Chief Executive Officer

The Board shall appoint a Chief Executive Officer who shall have general administrative responsibility for the activities of the Authority. The Chief Executive Officer shall be paid by the Authority and is a contract position.

The Chief Executive Officer shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office or such other place as the Executive Committee may order, a book of minutes of actions taken at all meetings of the Board of Directors, whether regular or special (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof. The Chief Executive Officer/ shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated representatives and alternates of each Member. The Chief Executive Officer/ shall give, or cause to be given, notice of all the meetings of the Board of Directors required by the Bylaws or by statute to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Agreement or the Bylaws.

The Chief Executive Officer shall have the duty of administering the Programs of the Authority, as provided for in the Agreement, shall have direct supervisory control of and responsibility for the operation of the Authority including appointment of necessary employees thereof, subject to the approved budget and prior authorization of each position by the Board, and such other related duties as may be prescribed by the Board or elsewhere in these Bylaws or the Agreement.

4. Execution of Contracts

The Board may authorize 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 except as otherwise provided by these Bylaws or the Agreement. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

5. Resignation

Any officer may resign at any time by giving written notice to the president or to the Chief Executive Officer of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**ARTICLE IV
DESIGNATED ENTITY**

The Lewiston Community Services District is hereby designated as the applicable entity for defining the restrictions upon the manner of exercising power as set forth in the California Government Code Section 6509, and as provided for in the Agreement of which these Bylaws are a part.

Should the Lewiston Community Services District terminate its membership or be involuntarily terminated in accordance with provisions of these Bylaws, the Board of Directors shall, by resolution, name a successor Member as the "designated entity" until such time as this Article can be amended.

ARTICLE V
JOINT PROTECTION PROGRAMS

1. Implementation of Joint Protection Programs

The Board of Directors may, at any time, offer such Programs as it may deem desirable. Such Program or Programs shall be offered on such terms and conditions as the Board of Directors may determine. Members must participate in at least one Joint Protection Program, but participation in any additional Programs or plans will be optional. Those Programs currently include: Property/Liability, Workers' Compensation, Health Benefits and various optional ancillary coverages. The Board of Directors shall establish the amount of Contributions, Estimated Contributions and Assessments, determine the amount of loss reserves, provide for the handling of claims, determine both the type and amount of insurance and/or reinsurance, if any, to be purchased, and otherwise establish the policies and procedures necessary to provide a particular Program for Members. As soon as feasible after development of the details of a Program, the specific rules and regulations for the implementation of such Program shall be adopted by the Board, which shall cause them to be set forth in written form in a policy and procedures manual prepared by the Authority for the Members.

2. Method of Calculating Contributions

The Board of Directors shall establish the method of calculating contributions for Members in each Program or plan annually.

ARTICLE VI
FINANCIAL AFFAIRS

1. Accounts and Records

In compliance with California Government Code Sections 6505.5 and 6505.6 (or as they may be amended), the Treasurer of the Authority shall establish and maintain such bank accounts and maintain such books and records as determined by the Board of Directors and as required by generally accepted accounting principles, the Governing Documents, applicable law, or any Resolution of the Authority. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of Members. Periodically, but not less often than annually, financial reports shall be made available to all Members.

As provided in the Agreement, the funds, reserves and accounts of each Program shall not be commingled and shall be separately accounted for; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be allocated among Programs as determined by the Board of Directors.

2. Audit

The Authority shall obtain an annual audit of its financial statements, which audit shall be made by an independent certified public accountant and shall conform to generally accepted auditing standards and accounting principles. A copy of said audit report shall be available, upon request, to each of the Members. Such audit report shall be obtained and filed within six months after the end of the fiscal year under examination with the State Controller and the Auditor-Controller of Sacramento County. A copy will also be posted to the Authority's website.

3. Annual Budget

Prior to the beginning of each Fiscal Year (or Program Year, as appropriate) the Board shall annually approve an operating budget for the Authority, including a budget for each Joint Protection Program.

4. Risk Sharing

a. Except as otherwise determined by the Board, all Programs established and/or operated under the Agreement or these Bylaws are intended to be risk-sharing programs. Notwithstanding this intention, and upon findings by the Board of Directors of the Authority that confirm the value thereof, the Board of Directors may recognize sound risk management and loss control by the members through contribution and coverage modifications.

b. The Board of directors authorizes the Chief Executive Officer to make adjustments to a member agency's specific deductibles, risk factor, experience modification factor or the coverage afforded based on:

i. The Member's loss experience in comparison to the loss experience of the other members;

- ii. Non-compliance with SDRMA recommended risk management or loss control measures;
- iii. The Member's failure to allow SDRMA or its agents reasonable access to facilities and records in the event of a claim or a loss control inspection;
- iv. The Member's failure to cooperate with SDRMA's officers, agents, employees, attorneys and claim adjusters; or
- v. The Member's failure to honor any other reasonable request by SDRMA with respect to fulfilling the Member's responsibilities as outlined in Article 17 of the Joint Powers Agreement relating to the Authority.

5. Distribution of Net Position

Any Net Position from the operation of any Program, in such amounts and under such terms and conditions as may be determined by the Board of Directors, may be distributed to the Members in such Program. Any distribution of such funds shall be made on a pro rata basis in relation to net contributions paid to that Program and shall be made only to those Members which participated in the Program during the Program Year in which the Net Position were generated. Such distributions may be made to Members based on the Program Year(s) during which the Member participated, even if the Member is not a Member at the time of the distribution.

6. Assessments

- a. If, in the opinion of the Board of Directors, claims against Members in any particular Program or plan for any particular Program Year are of such a magnitude as to endanger the ability of the Authority to continue to meet its obligations for that Program for that Program Year, each Member who has participated in that particular Program or plan of the Authority during the applicable Program Year shall be assessed a pro rata share of the additional amount determined necessary by the Board of Directors to restore the ability of the Authority to continue to meet its obligations for the applicable Program Year.
- b. Each Member's pro rata share of the total Assessment shall be in the same proportion as that Member's gross contributions paid during or due for the applicable Program Year bears to the total gross Contributions paid by or due from all Members during the applicable Program Year. In calculating these amounts, the Assessment shall not be included in gross Contributions.
- c. Failure of any Member to pay any regular Contribution or Assessment when due shall be cause for the involuntary termination of that entity's membership in the Authority. Such Assessment shall be a debt due by all Members who have participated in the applicable Program or plan during the applicable Program Year, and shall not be discharged by termination of membership.

7. Fiscal Year

The Authority shall operate on a fiscal year commencing on July 1 and ending on the following June 30. Such fiscal year shall also be the Program Year for any Member in any Joint Protection Program.

8. Agency Funds; No Loans

All funds received within a Joint Protection Program, as determined by the Board, for the purposes of the Authority shall be utilized solely for the purposes of such Joint Protection Program, and all expenditures of funds shall be made only upon signatures authorized by the Board of Directors, which shall establish the necessary procedures for doing so. Any funds not required for the immediate need of the Authority, as determined by the Board of Directors, may be invested in any manner authorized by law for the investment of funds of a special district.

Except for the allocation of administrative and overhead expenses, and for investment purposes as set forth in the Agreement, Program funds shall not be commingled and shall be separately accounted for.

The Board may not approve loans between Programs.

9. Grants and Donations

Without in any way limiting the powers otherwise provided for in the Agreement, these Bylaws, or by statute, the Authority shall have the power and authority to receive, accept, and utilize the services of personnel offered by any Member, or their representatives or agents; to receive, accept, and utilize property, real or personal, from any Member or its agents or representatives; and to receive, accept, expend, and disburse funds by contract or otherwise, for

purposes consistent with the provisions of the Agreement, which funds may be provided by any Member, their agents, or representatives.

10. Recovery of Payment

In the event of any payment by the Authority, the Authority may on behalf of the Member, either in the name of the Authority, in the name of the Member or both, recover sums paid to or on behalf of the Member from any person or organization liable, legally, contractually or otherwise, and the Member shall execute and deliver such instruments and papers, and do whatever else is necessary including execution of an assignment of all claims, including all rights to recover attorney fees, to the Authority or to a third party at the Authority's request, to secure such recovery and shall do nothing to impair such recovery. All sums recovered shall be applied to reimburse the Authority for payments made to or on behalf of the Member, to reimburse the Authority for the expense of such recovery, and to reimburse the Member for any deductible or co-insurance penalty paid.

ARTICLE VII

WITHDRAWALS: TERMINATION OF MEMBERSHIP

1. Withdrawal from Programs

A Member may voluntarily withdraw from any particular Program only in accordance with the applicable provision of the Agreement or any successor document thereto. A Member may withdraw from a Program without withdrawing from the Agreement if it is a participant in another Joint Protection Program of the Authority. Notice of intention to withdraw from a Program must be given to the Authority at least ninety (90) days prior to the end of the Program Year. No withdrawal shall become effective until the end of the applicable Program Year.

2. Involuntary Termination

Membership shall be deemed automatically terminated immediately and without prior notice upon the failure of any Member to maintain membership in at least one of the Authority's Programs.

In addition, a Member may be terminated from membership in a Program or the Agreement for cause upon a majority vote of the Board of Directors. The effective date of such termination shall be as determined by the Board of Directors, except that such termination shall take effect no later than sixty (60) days following the Board's decision to terminate and notice thereof is provided to the Member pursuant to Article VII, Section 3. For purposes of this Section, cause shall be deemed to include the following:

- a. Failure to pay any contribution, deposit, contribution to loss reserve, or assessment when due.
- b. Failure to comply with the Bylaws or with the policies and procedures established by the Authority.
- c. Based on a Member's loss experience, the Board of Directors has determined it to be detrimental to the stability of the pool.
- d. Dissolution of a Member.
- e. Failure to maintain membership in CSDA.
- f. Failure to undertake or continue risk management or loss control measures recommended by SDRMA or the Board of Directors.
- g. Failure to allow SDRMA or its agents reasonable access to all facilities and records of the Member which are necessary for the proper administration of a Program.
- h. Failure to cooperate fully with SDRMA officers, employees, attorneys, claims adjusters or other agents.
- i. Failure of a Member, the elected governing body of a Member, or of other personnel of the Member to exercise the Member's powers or fulfill the Member's duties in accordance with the Constitution or laws of the State of California.
- j. Any other act, omission or event, whether or not the fault of the Member, which causes the Member's continued membership in SDRMA to be inconsistent with the best interests of SDRMA or any of its programs.

3. Notification; Hearing, Obligations Upon Involuntary Termination

A Member which is automatically terminated on account of its failure to maintain membership in at least one of the Authority's Programs shall be given notice of such termination within thirty (30) days after such automatic termination. However, the failure to give such notice shall not operate to reinstate such Member.

If the Chief Executive Officer determines that cause exists for termination of a Member's membership and that the Member's membership should, in the best interest of the Authority, be terminated, the Chief Executive Officer shall

issue a written notice to the Member, sent by certified or first class mail, stating the reason or reasons for the proposed termination of membership. In addition, the notice shall state that the Board of Directors, at the next regularly scheduled meeting or at a special meeting, on a date specified in the notice at least thirty (30) days following the date of the notice, will consider the Member's termination of membership at the recommendation of the Chief Executive Officer, and invite the Member to request a hearing on the proposed termination of membership at the board meeting. Any request for a hearing must be made within ten (10) days of the date of the notice. If a hearing is timely requested by the Member at the meeting specified in the notice, the Chief Executive Officer shall present the case for termination of membership for cause to the Board of Directors. The Member shall have a reasonable opportunity to present its case to the Board of Directors and may attempt to show that since the date of the notice, it has undertaken steps to cure any curable grounds for termination of membership.

The decision by a majority of the Board of Directors to terminate a Member's membership shall be final and shall not be subject to appeal in any forum. Notice of the Board's decision shall be given to the Member by certified or first class mail within five (5) days following the decision of the Board of Directors and shall state the effective date of the termination of the Member's membership.

Any terminated Member shall continue to be bound to those same continuing obligations to which a withdrawing Member is obligated in accordance with Article VII, Section 6 of these Bylaws.

4. Voluntary Withdrawal from Agreement

A Member may withdraw voluntarily only as provided in the Agreement. Notice of intention to withdraw from the Agreement must be given to the Authority at least 90 days prior to the end of the Program Year of any Program in which the Member participates at the time of the notice.

5. Payment Upon Termination of Membership

In the event of a termination of the membership of any Member by involuntary or voluntary termination, said Member shall thereafter be entitled to receive its pro rata share of any distribution of Net Position declared by the Board of Directors that pertains to a coverage year during which the terminated Member participated in any particular Program for which such distribution is made. Such payment shall be in full settlement and satisfaction of any and all claims that said terminated Member may have against the Authority.

6. Continued Liability

Upon withdrawal or involuntary termination of a Member, the Agreement shall not terminate and that Member shall continue to be responsible for any unpaid Contributions and for any Assessment(s) levied in accordance with the provisions of the Agreement or Bylaws. Such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid or donated by the Member to the Authority, or to return of any loss reserve contribution, or to any distribution of assets (except payment of any Net Position, as set forth in Article VII, section 5 above).

ARTICLE VIII

TERMINATION OF THE AUTHORITY: TERMINATION OF PROGRAMS

1. After having made proper provision for the winding up of the affairs of the Authority and each of the Programs operated by the Authority, the Authority shall distribute the net assets of the Authority as follows:
 - a. The net remaining assets of the Property/Liability Joint Protection Program shall be paid on a pro rata share basis to each Member who is a member of said Joint Protection Program at the time of termination of the Authority. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to said Joint Protection Program or its predecessor in interest from its inception in 1986 and continuing throughout said Member's period of participation bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest during its period of operation by all members of said Joint Protection Program at the time of termination.
 - b. The Authority shall pay to each Member who is a member of the Workers' Compensation Coverage Joint Protection Program at the time of termination its pro rata share of the net remaining assets of said Joint Protection Program. A member's pro rata share shall be in the same proportion as the total Contributions and

Assessments paid by that Member to said Joint Protection Program and its predecessor in interest offered by SDWCA, from its inception in 1982 and continuing throughout that Member's participation, bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest offered by SDWCA, during its period of operation by all members of said Joint Protection Program at the time of termination.

- c. The Authority shall pay to each Member who is a member of any additional Program, excluding the Health Benefits Program operated by the Authority at the time of termination its pro rata share of the net remaining assets of said Program. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to such Program during its period of participation bears to the total Contributions and Assessments paid to that Program during its entire period of operation by all Members of that Program at the time of termination.
2. The Board of Directors is also vested with the power to terminate individual Programs operated by the Authority without terminating the Agreement or terminating the Authority. In the event of termination of a Program operated by the Authority, said Program shall continue to exist for the purpose of paying or making provision for the payment of all known claims arising within said Program; for insuring, reinsuring or making other provision for the payment of any and all unknown claims covered by such Program; for the payment of all debts, liabilities, administrative expenses, and obligations of that Program out of the assets of that Program; and to perform all other functions necessary to wind up the business affairs of that Program. After having made proper provisions for the winding up the business affairs of a terminated Program, the Authority shall pay to each Member who is a member of that Program at the time of termination its pro rata share of net remaining assets of that Program. A Member's pro rata share of the net remaining assets of each such terminated Program shall be computed as set forth in paragraph (1) above.
3. In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the existing Members, may elect to assign and transfer all of the Authority's rights, assets, claims, liabilities and obligations to a successor joint powers authority created under the Act.

ARTICLE IX PROVISIONS RELATING TO CSDA

1. Board of Directors; Alliance Executive Council

In the event the Alliance Executive Council MOU has been terminated or the Authority has withdrawn from the MOU, two (2) additional directors to be appointed by CSDA shall increase the composition of the Board of Directors. So long as the Authority is a participant in the MOU, the Board shall appoint three (3) members of the Board to serve as members of the Alliance Executive Council.

CSDA is authorized to appoint two (2) directors as provided in the Agreement, the terms of such appointed directors will end on December 31 of the alternate odd-numbered year to coincide with SDRMA's election of the minority number of directors.

Upon the death or resignation of a member of the Board of Directors appointed by CSDA, the vacancy shall be filled for the balance of the unexpired term by appointment by CSDA.

**ARTICLE X
AMENDMENTS: EFFECTIVE DATE**

These Bylaws may be amended at any time by majority vote of the Board of Directors following a 30-day written notice to all Members as to the amendment(s) proposed to be adopted, except that these Bylaws cannot be amended in any way that would conflict with the terms and provisions of the Agreement or successor document and any amendment thereof. Said written notice provided to members shall include notification of the Board meeting date, time and location that action will be taken by the Board on the proposed amendments.

**ARTICLE XI
PRIOR BYLAWS REVOKED**

When approved by the Board of Directors these Bylaws, upon coming effective pursuant to Article X will supersede and replace all prior bylaws.

AYES:

NOES:

ABSTAINED:

ABSENT:

Approved:



Ed Gray, Vice-President - Board of Directors
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

January 4, 2018
Date

Attested:



Gregory S. Hall, ARM, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Comparisons

	SDRMA	CAPRI (Current)
Liability & Property		
Premium	93,733.13	77,581.00
Safety Credit	13%* (5,102.24) *based on GL & AL only of \$39,248 (after 1st yr)	15%* (5,443.00) *Based on GL only of \$36,286
Final Premium	88,630.89	72,138.00
Dividend	None	(5,500.00) estimate
Net Liability & Property Cost	<u>88,630.89</u>	<u>66,638.00</u>
Workers' Comp		
Premium	92,673.00	108,864.00
Safety Credit	13% (12,682.00) *Full prem, prior to multi disc (after 1st yr)	None
Final Premium	79,991.00	108,864.00
Dividend	None	None estimate
Net Liability & Property Cost	<u>79,991.00</u>	<u>108,864.00</u>
Totals	168,621.89	175,502.00

Mixed Proposal versus Current Contract with CAPRI

	SDRMA WC/CAPRI Lia-Prop	CAPRI (current)
Liability & Property - CAPRI		
Premium	77,581.00	77,581.00
Safety Credit 15%*	(5,443.00) *Based on GL only of \$36,286	(5,443.00) *Based on GL only of \$36,286
Final Premium	72,138.00	72,138.00
Dividend estimate	(5,500.00)	(5,500.00)
Multi Rate Discount Lost	3,879.00	
Net Liability & Property Cost	<u>70,517.00</u>	<u>66,638.00</u>
Workers' Comp		
Premium	92,673.00	108,864.00
Safety Credit 13%*	(12,682.00) *Full prem, prior to multi disc (after 1st yr)	None
Final Premium	79,991.00	108,864.00
Dividend	None	None
Multi Rate Discount Lost	4,877.00	
Net Liability & Property Cost	<u>84,868.00</u>	<u>108,864.00</u>
Totals	<u>155,385.00</u>	<u>175,502.00</u>