

# **UPPER VENTURA RIVER GROUNDWATER AGENCY**

## **NOTICE OF REGULAR MEETING**

**NOTICE IS HEREBY GIVEN** that the Upper Ventura River Groundwater Agency (“Agency”) Board of Directors (“Board”) will hold a **Regular Board Meeting at 1 P.M. on Thursday, June 14, 2018 at the Casitas Municipal Water District Meeting Room, 1055 Ventura Ave., Oak View California 93022.**

## **UPPER VENTURA RIVER GROUNDWATER AGENCY BOARD OF DIRECTORS** **REGULAR MEETING AGENDA**

**June 14, 2018**

### **1. MEETING CALL TO ORDER AND ROLL CALL**

### **2. PLEDGE OF ALLEGIANCE**

### **3. PUBLIC COMMENT FOR ITEMS NOT APPEARING ON THE AGENDA**

The Board will receive public comments on items not appearing on the agenda and within the subject matter jurisdiction of the Agency. The Board will not enter into a detailed discussion or take any action on any items presented during public comments. Such items may only be referred to the Executive Director or other staff for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on specific agenda items should do so at the time specified for those items. The presiding Chair shall limit public comments to three minutes.

### **4. CONSENT ITEMS**

- a. Approve Minutes from May 3, 2018**
- b. Approve Minutes from May 10, 2018**
- c. Approve Financial Report and Invoices for May and June 2018**

### **5. DIRECTOR ANNOUNCEMENTS**

### **6. GSP PROJECT MANAGER REPORT**

### **7. GSP ACTION ITEMS**

#### **a. GSP Task 1 – Options for Data Quality Control Review**

The Board will discuss options for implementing a data quality assurance review process and provide feedback to staff.

#### **b. GSP Task 3.1**

##### **i. GSP Grant Work Plan Update**

The Board will discuss the GSP Grant Work Plan and provide feedback to staff concerning potential changes for discussion with the Department of Water Resources during Sustainable Groundwater Planning Grant agreement negotiations.

**ii. GSP Task 3.1 - Appoint Ad Hoc Stakeholder Engagement Committee to Implement the Stakeholder Engagement Plan**

The Board will consider creating an ad-hoc committee to implement the Stakeholder Engagement Plan and perform other stakeholder outreach-related tasks as determined by the Board from time to time.

**8. OTHER ACTION ITEMS**

**a. Fiscal Year 2018/2019 Budget**

The Board will consider approving the draft fiscal year 2019 budget prepared by the Ad Hoc Budget Committee.

**b. Basis of Accounting**

The Board will consider adopting a resolution modifying the bylaws to specify the Agency's basis of accounting.

**c. Financial Audit Period**

The Board will consider adopting a specifying either an annual or biennial financial audit period.

**d. Liability Insurance**

The Board will consider approving the Executive Director's recommendation to purchase liability insurance.

**9. COMMITTEE REPORT**

**a. Ad Hoc Funding Options Committee**

The committee will provide an update on its progress toward developing funding options recommendations.

**10. EXECUTIVE DIRECTOR'S REPORT**

**11. ADJOURNMENT**

The next scheduled Board meeting will be on July 12, 2018 at 1pm at the Casitas Municipal Water District Meeting Room, 1055 Ventura Ave, Oak View, CA 93022

**UPPER VENTURA RIVER GROUNDWATER AGENCY  
MINUTES OF SPECIAL MEETING May 3, 2018**

The Board meeting was held at Casitas Municipal Water Districts meeting room at 1055 Ventura Avenue, Oak View, CA 93022. Directors present were: Bruce Kuebler, Emily Ayala, Larry Rose and Kevin Brown; alternate director present was: Glenn Shephard for Jeff Pratt. Directors Mary Bergen and Diana Engle were absent. Also present were: Executive Director Cece Vandermeer, Attorney Jena Acos, and GSP Project Manager Bryan Bondy. Public present were; Jordan Kear and Jennifer Tribo.

**1) CALL TO ORDER-** Chairperson Bruce Kuebler called the meeting to order at 1:00 P.M.

**2) PLEDGE OF ALLEGIANCE** – Led by Bruce Kuebler.

**3) PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA** - None

**4) DIRECTOR ANNOUNCEMENTS**

Kuebler reported on the SBCK v. City of San Buenaventura.

**5) GSP PROJECT MANAGER COMMENTS**

Bondy stated that he would make his report at the May 10, 2018 regular Board Meeting.

**6) GSP ACTION ITEMS (This item began @ 1 pm)**

**a. GSP Task 1**

**i. Discussion of Draft Monitoring and Data Collection Protocols**

The Board discussed the Draft Monitoring and Data Collection Protocols prepared by Kear Groundwater. Bondy led the discussion, noting changes to be made prior to the document being presented for Board approval on May 10. This included comments director Engle had made to Bondy and those were discussed by the Board. Director Brown wants data to be peer reviewed and suggested a technical advisory committee be established. Board direction was to have that done separately from protocol approval.

**7) OTHER ITEMS (This began at 2pm)**

**a. Appoint Ad Hoc Budget Committee to Develop Budget Recommendations and Perform Ongoing Budget Review**

Bondy stated that the Board consider creating a new Ad Hoc Budget Committee to perform annual budget development. The Board discussed the Recommended Action.

The Recommended Action would be:

1. Create an Ad Hoc Budget Committee consisting of no more than three directors with a termination date of June 30, 2019;

2. Direct the Ad Hoc Budget Committee to develop a proposed FY 2019 budget for Board review at the May 10, 2018 Board Meeting;

3. Direct the Ad Hoc Budget Committee to develop a proposed multi-year budget through fiscal year 2022 with an operating reserves recommendation by June 30, 2018;

4. Direct the Ad Hoc Budget Committee to review the budget and expenditures on an ongoing basis, including preparation of quarterly budget reports together with any budget adjustment recommendations for Board Review;

5. Direct the Ad Hoc Budget Committee to develop a proposed FY 2020 budget for Board review no later than May 2019; and

6. Perform other budget-related tasks as may be directed by the Board from time to time.

No public comments.

Brown motioned to approve the Recommended Actions 1 through 6 and to reappoint Bergen, Rapp and Hollebrands as the Ad Hoc Budget Committee. Seconded by Shephard

Ayes: Bruce Kuebler, Glenn Shephard, Kevin Brown, Emily Ayala and Larry Rose. Absent: Mary Bergen and Diana Engle.

#### **b. Funding Options and Budget Review Ad Hoc Committee Modifications**

Bondy explained that it would be more efficient for the Ad Hoc Budget Committee to perform ongoing review of the budget instead of the Ad Hoc Funding Options and Budget Review Committee. The Ad Hoc Funding Options and Budget Review Committee termination date is June 30, 2018, and does not provide sufficient time for the committee to develop funding option recommendations. This work is anticipated to continue for at least two months beyond the current termination date. The Recommended Action would be:

1. Remove budget review from the Ad Hoc Committee's list of duties;

2. Change the committee's title to Ad Hoc Funding Options Committee; and

3. Extend the committee termination date by six months to December 31, 2018.

No public comments

The Board discussed the Recommended Action. Brown motioned to approve the Recommended Actions 1 through 3. Seconded by Shephard..

Ayes: Bruce Kuebler, Glenn Shephard, Kevin Brown, Emily Ayala and Larry Rose. Absent: Mary Bergen and Diana Engle.

#### **8) EXECUTIVE DIRECTOR'S REPORT - None**

- 9) **ADJOURNMENT** – The meeting was adjourned at 2:13 pm. The next regular Board meeting will be May 10, 2018 at 1:00 pm at the Casitas Municipal Water District Meeting Room, 1055 Ventura Ave., Oak View, CA 93022.

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ J. Pratt\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_

L. Rose\_\_\_\_ E. Ayala\_\_\_\_

**UPPER VENTURA RIVER GROUNDWATER AGENCY  
MINUTES OF REGULAR MEETING MAY 10, 2018**

The Board meeting was held at Casitas Municipal Water Districts meeting room at 1055 Ventura Avenue, Oak View, CA 93022. Directors present were: Bruce Kuebler, Mary Bergen, Diana Engle and Larry Rose; alternate director present was: Glenn Shephard for Jeff Pratt and Susan Rungren for Kevin Brown. Director Emily Ayala was absent. Also present were: Executive Director Cece Vandermeer, Attorney Jena Acos, and GSP Project Manager Bryan Bondy. Public present were; Mike Hollebrands, Jordan Kear and Jennifer Tribo.

**1) CALL TO ORDER-** Chairperson Bruce Kuebler called the meeting to order at 1:00 P.M.

**2) PLEDGE OF ALLEGIANCE** – Led by Chairperson Bruce Kuebler.

**3) PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA** – None

**4) CONSENT ITEMS**

**a. Approve Minutes from April 12, 2018**

Director Engle stated the March 8, 2018 meeting minutes stated that Jordan Kear's presentation needed to be added to the minutes as stated in the minutes. Director Engle requested that Item 4)a on the March 8, 2018 minutes correct the first sentence 'Director Engle stated that Jordan Kear's presentation needed to be added to the *minutes* instead of the meetings'. Vandermeer said she would correct the minutes to reflect the change. Director Shephard moved to receive and file the April 12, 2018 minutes as corrected. Seconded by Director Bergen.

Ayes: Bruce Kuebler, Mary Bergen, Glenn Shephard, Diana Engle, and Larry Rose. Rungren abstained because she was not in attendance at the April 12, 2018 Board Meeting.

**b. Financial Reports for April 2018**

Vandermeer presented the Treasurer's Report for April 2018. Director Shephard moved to receive and file the April 12, 2018 Financial Report. Seconded by Director Bergen.

Ayes: Bruce Kuebler, Mary Bergen, Glenn Shephard, Diana Engle, and Larry Rose. Rungren abstained because she was not in attendance at the April 12, 2018 Board Meeting.

**5) DIRECTOR ANNOUNCEMENTS**

Director Engle reported that Fox Canyon will be hiring a water attorney and asked if we had an attorney with expertise in water law. Counsel explained BHFS has such expertise.

Director Shephard stated that the County of Ventura will be discussing the current well drilling moratorium.

Kuebler reported that he attended the April 25, 2018 DWR SGMA Assistance Workshop with Bryan Bondy. DWR had many informational documents available, including guidance for stakeholder engagement and communication, and engagement with tribal governments. DWR also announced it is consolidating all data relevant to GSPs to one website to facilitate information retrieval. A Technical Support Services program was also announced which might pay for drilling observations wells. Best part of meeting was opportunity for Kuebler to talk with Sam Boland-Brien, SGMA chief for Water Board. Kuebler urged him to contact appropriate attorney to support a stay in Channelkeeper litigation pending completion of a GSP, stating that litigation concurrent with the GSP process is the single most important issue in the Basin. The Nature Conservancy's website is operational for

groundwater dependent ecosystems, also known as natural communities associated with groundwater.

Kuebler reported that he had spoken with Steve Wickstrum regarding board meeting parking availability and CMWD staff parking, and Steve Wickstrum stated that normally there is not a problem with parking.

## **6) GSP PROJECT MANAGER COMMENTS**

Bryan Bondy stated that Director Engle prepared a time keeping policy and procedure for time tracking for Grant work reimbursement cost share. Bryan Bondy presented the Board with copies of the Board Meeting Packet Procedures.

He attended the groundwater committee at the ACWA spring conference, which doesn't require registration and is one of the best ways to keep up-to-date on SGMA happenings. DWR made a presentation and emphasized the importance of public outreach for the success of a GSP. Bryan is part of a committee work group to provide input to DWR on guidance for groundwater dependent ecosystems.

There are statewide data sets and tools on line that enable GSAs to add local data and knowledge and to log in & pull up land use

The DWR is offering a variety of technical support services separate from Prop 1 grant funds, some of which may help with our Basin.

DWR may be willing to drill a monitoring well at the confluence at San Antonio Creek confluence for Task 2.5. He will be looking into that.

The Agency received the official grant award from DWR on May 8, 2018 and he will send an acceptance letter that must be received within 14 days.

Bryan recommended the UC Berkeley Groundwater Surface Water Report be posted on the Agency's website.

## **7) GSP ACTION ITEMS (This item began @ 1:25 pm)**

### **a. GSP Task 1**

#### **i. Monitoring and Data Collection Protocols**

The Board considered approval of the Monitoring and Data Collection Protocols document prepared by Jordan Kear and reviewed by the GSP Project Manager, which establishes groundwater and surface water monitoring and data collection protocols for use by Agency staff and consultants working for the Agency. The adopted protocols will be incorporated into the Groundwater Sustainability Plan to comply with GSP Emergency Regulations 352.2. The Board discussed the timing for collecting the data. Director Rungren suggested peer reviews of the data. Director Kuebler directed staff to have a peer review discussion on the next Board Meeting Agenda.

No Public comments.

Director Bergen motioned to approve the Monitoring and Data Collection Protocols document with changes outlined. Director Engle seconded.

Ayes: Bruce Kuebler, Mary Bergen, Glenn Shephard, Diana Engle, Kevin Brown, Larry Rose and Susan Rungren.

## **ii. Drug Free Workplace Policy**

The Board considered approval of a Drug Free Workplace Policy as required pursuant to Government Code Section 8355 and to satisfy GSP grant eligibility requirements.

No public comments.

Director Shephard motioned to approve the Drug Free Workplace Policy. Director Bergen seconded.

Ayes: Bruce Kuebler, Mary Bergen, Glenn Shephard, Diana Engle, Larry Rose and Susan Rungren.

## **b. GSP Task 2.2 – Surface Water-Groundwater Study (a.k.a. Wet-Dry Interface Monitoring)**

The Board considered approval for Kear Groundwater to perform professional services necessary to complete the GSP Task 2.2 technical scope of work, which involves tracking the terminus of active surface water flow in the wet-dry transition zone through 2019 and preparation of a surface-water groundwater interface report. Bryan Bondy stated that Task 2.2 will not use volunteers to collect data. Director Rungren stated that the work should not go forward until the approval of the QA/QC protocols are approved. Bryan Bondy stated that the data review will happen after the data is collected. Staff recommends completing an initial twenty-four hour survey and then evaluating the need for a second survey based on the initial survey results.

The recommended action: 1) Approve the professional services for Task 2.2a, 2.2b (one of two frequency surveys), and 2.2c for an amount not-to-exceed \$26,000; and 2) Authorize the Board Chair to approve Task 2.2b (second of two high frequency surveys) for an amount not-to-exceed \$6,000, as needed, based on the initial survey results.

No public comments.

Director Bergen motioned to approve Recommended Actions 1 and 2 and do a 24 hour or multiple day time survey depending on discussion with Directors Kuebler and Engle and Bryan Bondy and Jordan Kear. Seconded by Director Engle.

Ayes: Bruce Kuebler, Mary Bergen, Glenn Shephard, Diana Engle, Larry Rose and Susan Rungren.

## **c. GSP Task 2.6 – Surface Water Flow Monitoring and Reporting**

The Board considered approval of Kear Groundwater to perform professional services necessary to complete the GSP Task 2.6 technical scope of work, which involves monthly surface water flow monitoring through 2019 and preparation of wet reach surface water flow annual reports. The

recommended action is to approve the professional services for an amount not-to-exceed \$15,400.

No Public Comments.

Director Shephard motioned to approve the recommend action to not-to-exceed \$15,400. Seconded by Rose.

Ayes: Bruce Kuebler, Mary Bergen, Glenn Shephard, Diana Engle, Larry Rose and Susan Rungren

**d. GSP Task 3.1 – Stakeholder Engagement Plan**

The Board considered approving a Stakeholder Engagement Plan.

No public comment.

Director Bergen motioned to adopt the Stakeholder Engagement Plan with the understanding that Director Kuebler would incorporate counsel's recommendations from the Agency's document requesting to be a GSA. Seconded by Director Shephard

Ayes: Bruce Kuebler, Mary Bergen, Glenn Shephard, Diana Engle, Larry Rose and Susan Rungren.

**8) COMMITTEE REPORT**

**a. Ad Hoc Budget Committee**

Director Bergen presented a draft FY 2019 budget for discussion.

**9) EXECUTIVE DIRECTOR'S REPORT**

Vandermeer stated that she is still waiting for general liability and worker's compensation insurance quotes.

- 10) ADJOURNMENT** – The meeting was adjourned at 3:03 pm. The next regular Board meeting will be June 14, 2018 at 1:00 pm at the Casitas Municipal Water District Meeting Room, 1055 Ventura Ave., Oak View, CA 93022.

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ 2<sup>nd</sup>: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_  
E. Ayala\_\_\_\_ L. Rose\_\_\_\_



**FINANCIAL REPORT FOR MAY 2018 4(c)**

**DATE:** June 8, 2018  
**TO:** Board of Directors  
**FROM:** Cece Vandermeer, Executive Director  
**SUBJECT:** Executive Director Financial Report

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April Bank Balance: \$55,983.12

**MAY 2018 ACTIVITY:****Revenues:**

CMWD 2nd Half of Agency Contribution	\$16,302.94
County of Ventura 2 <sup>nd</sup> Half of Agency Contribution	16,302.94
MOWD 2 <sup>nd</sup> Half of Agency Contribution	<u>16,302.94</u>
Total Received	\$48,908.82

**May Expenditures Paid:**

Auto Bank Service Charge	4/18	55.04
On line IRS	FUTA P/R Tax 2017	94.46
1087 Cece Vandermeer	Medical 5/18	150.00
1088 OBGMA	Office Share Expense 5/18	978.76
1089 Cece Vandermeer	Payroll 5/18	1,295.07
Auto Bank Service Charge	5/18	<u>52.46</u>

Total Expenditures Paid May 2018 2,625.79

May Ending Bank Balance \$102,266.15

**Expenditures for Approval for June 2018:**

1090 Bondy Groundwater	May 2018 Invoice	8,864.89
1091 Kear Groundwater	May 2018 Invoice	7,470.00
1092 Brownstein Hyatt Farber & Schreck	May 2018 Invoice	10,809.76

Total Expenditures for Approval for June 2018 \$27,144.65

Revenues: City of Ventura \$16,302.94

Ending Bank Balance 6/14/18 \$91,424.44

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_

## **UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 7(a)**

**DATE:** June 8, 2018

**TO:** Board of Directors

**FROM:** Agency Staff

**SUBJECT:** GSP Task 1 – Options for Data Quality Control Review

### **SUMMARY**

The GSP PM will describe how and where data quality control review fits into the GSP development process and will provide potential options for implementing a data quality control review process.

### **RECOMMENDED ACTION**

It is recommended that the Board discuss options for implementing a data quality control review process and provide feedback to staff.

### **BACKGROUND**

During its May 10 discussion of the Monitoring and Data Collection Protocols document, several Board members expressed a desire to develop and implement a data quality control review process for data that will be used to develop the GSP. This includes both data collected by the Agency and data provided by others. The purpose of this item is to provide relevant background information and explore potential options for creating a data quality control review process.

#### **SGMA Framework – Where Data Quality Control Review Fits In**

Pursuant to Subarticle 4 of the GSP Emergency Regulations, the GSP must include a monitoring network that includes monitoring objectives, monitoring protocols, and data reporting requirements. Suggested practices for developing the monitoring network are provided in Department of Water Resources (DWR's) Best Management Practice (BMP) titled Monitoring Networks and Identification of Data Gaps, dated December 2016.

The required components of the monitoring network are:

1. **Monitoring Objectives:** The GSP must include a description of the monitoring network objectives for the basin, which will be developed in conjunction with the sustainable management criteria during the planning process. In general, the network will need to be capable of capturing data on a sufficient temporal frequency and spatial distribution to demonstrate short-term, seasonal, and long-term trends in basin conditions for each of the sustainability indicators, and provide enough information to evaluate GSP

implementation. DWR's monitoring network and monitoring protocols BMPs suggest using the Data Quality Objective (DQO) process laid out in the U.S. EPA Guidance on Systematic Planning Using the Data Quality Objectives Process to develop the DQOs. One of the last steps in the DQO process is to determine what quality the data must have to achieve the monitoring objectives.

2. Monitoring Protocols: UVRGA adopted the Monitoring and Data Collection Protocols on May 10, 2018.
3. Data Reporting Requirements: Pursuant to GSP Emergency Regulations § 354.40, the Agency must store monitoring data in a data management system (DMS) that is capable of storing and reporting information relevant to the development or implementation of the GSP and monitoring of the basin. Monitoring data must be included in the required annual reports and submitted electronically on forms provided by DWR. The data management system will be created during the GSP development.

### SGMA Guidance on Data Quality Control

Minimal guidance is provided by DWR concerning data quality control. Data quality control is not required by the GSP Emergency Regulations and is only briefly mentioned in DWR's BMPs. Data quality control is briefly mentioned in the BMP summary of the suggested EPA DQO process. One of the last steps in the suggested in the BMP is to "*Specify performance or acceptance criteria – Determine what quality the data must have to achieve the objective and provide some assurance that the analysis is accurate and reliable.*" DWR suggests that the data performance or acceptance criteria should be defined relative to the quantitative measurable objectives and minimum thresholds for each applicable sustainability indicator that will be included in the GSP. Thus, any data performance or acceptance criteria adopted in the near term would need to be revisited later to ensure they properly address the forthcoming measurable objectives and minimum thresholds.

### Terminology

A variety of terms have been used in the various discussions concerning data quality, including quality assurance (QA), quality control (QC), data verification/validation. These terms are defined here to provide a common understanding for the Board discussion.

QA and QC are often used interchangeably, but have very different meanings. QA refers to defect prevention, whereas QC refers to defect detection. A 'defect' is any data issue that negatively affects fitness for use, such as an incorrect measurement, transcription error, unit conversion error, or incorrect data classification. Generally, QA is considered and applied before and during data collection or acquisition, whereas QC is applied after the data are in hand. The Monitoring and Data Collection Protocols document approved on May 10, 2018 addresses QA.

Data verification/validation has multiple meanings. In the U.S. EPA guidance, data verification/validation refers to a data approval process applied to laboratory analytical data for Resource Conservation and Recovery Act (RCRA) and Comprehensive Environmental

Response, Compensation, and Liability Act (CERCLA) (aka Superfund) hazardous waste remediation sites. The term ‘data validation’ is used more generally by others interchangeably with ‘data review’.

### Elements of a Data Quality Control Review Process

There are three primary considerations for a data quality control review process:

1. Review Criteria – What are the data performance or acceptance criteria used to review data quality? See below for discussion of options.
2. Data Reviewer – Who performs that data quality control review? See below for discussion of options.
3. Documentation – How are the review results documented? SGMA requires development and utilization of a data management system. It is proposed that the data quality control review results, together with reasons for qualified and unapproved data, be stored in the data management system.

### Data Quality Review Criteria

Staff reached out to several other GSAs to learn about their data quality review processes. While some GSAs have technical committees that discuss technical issues, none have implemented a data quality review processes. This includes GSA’s that are already actively working on GSPs.

Staff researched other agencies for information about data quality review processes. The United States Geological Survey (USGS) has implemented a “Quality-Assurance and Data Management Plan” for its groundwater activities in Kansas and likely has similar programs for other regions. These plans could be used as a starting point for developing data quality review criteria for UVRGA. Some customization will undoubtedly be required.

The GSP Project Manager and Kear Groundwater could collaborate on developing the data performance or acceptance criteria as was done for the Monitoring and Data Collection Protocols. Alternatively, the Board could consider establishing a technical advisory committee or hiring another technical professional to develop the criteria.

### Data Reviewer

To provide independent data quality review, the reviewer should be someone other than the person(s) collecting data.

Data reviewer options include:

1. Technical advisory committee (consisting of licensed professionals with relevant experience).

2. Third party technical consultant (i.e. consultant not working on the GSP).
3. GSP PM and/or person(s) under the GSP PM's direction who are engaged in compiling and entering data into the data management system and preparing the GSP.

All three options would achieve the goal of independent data review. Thus, cost and efficiency are the primary differentiators between the various options.

Although some board members have expressed a preference for technical review committee (Option No. 1), such committees are not typically utilized for the detailed task of performing data quality control review. Rather, technical review committees are typically employed to develop consensus on data interpretation and analysis methods and other complex issues that involve scientific interpretation. It is unlikely that potential committee members would be willing to donate the amount time needed to perform the data quality control review tasks. For these reasons, staff concludes that data quality control review by a technical advisory committee is probably not feasible. If the Board chooses to create a technical advisory committee, staff recommends focusing the committee duties on the aspects listed above (developing consensus on data interpretation and analysis methods and other complex issues that involve scientific interpretation). One such committee task could be development of the data performance or acceptance criteria for the data quality control reviews. However, staff does not recommend tasking a technical advisory committee with the actual data quality control review work for the reasons stated above.

Option No. 2 would involve hiring a 3<sup>rd</sup> party technical consultant to perform data quality control review. Staff believes this option would be more efficient than the committee option, but less cost effective than Option No. 3 because it would increase the number of paid professionals handling data, which would also increase GSP management costs. Use of a 3<sup>rd</sup> party consultant may also result in duplication of a number of data processing and management tasks. For example, a common approach for identifying anomalous groundwater level data is to plot historical measurements and compare with new measurements. Because similar plots will be included in the GSP, it would be more efficient to make these plots once for both purposes. Similarly, data will ultimately be entered into the GSP data management system for storage. It would be more efficient to minimize the number of professionals handling the data. This also minimizes the potential for data handling errors.

Option No. 3 would incorporate data quality control review into the GSP workflow, including storage in the data management system, and would be performed by the GSP PM and/or person(s) under the GSP PM's direction who are working on the GSP. Staff believes this option would be the most efficient method of performing data quality control review.

**FISCAL SUMMARY**

Not applicable

**ATTACHMENT**

None

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_

## **UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 7(b)(i)**

**DATE:** June 8, 2018

**TO:** Board of Directors

**FROM:** Agency Staff

**SUBJECT:** GSP Task 3.1 – GSP Grant Work Plan Update

### **SUMMARY**

Before executing a grant agreement with the Department of Water Resources (DWR), the Agency has an opportunity propose changes to the GSP Grant scope, schedule, and budget (total grant reimbursement amount cannot be changed, but it may be possible to shift costs between tasks and between cost share and grant share). Proposed modifications are due to DWR on June 15. The GSP Project Manager will summarize possible changes to the grant schedule and budget.

### **RECOMMENDED ACTION**

It is recommended that the Board discuss the GSP Grant Work Plan and provide feedback to staff concerning potential changes for discussion with the DWR during the upcoming Sustainable Groundwater Planning Grant agreement negotiations.

### **BACKGROUND**

#### **Proposed Schedule Changes**

Schedule changes are proposed due to Thomas Fire related delays in the development of the integrated numerical surface water and groundwater model by the State Water Resources Control Board (SWRCB) for the UVR Basin and surrounding watershed. Substantial costs can be avoided by relying on the SWRCB study to the extent feasible and pending review by UVRGA. The grant budgets are not sufficient to meet the GSP requirements without relying on the SWRCB work. For example, the first SWRCB study deliverable, “Data and Watershed Summary Report” and associated data compilation is anticipated to provide a solid foundation for the hydrogeologic conceptual model and related elements of GSP Chapter 2 - Plan Area and Basin Setting. SWRCB is now anticipating that the “Data and Watershed Summary Report” will be delayed until mid-2019 (previously scheduled for mid-2018). Another consideration is the numerical model. The GSP Emergency Regulations require the use of a numerical groundwater and surface water model unless “an equally effective method, tool, or analytical model” can be developed. It is possible that the delays may prevent UVRGA from making use of the SWRCB numerical model for GSP development. UVRGA has not budgeted for its own numerical model and has not evaluated whether an “equally effective method, tool, or analytical model” that meets the requirements of the GSP Emergency Regulations can be developed and at what cost. The GSP PM will track the SWRCB study schedule and work closely with DWR to evaluate options.



In the meantime, it is recommended that the grant schedule for the GSP development tasks (Grant Tasks 4 through 9) be modified to show later starting dates to reflect the pace of work envisioned in the proposed FY 19 budget. It is also recommended that the ending dates for these tasks be extended to reflect delays in the availability of information, data, models, etc. from the SWRCB study and/or provide more time to do more of the work ourselves, if necessary. Changes to the schedules for the data gap tasks are also proposed and are based on actual progress to date. The suggested schedule changes are shown in the attachment to this staff report.

### Proposed Budget Changes

Prior to executing the grant agreement, the Executive Director will compile budget information to date. Using this information, the GSP PM will work with DWR to modify the grant budget to reflect actual in-kind labor hours to date, actual expenditures to date, proposals received for upcoming work, and approved professional services. To properly analyze the budget, it will be necessary for the Directors to submit records of labor going back to January 1, 2015. The DWR Grant Manager is aware that this is in progress and has indicated that it will be possible to make refinements after the June 15 submittal date but before executing the grant agreement. These efforts will reduce the potential for reimbursement delays and grant amendments.

Depending on DWR's timing, staff may or may not be in a position to review budget changes with the Board before the grant agreement is finalized. As a reminder, the total grant reimbursement amount cannot be changed; thus, the only changes will consist of shifting costs between tasks and between cost share and grant share, as needed. Lastly, staff will also seek to negotiate a reduction in the total cost share from 53% to the minimum required amount of 50%. If successful, this will help speed up the pace of reimbursement somewhat.

### FISCAL SUMMARY

Not applicable

### ATTACHMENT

Proposed grant schedule modifications.

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_

DRAFT

## Proposed Grant Schedule Modifications

**UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 7(b)(ii)**

**DATE:** June 8, 2018

**TO:** Board of Directors

**FROM:** Agency Staff

**SUBJECT:** GSP Task 3.1 - Appoint Ad Hoc Stakeholder Engagement Committee to Implement the Stakeholder Engagement Plan

**SUMMARY**

The Board will consider creating an ad-hoc committee to implement the Stakeholder Engagement Plan (the Plan). The Stakeholder Engagement Plan was approved by the Board on May 10, 2018. Pursuant to Section 5.3, the plan will be updated at least annually.

Suggested committee duties include development of a project management tool for Plan implementation; Plan implementation, perform continuous Plan review and recommend Plan updates, provide monthly updates to the Board, and perform other stakeholder outreach-related tasks as determined by the Board from time to time. It is suggested that the committee meet at least once every two months to perform these duties. It is recommended that the committee term last until GSP adoption.

**RECOMMENDED ACTION**

1. Create an Ad Hoc Stakeholder Engagement Committee consisting of no more than three directors with a termination date of January 31, 2022;
2. Direct the committee to develop a project management tool for Plan implementation;
3. Direct the committee to perform Plan implementation;
4. Direct the committee to provide monthly updates to the Board during which it will seek Board guidance on Plan implementation;
5. Direct the committee to perform ongoing review of the Plan and provide recommended Plan updates to the Board no less frequently than each May; and
6. Direct the committee to perform other stakeholder outreach-related tasks as determined by the Board from time to time.

**BACKGROUND**

Not applicable

**FISCAL SUMMARY**

Not applicable

**ATTACHMENT**

None

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_

## **UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 8(a)**

**DATE:** June 8, 2018

**TO:** Board of Directors

**FROM:** Ad Hoc Budget Committee

**SUBJECT:** Fiscal Year 2018/2019 Budget

### **SUMMARY**

The Board will consider approving a budget for fiscal year 2018/2019.

### **RECOMMENDED ACTION**

It is recommended that the Board approve the draft fiscal year 2018/2019 budget prepared by the Ad Hoc Budget Committee.

### **BACKGROUND**

The Ad Hoc Budget Committee has prepared a final draft budget for fiscal year 2018/2019 as required by UVRGA policy and incorporating feedback received during the May 10, 2018 Board of Directors meeting.

In fiscal year 2018/2019, expenditures to support the staff and the office are estimated to total \$40,000. Another \$123,000 is estimated to be needed for non-grant legal and management support services. Expenditures for grant tasks are estimated to total \$217,000. The Plan Area and Basin Setting (task 4) for \$60,000 includes development of the conceptual model for the basin. The funding plan (task 3.1) includes \$25,000 for a fee consultant and \$11,000 for legal advice. Including a \$45,000 reserve, total expenditures for 2018/2019 are \$425,000.

In fiscal year 2018/2019, revenues include an estimated \$100,000 rollover from fiscal year 2017/2018, \$250,000 from member contributions, and \$75,000 from the grant for a total of \$425,000.

### **FISCAL SUMMARY**

The proposed fiscal year 2018/2019 budget shows estimated total expenses by June 30, 2019 of \$425,000 and revenues of \$425,000, including assumed member contributions of \$50,000 per agency.

### **ATTACHMENT**

Final Draft Fiscal Year 2018/2019 Budget

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_

**UPPER VENTURA RIVER GROUNDWATER AGENCY**  
**DRAFT FISCAL YEAR BUDGET 2018/2019**

**OPERATING EXPENSES**

<b>Expense</b>	<b>Budget 2018/2019</b>	<b>Comment</b>
<b>Labor</b>		
Payroll	26,000	Executive Director and Assistant
Insurance	5,000	Liability, Workers Comp, Medical
<b>Total Labor</b>	<b>31,000</b>	
<b>Office</b>		
Rent	5,000	
Utilities	1,000	Shared w OBGMA includes internet
Postage	300	
Supplies	600	
Office Equipment	1,500	
Bank Charges	600	
<b>Total Office</b>	<b>9,000</b>	
<b>Professional Services (non grant)</b>		
GSP Manager	44,000	
Legal	72,000	
Website	1,000	
Accounting	6,000	
<b>Total Professional (non grant)</b>	<b>123,000</b>	
<b>Grant Tasks</b>		
<b>2.1</b> Well Monitoring	2,000	Includes annual report
<b>2.2</b> Interface Monitoring	24,000	
<b>2.3</b> Private Well Use	5,000	
<b>2.4</b> Water Year Analysis	10,000	
<b>2.5</b> Subsurface Inflow	30,000	Well drilling and oversight \$20K
<b>2.6</b> Surface Water Flow Data	10,000	
<b>2.7</b> Evapotranspiration	5,000	
<b>3.1</b> Organizational Activities	42,000	Fee prep w consultant \$25K, Legal 11K
<b>4</b> Plan Area and Basin Setting	60,000	conceptual model & groundwater dep ecosystem
<b>5</b> Sustainable Mgmt Criteria	16,000	
<b>10</b> Project Administration	13,000	
<b>Total Grant Tasks</b>	<b>217,000</b>	
<b>Subtotal Expense</b>	<b>380,000</b>	
Reserve	45,000	
<b>Total Expense</b>	<b>425,000</b>	

**REVENUES**

<b>Source</b>	<b>Budget 2018/2019</b>	<b>Comment</b>
2017/2018 Rollover	100,000	
Member Contribution	250,000	\$50 K per agency
Grant	75,000	
<b>Total Revenue</b>	<b>425,000</b>	

**UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 8(b)**

**DATE:** June 8, 2018

**TO:** Board of Directors

**FROM:** Agency Staff

**SUBJECT:** Basis of Accounting

**SUMMARY**

The Agency Bylaws do not currently specify the Agency's basis of accounting, which is required by general accounting principles.

**RECOMMENDED ACTION**

Adopt Resolution 2018-2 Establishing a Basis of Accounting, attached hereto.

**BACKGROUND**

Article 7.3 of the Bylaws of the Agency requires the Executive Director to maintain books of account in accordance with accepted accounting principles. General accounting principles require the adoption of either the accrual or cash basis of accounting.

Under the accrual basis, revenue is recorded when it is earned, and expenses are recorded when consumed. Under the cash basis, revenue is recorded at the time it is received, and expenses are recorded when paid.

The cash basis provides a simpler means of accounting, and will render financial reports most useful to the Board in that they will more accurately reflect cash flow.

Resolution 2018-2, adopting the cash basis of accounting, is attached as Attachment 1 to this staff report.

**FISCAL SUMMARY**

There is no fiscal impact associated with this action.

**ATTACHMENT**

Draft Resolution 2018-2 A RESOLUTION OF THE UPPER VENTURA RIVER  
GROUNDWATER AGENCY (AGENCY) ESTABLISHING A BASIS OF ACCOUNTING



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**BOARD OF DIRECTORS**  
**UPPER VENTURA RIVER GROUNDWATER AGENCY**  
**RESOLUTION NO. 2018-2**

**A RESOLUTION OF THE UPPER VENTURA RIVER GROUNDWATER AGENCY  
(AGENCY) ESTABLISHING A BASIS OF ACCOUNTING**

**WHEREAS**, Article 7.3 of the Bylaws of the Agency requires the Executive Director to maintain books of account in accordance with accepted accounting principles; and,

**WHEREAS**, Article 4.4 authorizes the Board of Directors (Board) of the Agency to direct the actions of the Executive Director; and,

**WHEREAS**, the Board did thoroughly discuss and determine the merits of the accrual basis of accounting versus the merits of the cash basis of accounting and did determine at its June 14, 2018 meeting that the cash basis of accounting will render financial reports that are more useful to the Board.

**NOW, THEREFORE**, the Board of Directors of the Upper Ventura River Groundwater Agency does hereby resolve, find, determine and order as follows:

Article 7 of the Bylaws is hereby amended by adding Article 7.5, to read in its entirety as follows:

7.5 Basis of Accounting. The accounting records of the Agency shall be maintained using the cash basis of accounting.

PASSED, APPROVED, AND ADOPTED this 14th day of June, 2018.

\_\_\_\_\_  
Bruce Kuebler, Board Chair

ATTEST:

\_\_\_\_\_  
Cece Vandermeer  
Executive Director

APPROVED AS TO FORM

\_\_\_\_\_  
Upper Ventura River Groundwater Agency  
General Counsel

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_

## **UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 8(c)**

**DATE:** June 8, 2018

**TO:** Board of Directors

**FROM:** Agency Staff

**SUBJECT:** Financial Audit Period

### **SUMMARY**

Because the Agency's Auditor is an officer/employee of the Agency, State law requires that the Agency retain a certified public accountant to perform an audit of the Agency's accounts and records

### **RECOMMENDED ACTION**

It is recommended that the Board Adopt Resolution 2018-3 Establishing an Annual Financial Audit, attached hereto.

### **BACKGROUND**

Because the Agency's Auditor is an officer/employee, it is necessary to retain a certified public accountant to perform an annual audit of the Agency's accounts and records. (Gov. Code, §§ 6505(b), 6505.6.) A report of the annual audit shall be filed with each of the Agency members and also with the county auditor of the county where the home office of the Agency is located within 12 months of the end of the fiscal year under examination. (Gov. Code, § 6505(b)-(c).) The reports are public records and must be sent to any public agency or person in California that submits a written request to Agency. (Gov. Code, § 6505(c).)

The Government Code also appears to provide an alternative option to perform a biennial audit in place of the annual audit. Government Code section 6505(f) states that "[a]ll agencies or entities may, by unanimous request of the governing body thereof, replace the annual special audit with an audit covering a two-year period." This provision, however, is ambiguous in that it contains the only reference in the statute to a "special audit," without definition – as opposed to an "annual audit".

It is also unclear whether a biennial audit would provide any cost savings versus an annual audit. In order to prepare a biennial audit, a CPA would need to review two years of financial records as opposed to a single year, thus the cost of a biennial audit will likely be roughly double that of an annual audit. A further consideration is whether the Board wishes to budget annually for an annual audit, or to budget annually for one-half of a biennial audit.

Although the Government Code presents two options for audits of the Agency's financial records, either annually or biennially, the most prudent course of action may be to engage a CPA to perform an annual audit.

Resolution 2018-3, adopting an annual audit, is attached as Attachment 1 to this staff report.

In the alternative, Resolution 2018-3, adopting a biennial audit, is attached as Attachment 2 to this staff report.

## **FISCAL SUMMARY**

There is no fiscal impact associated with this action.

## **ATTACHMENTS**

- (1) Draft Resolution 2018-3 A RESOLUTION OF THE UPPER VENTURA RIVER  
GROUNDWATER AGENCY (AGENCY) ESTABLISHING AN ANNUAL FINANCIAL  
AUDIT**
  
- (2) Draft Resolution 2018-3 A RESOLUTION OF THE UPPER VENTURA RIVER  
GROUNDWATER AGENCY (AGENCY) ESTABLISHING A BIENNIAL FINANCIAL  
AUDIT**

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_

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**BOARD OF DIRECTORS**  
**UPPER VENTURA RIVER GROUNDWATER AGENCY**  
**RESOLUTION NO. 2018-3**

**A RESOLUTION OF THE UPPER VENTURA RIVER GROUNDWATER AGENCY  
(AGENCY) ESTABLISHING AN ANNUAL FINANCIAL AUDIT**

**WHEREAS**, Government Code section 6505(b) requires the Agency to retain a certified public accountant to perform an annual audit of the Agency's accounts and records.

**NOW, THEREFORE**, the Board of Directors of the Upper Ventura River Groundwater Agency does hereby resolve, find, determine and order as follows:

The Agency is required to retain a certified public accountant to perform an audit of the Agency's accounts and records as of Fiscal Year 2016/2017 and annually thereafter. The Executive Director is authorized and directed to retain a certified public account for such purpose.

PASSED, APPROVED, AND ADOPTED this 14th day of June, 2018.

\_\_\_\_\_  
Bruce Kuebler, Board Chair

ATTEST:

\_\_\_\_\_  
Cece Vandermeer  
Executive Director

APPROVED AS TO FORM

\_\_\_\_\_  
Upper Ventura River Groundwater Agency  
General Counsel

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**BOARD OF DIRECTORS**  
**UPPER VENTURA RIVER GROUNDWATER AGENCY**  
**RESOLUTION NO. 2018-3**

**A RESOLUTION OF THE UPPER VENTURA RIVER GROUNDWATER AGENCY  
(AGENCY) ESTABLISHING A BIENNIAL FINANCIAL AUDIT**

**WHEREAS**, Government Code section 6505(b) requires the Agency to retain a certified public accountant to perform an annual audit of the Agency’s accounts and records; and,

**WHEREAS**, Government Code section 6505(f) authorizes the Agency to replace the annual audit with an audit covering a two-year period, if approved by unanimous consent of the Board.

**NOW, THEREFORE**, the Board of Directors of the Upper Ventura River Groundwater Agency does hereby resolve, find, determine and order as follows:

The Agency’s requirement to retain a certified public accountant to perform an annual audit of the Agency’s accounts and records is hereby replaced with the requirement for the Agency to retain a certified public accountant to perform a biennial audit of the Agency’s accounts and records beginning with Fiscal Year 2016/2017. The Executive Director is authorized and directed to retain a certified public account for such purpose.

PASSED, APPROVED, AND ADOPTED this 14th day of June, 2018.

\_\_\_\_\_  
Bruce Kuebler, Board Chair

ATTEST:

\_\_\_\_\_  
Cece Vandermeer  
Executive Director

APPROVED AS TO FORM

\_\_\_\_\_  
Upper Ventura River Groundwater Agency  
General Counsel

**UPPER VENTURA RIVER GROUNDWATER AGENCY Item No. 8(d)**

**DATE:** June 14, 2018

**TO:** Board of Directors

**FROM:** Executive Director Vandermeer

**SUBJECT:** General Liability and Worker's Compensation Insurance

**SUMMARY:**

Approve the quote from Special District Risk Management Authority (SDRMA) for General Liability and Worker's Compensation Insurance.

**RECOMMENDED ACTION:**

It is recommended that the Board approve the Executive Director's recommendation to purchase General Liability insurance and Worker's Compensation insurance.

Approve and Sign:

1. Adoption of Resolution 2018-4; authorizing participation in the Special District Risk Management Authority Property/Liability Program and Worker's Compensation Programs.
2. Execution and delivery of the Sixth Amended Joint Powers Agreement of the Special District Risk Management Authority.
3. Completion of the Aliant Crime Policy application.
4. Adoption of Resolution 2018-5; authorizing application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-insure Worker's Compensation Liabilities
5. Completion of the State of California Application for Certificate of Consent to Self-Insure as a Public Agency Employer Self-Insurer.
6. Regular Member Application to California Special Districts Association.

**BACKGROUND:**

General Liability Insurance and Worker's Compensation Insurance is required by the UVRGA.

**FISCAL SUMMARY:**

Annual Membership in SDRMA \$420. General Liability Insurance \$1,748.66 annually, Worker's Compensation \$1,045 annually, to be prorated upon election of coverage.

Action: \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

B. Kuebler\_\_\_\_ M. Bergen\_\_\_\_ G. Shephard\_\_\_\_ D. Engle\_\_\_\_ K. Brown\_\_\_\_ L. Rose\_\_\_\_ E. Ayala\_\_\_\_



June 8, 2018

Ms. Cece Vandermeer  
Executive Director  
Upper Ventura River Groundwater Agency  
Post Office Box 1779  
Ojai, California 93024

Dear Ms. Vandermeer,

Thank you for the opportunity to provide Upper Ventura River Groundwater Agency 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. Upper Ventura River Groundwater Agency's quotation is as follows:

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**PROPERTY/LIABILITY PROGRAM QUOTATION**

Coverage Limits: \$2.5 Million - July 1, 2018 through June 30, 2019 \$1,748.66  
(Includes a 5% Multi-Program Discount, based on net package contribution)

**WORKERS' COMPENSATION PROGRAM QUOTATION**

Coverage: July 1, 2018 through June 30, 2019 \$1,045.00  
(Includes a 5% Multi-Program Discount, based on an experience modification of 100%)

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**SCHEDULED PROPERTY/COVERAGES**

COVERAGE	TOTAL INSURED VALUE	DESCRIPTION
Property Inventory	\$0	0 structures and contents
Vehicle Inventory	\$0	0 scheduled vehicles
Comp and Collision	\$0	0 scheduled vehicles 250/500 Comp/Coll Deductibles
Mobile Floater Equipment	\$0	0 mobile equipment items
Trailer Inventory	\$0	0 scheduled trailers
Estimated Payroll	\$12,000.00	1 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 and have been applied to the above quotation. Members can continue to reduce future contributions each year by earning CIP points or not experiencing any paid claims.

Upper Ventura River Groundwater Agency  
Page 2

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

- Adoption of a Resolution by the Upper Ventura River Groundwater Agency's 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. Members are eligible for future longevity distributions after satisfying the 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 Upper Ventura River Groundwater Agency.
- The Completion of the State Application for a Certificate to Self-Insure by the Upper Ventura River Groundwater Agency.
- Approval by SDRMA's Board of Directors of Upper Ventura River Groundwater Agency's membership in the Property/Liability and Workers' Compensation programs. (In the event the Upper Ventura River Groundwater Agency requires coverage prior to approval by SDRMA's Board of Directors, the SDRMA CEO is authorized to issue a 60-day conditional binder).
- Annual Membership in California Special Districts Association is required and separate from this quotation. Based on the reported operating budget the dues will be \$420.00.

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 Upper Ventura River Groundwater Agency'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 (page 17, "Execution by Member").
- ☐ **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:** **CSDA Membership Application**—Completion of California Special Districts Association (CSDA) Membership Application (an electronic version is enclosed), including annual membership dues made payable to CSDA. Please refer to the membership dues schedule on the CSDA Membership Application to calculate CSDA dues.
- ☒ **Attachment Eight:** **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:

Ellen Doughty or Wendy Tucker  
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. Upon receipt of the Agency's membership documents, SDRMA will forward pro-rated invoices. Payments are due upon receipt of the invoices.

## Actions Required to Secure Membership

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### **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**

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 Ellen Doughty or Wendy Tucker at 800.537.7790, should you have any additional questions. For more information regarding SDRMA services, please visit our website at [www.sdrma.org](http://www.sdrma.org).

### Property/Liability Package Coverage

Special District Risk Management Authority (SDRMA) offers a straightforward, uncomplicated program for special districts and other public agencies. Coverage documents are broad form manuscript policies written on an “occurrence form” to ensure the highest level of coverage and maximum protection of assets for governmental entities providing municipal services. Established in 1986, this program has a proven reputation for stable, competitive rates, actuarially based fiscal management, and sound underwriting practices. We offer multi-program discounts and also reward members through longevity distributions.

#### COVERAGE

- General Liability Minimum Limits of \$2.5 Million Per Occurrence (Higher limits available upon request)
- Property Limits \$1,000,000,000 Per Occurrence
- Ancillary coverages are offered on a member-by-member basis
- SDRMA maintains a Self-Insured Retention that is periodically adjusted based on market conditions

#### CLAIMS MANAGEMENT PROGRAM

SDRMA recognizes that claims management is a critical component and serves as the strength of our risk management program. Under the supervision of Chief Risk Officer Dennis Timoney, property and liability claims are processed, managed and adjusted “in-house”. Our primary objective is to positively impact the overall cost of property and liability coverages, as well as provide employees and employers fair and equitable claims management and resolution. SDRMA uses state-of-the-art claims management software to provide an accurate up-to-date status of each claim, loss run reports and financial information. Moreover, SDRMA’s role is not to be adversarial, but to create a partnership with its members.

#### LOSS CONTROL AND PREVENTION PROGRAM

SDRMA believes the key to a successful loss control and prevention program is quality, relevant education. Our members are provided with a variety of loss prevention programs, at no additional cost, including an online certified safety training program, free webinars and training seminars, on-site educational programs (upon request) and access to a library containing more than 200 training videotapes & DVD’s.

#### MEMBERPLUS SERVICES

Members participate in a complimentary safety management program including:

- Personalized On-line Member Resources – MemberPlus Online™
- State-of-the-Art On-line Safety Training - TargetSolutions™
- Loss Prevention Allowance Fund for Reimbursement of Approved Safety Equipment/Training up to \$1,000 per year
- Employment Law Legal Hotline
- On-Site Loss Control Visits and Risk Analysis
- Training Workshops/Webinars (safety, loss prevention)
- Safety, Claims Handling and Risk Reduction Training
- Comprehensive Safety & Risk Management Multimedia Library
- Premium-Reduction Credit Incentive Program (CIP)
- Occupational Safety & Health Program
- Safety & Claims Policy Manual
- Monthly Review of Claims Loss Reports
- Ergonomic Evaluations of Work Areas
- Contract Review and Transfer of Risk Analysis
- DMV Record Review
- Special Events Liability Assistance

#### RISK MANAGEMENT SERVICES

Property and liability coverage protection is just one component of SDRMA’s overall risk management program. Our risk management program includes risk assessment, risk analysis, risk protection (insurance coverage) and loss control. Asset protection for Agency exposures, assisting in preventing future losses, educating Agency staff, monitoring the Agency’s regulatory environment and providing the Agency with access to a risk manager are all elements of the overall risk management program.

### ELIGIBILITY REQUIREMENTS

SDRMA's eligibility requirements provide that member agencies:

- Must be a public agency formed under the California Government Code
- Execute the SDRMA Joint Powers Agreement
- Commit to an initial three program year member enrollment (thereafter coverage may be renewed annually)
- Maintain annual membership in California Special Districts Association (CSDA)

Please do not hesitate to call Special District Risk Management Authority at 800.537.7790, should you have any questions.

## Property/Liability Package Coverage Description

### GENERAL LIABILITY

General liability coverage provides protection for claims and losses arising from third-party personal injury, bodily injury and property damages. Coverage includes: subsidence (associated with main leaks and breaks), sudden and accidental release of chlorine, water and wastewater as a completed product (not pollution), failure to supply, sewer overflow/backups, hazardous material loading/unloading, volunteers/employees and inverse condemnation and dam failure liability (by endorsement). There are no general liability policy sub-limits. Limit: minimum \$2,500,000 per occurrence. Deductible: None; \$500 (property damage only) per occurrence.

### AUTO LIABILITY

Auto liability coverage protects members from lawsuits for bodily injury and property damages to the public arising out of ownership, maintenance or use of a covered vehicle. Coverage includes: owned vehicles, non-owned and hired vehicles and uninsured motorists. Limit: minimum \$2,500,000 per occurrence. Deductible: None (bodily injury); \$1,000 (property damage) per occurrence.

### AUTO PHYSICAL DAMAGE

Auto physical damage (comprehensive and collision) provides protection for damage or loss to a member's owned vehicle. Comprehensive coverage includes: fire, theft, vandalism, windstorm, hail, flood, glass breakage, damage caused by riot or civil commotion and damage from hitting or being hit by birds and animals. Collision coverage provides coverage for repair or replacement for like kind, type and condition based on actual cash value. Valuation: Actual Cash Value (ACV) or agreed upon value. Deductible: Member selectable \$250 comprehensive/\$500 collision or \$500 comprehensive/\$1,000 collision per occurrence.

### PUBLIC OFFICIALS PERSONAL LIABILITY (OUTSIDE COURSE AND SCOPE)

This highly specialized, unique coverage protects elected/appointed officials from claims and settlements arising outside the course and scope of their duties. Coverage includes: invasion of privacy, libel, slander, defamation of character, discrimination, false arrest and malicious prosecution. Limit: \$500,000 per official per year; annual aggregate. Deductible: \$500 per claim.

### EMPLOYMENT PRACTICES LIABILITY

Employment practices liability provides coverage for claims and losses arising from "wrongful" employment practices. Coverage includes: wrongful termination, sexual harassment and discrimination. Limit: minimum \$2,500,000 per occurrence. Deductible: None.

### EMPLOYEE BENEFITS LIABILITY

Employee benefits liability coverage for claims and settlements resulting from the negligent administration of employee benefit plans. Limit: minimum \$2,500,000 per occurrence. Deductible: None.

### EMPLOYEE AND PUBLIC OFFICIALS DISHONESTY

Employee and Public Officials Dishonesty is government crime coverage which also includes faithful performance coverage. It provides coverage protection for member losses resulting from fraudulent or dishonest acts committed by employees, volunteers or board members and also provides indemnification for losses due to the failure of employees to faithfully perform their duties as prescribed by law which directly and immediately results in loss of covered property. Coverage includes: larceny, theft, embezzlement, forgery and wrongful misappropriation. Limit: \$1,000,000. Deductible: None.

### **EMPLOYEE AND PUBLIC OFFICIALS ERRORS AND OMISSIONS**

Public officials and employee's errors and omissions coverage for any and all wrongful acts by a covered party arising from misfeasance, malfeasance or nonfeasance including any actual or alleged negligent action or inaction, mistake, misstatement, error, neglect, inadvertence or omission. Limit: minimum \$2,500,000 per occurrence. Deductible: None.

### **PROPERTY COVERAGE (INCLUDING FLOOD AND MOBILE/CONTRACTORS EQUIPMENT)**

Property coverage provided for the replacement cost value of building and contents. Additional extensions provided for accounts receivable, builders risk, business interruption, commandeered property, cost of construction, debris removal, electronic data processing, extra expense, fine arts (appraised value), flood coverage (annual aggregate), pollution clean-up (related to property loss), personal property of others and valuable papers. Property Coverage Valuation: replacement cost (without depreciation). Mobile/Contractors Equipment Valuation: actual cash value. Limit: \$1,000,000,000, no annual aggregate. Deductible: \$1,000 per occurrence.

### **CYBER COVERAGE (AVAILABLE ONLY IF PROPERTY OR MOBILE/CONTRACTORS EQUIPMENT IS SCHEDULED)**

Cyber coverage includes information security & privacy liability, privacy notification costs, regulatory defense and penalties, website media content liability and system damage and restoration (business interruption from hacking or virus). Members have a \$25,000 deductible per occurrence, a limit of \$250,000 per member per occurrence, an annual aggregate of \$250,000 per member and a sublimit of \$100,000 per member per occurrence for Credit Monitoring (subject to 20% coinsurance).

### **BOILER AND MACHINERY**

Boiler and machinery coverage provides coverage for the "sudden and accidental" breakdown of mechanical and electrical machinery. Coverage includes: expediting expenses, business income, extra expense, spoilage, water damage, ammonia contamination, hazardous substances, error in description and newly acquired property. Limit: \$100,000,000 repair/replacement. Deductible: Varies based on KW/KVA/AMPS, per occurrence.

### **ANCILLARY COVERAGES**

Ancillary coverages are available on a member-by-member basis (such as: earthquake).

### **CREDIT INCENTIVE PROGRAM**

Members are able to reduce their auto and general liability net premiums through Special District Risk Management Authority Property/Liability Credit Incentive Program. Credit incentives up to 15% of the auto and general liability net premium contribution can be earned for completion of approved program criteria guidelines.

This information is provided as a general description only, and is not intended to supercede specific policy documents.  
In the event of a conflict in language, the policy(ies) will be the controlling document.

### **CONTACT INFORMATION:**

#### **ELLEN DOUGHTY**

Chief Member Services Officer  
Special District Risk Management Authority  
1112 "I" Street, Suite 300  
Sacramento, California 95814  
Telephone: 800.537.7790  
Direct: 916.231.4141  
Fax: 916.231.4111  
Email: [edoughty@sdrma.org](mailto:edoughty@sdrma.org)

#### **WENDY TUCKER**

Member Services Manager  
Special District Risk Management Authority  
1112 "I" Street, Suite 300  
Sacramento, California 95814  
Telephone: 800.537.7790  
Direct: 916.231.4141  
Fax: 916.231.4111  
Email: [wtucker@sdrma.org](mailto:wtucker@sdrma.org)

**RESOLUTION NO. 2018-4**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER VENTURA RIVER GROUNDWATER  
AGENCY 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 14<sup>TH</sup> day of June, 2018 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Agency Secretary

RESOLUTION NO. 2018-5

RESOLUTION OF THE GOVERNING BODY OF  
THE UPPER VENTURA RIVER GROUNDWATER AGENCY  
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 Upper Ventura River Groundwater Agency 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 Upper Ventura River Groundwater Agency 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 Upper Ventura River Groundwater Agency 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 Upper Ventura River Groundwater Agency 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 Upper Ventura River Groundwater Agency.

**PASSED, APPROVED AND ADOPTED** this 14<sup>th</sup> day of June, 2018 by the following vote:

AYES:  
NOES:  
ABSENT:

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Bruce Kuebler, Board Chair

ATTEST:

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Cece Vandermeer  
Executive Director

**SIXTH AMENDED  
JOINT POWERS AGREEMENT**

**RELATING TO THE**

**SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

**Adopted August 1, 1986**  
**1<sup>st</sup> Amended February 5, 1988**  
**2<sup>nd</sup> Amended March 31, 1990**  
**3<sup>rd</sup> Amended July 1, 1993**  
**4<sup>th</sup> Amended February 9, 1998**  
**5<sup>th</sup> Amended and Restated**  
**- Approved March 24, 2003**  
**- Effective July 1, 2003**  
**6<sup>th</sup> 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:

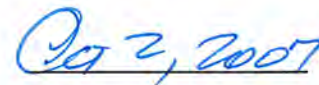
Acknowledgement:



Ken Sonksen, President

Board of Directors

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY



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



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:\_\_\_\_\_



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 # \_\_\_\_\_

Public entity will self-administer

Insurance Carrier will administer

Name of Third Party Administrator:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip + 4: \_\_\_\_\_ - \_\_\_\_\_

Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

# of claims reporting locations to be used to handle Agency's claims: \_\_\_\_\_

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: \_\_\_\_\_

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:

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**JOINT POWERS AUTHORITY**

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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 # \_\_\_\_\_

Name of JPA: \_\_\_\_\_

---

**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: \_\_\_\_\_

Policy #: \_\_\_\_\_ Effective Date of Coverage: \_\_\_\_\_

Retention Limits: \_\_\_\_\_

**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: \_\_\_\_\_



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RESOLUTION FROM GOVERNING BOARD

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

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CERTIFICATION

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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: Upper Ventura River Groundwater Agency

Complete Named Insured:	<u>Upper Ventura River Groundwater Agency</u>
	_____
	_____
	_____
	_____

Insured Address: P.O. Box 1779  
*For overnight mail* Ojai, CA 93024  
*(No P.O. Box)* \_\_\_\_\_  
\_\_\_\_\_

Mailing Address: \_\_\_\_\_  
☒ Same as above \_\_\_\_\_  
\_\_\_\_\_

Contact: Cece Vandermeer Title: Executive Secretary  
Phone: (805)640-1247 Fax: \_\_\_\_\_  
email: CVandermeer@uvrgroundwater.org

**• CURRENT COVERAGE •**

Total Limit: \$ N/A 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"/> District Hospital <input checked="" type="checkbox"/> Special District	<input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> Other (please specify) _____	
Total Number of Employees (Break down as follows): Full Time: _____ Part Time: <u>2</u>			
Elected/Appointed Officials: <u>7</u> Volunteers: _____			
Number of Employees who actually handle, have access to or maintain records of money, securities or other property: <u>1</u>			
Number of Locations where all employees are located: <u>1</u>			
Total Revenues: \$ <u>245,000</u>		Total Assets: \$ <u>0</u>	Net Income or Revenue: \$ <u>TBD</u>
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 checked="" 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 The Executive Director is authorized to make deposits but is not authorized to withdraw.

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 \_\_\_\_\_  
(Applicant)

Title \_\_\_\_\_

Date \_\_\_\_\_



**California Special  
Districts Association**  
*Districts Stronger Together*

**2017 APPLICATION**

## REGULAR MEMBER APPLICATION

*VOTING MEMBERSHIP – Independent Special Districts (as defined by Government Code section 56044) and/or public agencies whose legislative body is composed of representatives from two or more public agencies. Excludes dependent districts, JPAs, and county and city agencies (may apply as Associate members).*

Main Contact Name:			
Title:			
Email:		Phone:	
District Name:			
Mailing Address:			
City:		State:	Zip:
Physical Address:			
City:		State:	Zip:
Referred By:			
<b>2016 CSDA ANNUAL MEMBERSHIP DUES</b>			
Dues are based on the district's annual operating revenue/income as of June 30, 2015. Only one-time grants or straight pass-through funding should be excluded. Any funding used to support agency operations such as payroll and other administrative expenses should be included. Refer to chart below to determine dues category. CSDA dues are subject to change by majority vote of the CSDA Board of Directors.			
<b>DUES TABLE</b> (please check operating revenue)			
<b>OPERATING REVENUE</b>	<b>REGULAR DUES</b>	<b>OPERATING REVENUE</b>	<b>REGULAR DUES</b>
<input type="checkbox"/> \$50k or lower	\$159	<input type="checkbox"/> \$500 - \$625k	\$1,622
<input type="checkbox"/> \$50 - \$75k	\$240	<input type="checkbox"/> \$625 - \$750k	\$1,740
<input type="checkbox"/> \$75k - \$100k	\$398	<input type="checkbox"/> \$750 - \$1MM	\$2,496
<input type="checkbox"/> \$100 - \$150k	\$556	<input type="checkbox"/> \$1MM - \$1.25MM	\$3,208
<input type="checkbox"/> \$150 - \$200k	\$872	<input type="checkbox"/> \$1.25MM - \$1.5MM	\$3,888
<input type="checkbox"/> \$200 - \$250k	\$947	<input type="checkbox"/> \$1.5MM - \$1.75MM	\$4,551
<input type="checkbox"/> \$250 - \$300k	\$1,022	<input type="checkbox"/> \$1.75MM - \$2.0MM	\$5,272
<input type="checkbox"/> \$300 - \$350k	\$1,210	<input type="checkbox"/> \$2.0MM - \$5 MM	\$6,026
<input type="checkbox"/> \$350 - \$425k	\$1,318	<input type="checkbox"/> > \$5Million	\$6,485
<input type="checkbox"/> \$425 - \$500k	\$1,477		
<b>PAYMENT</b> (Credit card Payments – may be submitted by mail or fax to 916-442-7889)			
<input type="checkbox"/> CHECK <input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> DISCOVER <input type="checkbox"/> AMERICAN EXPRESS			
Account Name:		Account Number:	
Expiration Date:		Authorized Signature:	
		<b>AMOUNT:</b>	\$
<b>Please return this form with dues investment to CSDA Member Services, 1112 I Street #200, Sacramento CA 95814. Additional information will be requested to complete your agency's new member file. QUESTIONS? Contact CSDA Member Services at 877.924.2732 or cathrinel@csda.net.</b>			

OBRA 1993 prohibits taxpayers from deducting, for federal income tax purposes, the portion of membership dues that are allocable to the lobbying activities of trade organizations. The nondeductible portion of your dues is estimated to be 8%.

## 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