

LAKE SHASTINA COMMUNITY SERVICES DISTRICT

RESOLUTION NO 7-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKE SHASTINA COMMUNITY SERVICES DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDED JOINT POWERS AGREEMENT, AND DIRECTING THE TERMINATION OF THE SPECIAL DISTRICTS WORKERS COMPENSATION AUTHORITY

WHEREAS, the Lake Shastina Community Services District, a special district duly organized and existing under and by virtue of the laws of the State of California (the "District"), has entered into that certain First Amended Joint Powers Agreement (the "Original Agreement"), relating to the Special District Workers Compensation Authority (the "Authority"); and

WHEREAS, the District and the other members of the Authority (the "Members") now desire to amend Original Agreement to allow consolidation with the Special Districts Risk Management Authority ("SDRMA"); and

WHEREAS, in order to implement the foregoing, the District and the Members propose to execute and enter into a Second Amended Joint Powers Agreement (the "Amended JPA Agreement"); and

WHEREAS, the District and the other Members, following such amendment to the Original Agreement, and in order to further benefit the Members, desire to authorize the assignment and transfer of all claims, liabilities, assets and functions of the Authority to SDRMA, and to thereafter terminate 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 District 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 DISTRICT AS FOLLOWS:

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

Section 2. Amended JPA Agreement. The Amended JPA Agreement, proposed to be executed and entered into by and between the District and the Members, in the form presented at this meeting and on file with the District Secretary, is hereby approved. The **BOARD PRESIDENT, MYRON EVERHART** ("The Authorized Officer(s)") are hereby authorized and

directed, for and in the name and on behalf of the District, 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. Termination of Authority. Pursuant to the provisions of the Original JPA, as amended by the Amended JPA Agreement, the District hereby agrees to the termination of the Authority immediately following the assignment and transfer of all claims, liabilities, assets and functions of the Authority to SDRMA.

Section 4. Other Actions. The Authorized Officers of the District are each hereby authorized and directed to execute and delivery any and all documents which they may deem 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 18th day of December, 2002 by the following vote:

AYES: Brezinsky, Dean, Dilley, Everhart, Youngstrom

NOES: None

ABSENT: None



Title: Administrative Secretary



District Secretary

- B. Status of LSMWC Contribution/Donation to LSCSD – Received and Filed: GM Lea reported Water Ordinance will be back from legal counsel and ready for first reading at the January meeting. Since District does not have an established water rate, District needs to go to off-site property owners to vote to approve the District establishing a stand-by assessment. 51%, of those voting, is required for approval. In order to establish and justify a stand-by assessment, an engineering study is required. GM Lea asked Board for approval to proceed with the engineering study, with LSMWC paying for all costs of study.

Motion by Dir. Youngstrom second by Dir. Brezinsky to approve proceeding with hiring services for an engineering study in order to establish a stand-by assessment and metered rates (fees), with LSMWC paying for all costs incurred.

Ayes: Directors Brezinsky, Dean, Dilley, Everhart and Youngstrom

Noes: None

Absent: None

GM Lea reported legal counsel is drafting a resolution regarding delinquent accounts. The current Water Dept. budget will be used through the end of fiscal year. LAFCO will not need to approve water service upon LSMWC contribution/donation to LSCSD. LSMWC legal counsel will prepare resolution gifting of assets and LSCSD legal counsel will prepare resolution accepting gift of assets. GM Lea reported he will ask legal counsel to see if LSMWC Bylaws can be changed, based on results of vote regarding the contribution/donation of assets, so that the Annual Meeting can be delayed 3 months; Bylaws state Annual Meeting must be held on the second Saturday in August.

Item 10. NEW BUSINESS:

- A. Welcome appointed LSCSD Directors – Received and Filed

Al Brezinsky, Jack Dean, Craig Dilley, and John Youngstrom: Item addressed as Item 3.B. - Pres Everhart welcomed LSCSD Directors appointed in lieu of election. Dir. Dilley who was sitting in the audience was asked to join the Board and was given a round of applause as a new member to the Board. Dir. Youngstrom reported that the dates the County reported for 'Term of Office Ending' were in error; correct dates are December 3 for term ending year 2004 and December 1 for term ending year 2006.

- B. Special District Risk Management Authority (SDRMA) and Special District Workers

Compensation Authority (SDWCA) Consolidation – Received and Filed: GM Lea reported a motion was required for approval of Resolution 7-02 and 8-02 in order for Board to approve SDRMA and SDWCA consolidation.

1. Approval of Resolution 7-02
2. Approval of Resolution 8-02

Motion by Dir. Dilley second by Dir. Youngstrom to approve Resolution 7-02 approving the form of and authorizing the execution and delivery of a second amended joint powers agreement, and directing the termination of the Special Districts Workers Compensation Authority.

Ayes: Directors Brezinsky, Dean, Dilley, Everhart and Youngstrom

Noes: None

Absent: None

Motion by Dir. Dilley second by Dir. Youngstrom to approve Resolution 8-02 approving the form of and authorizing the execution and delivery of a fifth amended and restated joint powers agreement.

Ayes: Directors Brezinsky, Dean, Dilley, Everhart and Youngstrom

Noes: None

Absent: None

- C. Approval of CalPERS Employer Pick Up Resolution 9-02 – Received and Filed: OM Wishart reported Resolution 9-02 would allow all CalPERS employee member contributions to be pre-tax; deferring the state and federal income taxes until distribution. Board directed OM Wishart to go back to employees with details of proposed resolution and ask for a re-vote. Pres. Everhart tabled item until January meeting.

SECOND FIRST AMENDED JOINT POWERS AGREEMENT
OF
SPECIAL DISTRICTS WORKERS COMPENSATION AUTHORITY

THIS SECOND AMENDED AGREEMENT is made and entered into in the County of Sacramento, State of California, by and among various special districts organized and existing under the laws of the State of California, hereinafter collectively referred to as "district" and individually as "district", who have or may hereafter sign this First Amended Joint Powers Agreement, and the Special Districts Workers Compensation Authority (hereinafter referred to alternatively as SDWCA or Authority).

RECITALS

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, California *Government Code* section 990.4 provides that a local entity may self-insure; purchase insurance through an authorized insurer; purchase insurance through a surplus line broker; or any combination thereof; and

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

WHEREAS, each of the districts which are parties to the agreement desire to join together with other districts in order to collectively self-insure their workers' compensation and employers liability losses and/or to jointly purchase insurance and administrative services for said districts; and

WHEREAS, on July 1, 1982, certain districts made and entered into a Joint Powers Agreement creating the California Special Districts Association, Program CSDA, and various other districts have thereafter executed said Joint Powers Agreement and have become participating member districts of said joint powers authority; and

WHEREAS, it is the desire of the districts who are now members of the California Special Districts Association, Program CSDA, to amend said Joint Powers Agreement in order to better define the existence, functions, and operations of said joint powers authority and to change the name of said joint powers authority to SPECIAL DISTRICTS WORKERS COMPENSATION AUTHORITY (SDWCA); and

WHEREAS, the California Special Districts Association is a nonprofit corporation existing to assist and promote special districts and was responsible for the original creation of Program CSDA, and the California Special Districts Association and the Special Districts Workers Compensation Authority (SDWCA)

contemplate a continuing working relationship to the benefit of the special districts in the state of California; and

WHEREAS, it is to the mutual advantage and in the best public interests of the parties to this First Amended Joint Powers Agreement to establish this joint powers authority for the purposes stated;

NOW, THEREFORE, for and in consideration of the execution of this agreement by other districts, each of the parties hereto does hereby agree as follows:

(1) Purpose: This First Second Amended Joint Powers Agreement is entered into by districts in order to jointly fund and develop programs to provide workers' compensation and employers liability coverages for participating member districts. These programs shall be provided through collective self-insurance; the purchase of insurance coverages; or a combination thereof. These programs shall also seek to reduce the amount and frequency of losses, and to decrease the costs incurred by districts in the management and litigation of claims. These purposes shall be accomplished through a joint exercise of powers by said districts pursuant to the terms of this agreement and by the creation of a separate joint powers authority.

(2) Creation of Joint Powers Authority : Pursuant to section 6500 *et seq.* of the California *Government Code* there is hereby created a public entity separate and apart from the parties hereto, to be known as the Special Districts Workers Compensation Authority, also known as SDWCA. A notice of this agreement shall be filed with the Secretary to State within 30 days after the effective date as required by *Government Code* section 6503.5.

(3) Membership: Each district which is a party to this agreement must be a district which is duly organized and existing under the laws of the State of California; must be a member of the California Special Districts Association; and must be approved for participation in SDWCA in the manner provided by the Bylaws.

(4) Parties to Agreement: Each district which has signed this agreement certifies that it intends to and does contract with SDWCA, with all other districts who have signed this agreement, and, in addition, with each district which may later be added as a party to and may sign this agreement. Each district which has or may hereafter sign this agreement also certifies that the deletion of any district from this agreement by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this agreement nor each district's intent to contract as described above with the then remaining districts.

(5) Term of Agreement: This First Second Amended Joint Powers Agreement shall become effective upon a date established by the Board of Directors of the Special Districts Workers Compensation Authority (SDWCA) and when approved and signed by at least two-thirds of the districts which are participating member districts in the ~~California Special Districts Association, Program CSDA~~ Special Districts Workers Compensation Authority (SDWCA). When effective, this First Second Amended

Agreement shall continue thereafter until terminated as herein provided. This ~~First~~ Second Amended Joint Powers Agreement shall become effective as to each existing member district of the ~~California Special Districts Association Program CSDA~~ Special Districts Workers Compensation Authority (SDWCA) upon its effective date and shall become effective as to each new member district thereafter upon approval of the district's membership by the Board of Directors of SDWCA, execution of this ~~First~~ Second Amended Joint Powers Agreement by the district and by SDWCA, and by payment by the district of its initial deposit premium for coverage by SDWCA.

(6) Powers of the Authority: SDWCA shall have all of the powers common to districts and all additional powers set forth in the joint powers law. This joint powers authority 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:

- (a) To make and enter into contracts.
- (b) To employ agents and employees and/or to contract for such services.
- (c) To incur debts, liabilities and obligations.
- (d) To acquire, hold, or dispose of property.
- (e) To sue and be sued in its own name.
- (f) To receive contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities.
- (g) To exercise all powers necessary and proper to carry out the terms and provisions of this agreement or otherwise authorized by law.

(7) Board of Directors: All powers of the Special Districts Workers Compensation Authority (SDWCA) shall be exercised by and through its Board of Directors. Said Board of Directors is hereby designated as the agency to administer and execute this ~~First~~ Second Amended Agreement pursuant to *Government Code* section 6506. The Board of Directors shall be composed of three members appointed by the Board of Directors of the California Special Districts Association and four members elected by the districts who have executed this ~~First~~ Second Amended Joint Powers Agreement and are participating in SDWCA. Each member of the Board of Directors shall have one vote. The Board of Directors shall have the authority to conduct all business and govern all affairs of this joint powers authority under the provisions hereof and pursuant to law and shall have such powers and functions as are provided for herein, in the Bylaws, or by law.

- (8) Powers of the Board of Directors: The Board of Directors shall have the following powers:
- (a) Exercise all powers and conduct all business of this joint powers authority.
 - (b) Determine the details of and select programs of workers' compensation and

employers liability coverage to be offered by this joint powers authority.

- (c) Determine and purchase all necessary insurance including excess insurance necessary to carry out the programs offered by SDWCA.
- (d) Contract for or develop various services for the authority including but not limited to claims adjusting, loss control, and risk management.
- (e) Appoint committees, appoint staff, and employ such persons as the Board of Directors deems necessary for the administration of this joint powers authority.
- (f) Direct the payment, adjustment, and defense of all claims involving the workers' compensation or employers liability of a member district during their period of membership in and coverage by this authority.
- (g) Fix and collect premiums for member districts.
- (h) Deposit all funds received in separate bank accounts in the name of the Special Districts Workers Compensation Authority (SDWCA).
- (i) Invest funds on hand in any manner authorized by law for the investment of funds of a special district.
- (j) Expend funds of SDWCA only for the purpose of carrying out the provisions of the Joint Powers Agreement and the Bylaws as they now exist or may be hereafter amended.
- (k) Provide administrative services, claims management services, financial services, legal representation, safety engineering, actuarial services, and other services necessary or proper to carry out the purposes of SDWCA either through its own employees or by contract with one or more third parties.
- (l) Purchase liability insurance, directors and officers liability insurance, and such other insurance as the Board of Directors may deem necessary or proper in order to protect SDWCA, its employees, and the participating districts.
- (m) 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 SDWCA.
- (n) Acquire, lease, hold, and dispose of all property necessary or appropriate to carry out the powers and operations of SDWCA.
- (o) Establish policies and procedures for the operation of SDWCA.
- (p) Enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of SDWCA.

(9) Designated Entity: The community services district named in the Bylaws is hereby designated as the applicable entity for defining the restrictions upon the manner of exercising power as set forth in California *Government Code* section 6509.

(10) Administrative Services: Pursuant to California *Government Code* section 6506, the California Special Districts Association shall provide all administrative services to SDWCA under the direction of the Board of Directors of SDWCA on a continuing basis in exchange for which SDWCA shall pay to the California Special Districts Association such percentage of the annual manual premium payable to SDWCA as may be agreed upon from time to time by the Board of Directors of SDWCA and the Board of Directors of the California Special Districts Association.

(11) Bylaws: The Bylaws of the Special Districts Workers Compensation Authority (SDWCA), a copy of which is attached hereto and marked Exhibit "A", are hereby incorporated into this Agreement and made a part hereof. Each party to this Agreement by the execution hereof agrees to be bound by and to comply with all of the terms and conditions of this Agreement and of said Bylaws as they now exist or may hereafter be amended. The Special Districts Workers Compensation Authority (SDWCA) shall operate and conduct its business and affairs pursuant to the terms of this Agreement and said Bylaws.

(12) Withdrawal or Involuntary Termination: Any district, after completing three fiscal years as a participating member district may voluntarily withdraw from membership as provided in the Bylaws, or a district may be involuntarily terminated as provided in the Bylaws.

~~(13) Termination of SDWCA: SDWCA may be terminated at any time upon the agreement of two-thirds of the then member districts provided, however, that SDWCA shall continue to exist for the purpose of disposing of all claims, the distribution of assets, and all other functions necessary to wind up the affairs of SDWCA. Upon termination, and after making proper provisions for the winding up of the affairs of SDWCA, SDWCA shall pay to the then member districts their pro rata share of the net assets of SDWCA pursuant to the provisions of the Bylaws.~~

(13) Termination of SDWCA: SDWCA may be terminated at any time upon the agreement of two-thirds of the then member districts; provided, however, that SDWCA shall continue to exist for the purpose of disposing of all claims and liabilities, the distribution of assets, and all other functions necessary to wind up the affairs of SDWCA. Such disposition may include, at the option of a majority of the Board of Directors, the assignment and transfer of all such claims, liabilities, assets and functions to another joint powers authority organized under California Government Code Section 6500 et seq. (a "Successor JPA"). Except as otherwise provided in the following paragraph, upon termination, and after making proper provisions for the winding up of the affairs of SDWCA, SDCWA shall pay to the then member districts their pro rata share of the net assets of SDWCA pursuant to the provisions of the Bylaws.

In the event the Board of Directors determines to transfer all of SDWCA's assets, claims and liabilities to a Successor JPA, no disposition of net assets shall be made to any member district, including member districts who do not join the Successor JPA. Notwithstanding the vote of the members, the Board of Directors shall remain in existence until provision for the assignment and transfer of all claims, liabilities, assets and functions of SDWCA to the Successor JPA have been completed. The provisions of this Section supercede any provision to the contrary in this agreement or in the Bylaws."

(14) Amendments: This agreement may be amended by an amendment in writing signed by two-thirds of the districts then parties to this agreement. Upon signature of any amendment by two-thirds of the member districts, any member district failing or refusing to sign such amendment may be involuntarily terminated as a party to this agreement as provided in the Bylaws.

(15) Enforcement: SDWCA is hereby granted authority to enforce this agreement. In the event action is instituted to enforce any term of this agreement or any term of the Bylaws against any district which signed this agreement, the district agrees to pay such sums as the Court may fix as attorney fees and costs in said action.

(16) Nonliability of Member Districts and the California Special Districts Association Nothing in the Joint Powers Agreement or in the Bylaws adopted pursuant thereto shall be construed as imposing liability upon any district, or any director, officer or employee thereof, or upon the California Special Districts Association, a nonprofit corporation, for the payment of any claim protected against by SDWCA, the sole recourse of claimants being against the funds of participating districts paid into SDWCA for the payment of such claims. Pursuant to *Government Code* section 6503.5, the debts, liabilities, and obligations of SDWCA shall not be the debts, liabilities, or obligations of the districts that are parties to the Joint Powers Agreement or of the California Special Districts Association.

(17) Nonliability of Directors, Officers, Administrator, Agents, and Employees SDWCA and its directors, officers, administrator, agents, and employees shall not be liable to SDWCA, to any participating member district, or to any other person for any 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 director, officer, administrator, agent, or employee; for loss incurred through the investment or failure to invest funds; or 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, administrator, agent or employee. No director, officer, administrator, agent or employee shall be liable for any action taken or omitted by any other director, officer, administrator, agent or employee.

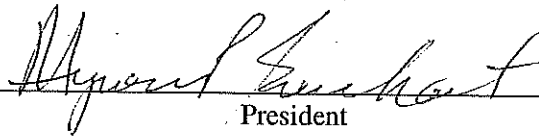
(18) Indemnification of Board of Directors, Officers, Administrator, Agents and Employees As a public entity, SDWCA shall defend and shall indemnify and hold harmless its directors, officers, administrator, agents and employees against any claim or action arising out of any act or omission occurring within the scope of employment pursuant to the provisions of Division 3.6, Title 1, of the California *Government Code*, commencing with *Government Code* section 810. SDWCA may purchase insurance to provide coverage for acts or omissions of its directors, officers, administrator, agents and employees.

(19) Counterparts: This agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

Lake Shastina Community Services District

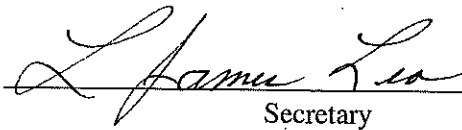
District Name

By



President

By



Secretary

EXECUTION BY SDWCA

The Special District Workers Compensation Authority (SDWCA), the joint powers authority created by this First Second Amended Joint Powers Agreement, hereby executes this agreement and accepts the district named above as a member district in SDWCA subject to all of the terms and conditions set forth in this First Second Amended Joint Powers Agreement and in the Bylaws, effective on _____, 200_____.

SPECIAL DISTRICTS WORKERS
COMPENSATION AUTHORITY (SDWCA)

By _____
James W. Towns, Administrator