



Town of Discovery Bay
Community Services District
RESOLUTION NO. 2007-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY, A COMMUNITY SERVICES DISTRICT (CSD) TO DELETE FORMER DIRECTOR, RAY TETREULT AND ADD CURRENT DIRECTOR DAVE DOVE ON THE ECC BANK, A DIVISION OF BANK OF AGRICULTURE AND COMMERCE BANK ACCOUNTS TO SIGN ON CHECKS WRITTEN FROM THE TOWN OF DISCOVERY BAY CHECKING ACCOUNTS

WHEREAS, the Town of Discovery Bay CSD desires to delete former director, Ray Tetreault and add current director Dave Dove on their (2) public bank accounts with ECC Bank, A Division of Bank of Agriculture and Commerce to sign on checks written from the Town of Discovery Bay CSD Checking Accounts which are listed below:

- 50017249 - Water and Wastewater (CSD)
50020304 - Discovery Bay Community Center Committee

NOW, THEREFORE, BE IT RESOLVED that the Town of Discovery Bay CSD does the following:

- 1. The ECC Bank, A Division of Bank of Agriculture and Commerce, Discovery Bay Branch, 14804-A Highway 4, Discovery Bay, CA 94514, is hereby requested to delete former director Ray Tetreault, and add the current director's name, Dave Dove on the above (2) checking accounts to be able to sign on checks written from these accounts.
2. The Town of Discovery Bay CSD Board of Directors require that valid signatures on checks written from these accounts be two of the three elected officers of the Town of Discovery Bay CSD Board of Directors (President and Treasurer, or by one of them, and one other Director).

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay CSD, at their regular meeting thereof, held on January 3, 2007 by the following vote:

AYES: 5
NOES: 0
ABSTENTION: 0
ABSENT: 0

David Piepho
President, Board of Directors

ATTEST:
VIRGIL KOEHNE
Secretary, Board of Directors



**Town of Discovery Bay
Community Services District
RESOLUTION NO. 2007-02**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY, A COMMUNITY SERVICES DISTRICT (CSD) CALLING AN APPROPRIATIONS LIMIT OVERRIDE ELECTION FOR THE DISCOVERY BAY LANDSCAPING & LIGHTING ZONE #8 DISTRICT (DB L&L Zone #8) previously known as Service Area M-8

BE IT RESOLVED by the Board of Directors of the Town of Discovery Bay as follows:

1. Date, Consolidation: Pursuant to Section 4 of Article XIIB of the California Constitution an appropriation limit increase election is hereby called for the DB L&L Zone #8 District on May 8, 2007 and it shall be consolidated with any other election in the DB L&L Zone #8 District on that date.

2. Ballot Measure: The election shall be conducted by submitting to the voters of DB L&L Zone #8 District the ballot measure requiring a majority vote for passage in substantially the following form:

“Shall the appropriations limit under California Constitution Article XIIB be increased to \$715,000.00 and adjusted for changes in the cost-of-living and population, with the increase effective for Fiscal Years 2004-2005 through 2007-2008 (inclusive) to provide for the expenditure of funds that will be available to DB L&L Zone #8 District for the stated fiscal years.”

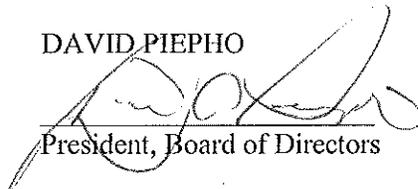
3. Notice, Conduct: The County Clerk and / or Town of Discovery Bay Community Services District shall take all steps necessary to provide appropriate notice of the election and to conduct it in accordance with applicable provisions of the Election Code.

4. Mailed Ballot: The election shall be by mailed ballot.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay CSD, at their regular meeting thereof, held on January 17, 2007 by the following vote:

AYES: 4
NOES: 0
ABSTENTION: 0
ABSENT: 1

DAVID PIEPHO


President, Board of Directors

ATTEST:
VIRGIL KOEHNE


Secretary, Board of Directors



**Town of Discovery Bay
Community Services District**

RESOLUTION NO. 2007-03

**RESOLUTION OF APPLICATION OF THE TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT (CSD) TO THE CONTRA COSTA LOCAL
AGENCY FORMATION COMMISSION FOR THE PROVISION OF OUT OF
AGENCY SERVICES TO THE PURKEY PROPERTY**

WHEREAS, the Town of Discovery Bay Community Services District desires to provide out of agency services to the Purkey property because of a failing septic system;

NOW, THEREFORE, the Town of Discovery Bay CSD does hereby resolve and order as follows:

1. This proposal is made, and it is requested that proceedings be taken, pursuant to the out of agency services provisions of the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, found in Section 56133 of the California Government Code.

2. This proposal is to provide out of agency services consisting of water and wastewater services to property owned by Marlo Purkey located at 26967 Marsh Creek Road, Brentwood, California 94513, identified as Assessor's Parcel Number 011-251-007.

3. A map of the affected territory is set forth in Exhibit A, attached hereto and by reference incorporated herein.

4. It is desired that the proposal be subject to the following terms and conditions:

4.1. The landowner shall enter into a contract with the District.

4.2. The landowner shall be subject to all the rules, regulations and ordinances of the District.

5. The reasons for the proposal that the septic system on the subject property is failing.

6. The proposal is not consistent with the Sphere of Influence of the District. The District is requesting permission to provide out of agency services beyond its Sphere because of a threat to the public health of the residents of the affected property due to a failing septic system.

7. The proposal is exempt from the California Environmental Quality Act as a Class 1 Exemption because the proposal is to provide water and wastewater services to existing structures without an expansion in use.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay CSD, at their regular meeting thereof, held on January 3, 2007 by the following vote:

AYES:	<u>5</u>
NOES:	<u>0</u>
ABSTENTION:	<u>0</u>
ABSENT:	<u>0</u>

David Piepho
President, Board of Directors

ATTEST:
VIRGIL KOEHNE

Virgil Koehne
Secretary, Board of Directors

EXHIBIT "A"

POR. SEC. 27, T.1N., R.3E. M.D.B.&M.

1969-1- 2P.M.28 12-15-67 4- 21P.M.20 3-23-72
 1970-2- 7P.M.40 3-19-69 5- 27P.M.49 5-14-73
 1972-3- 18P.M.17 9-13-71 6- 28P.M.11 5-21-73

7- 28P.M.35 6-19-73
 8- 37P.M.30 4-22-75

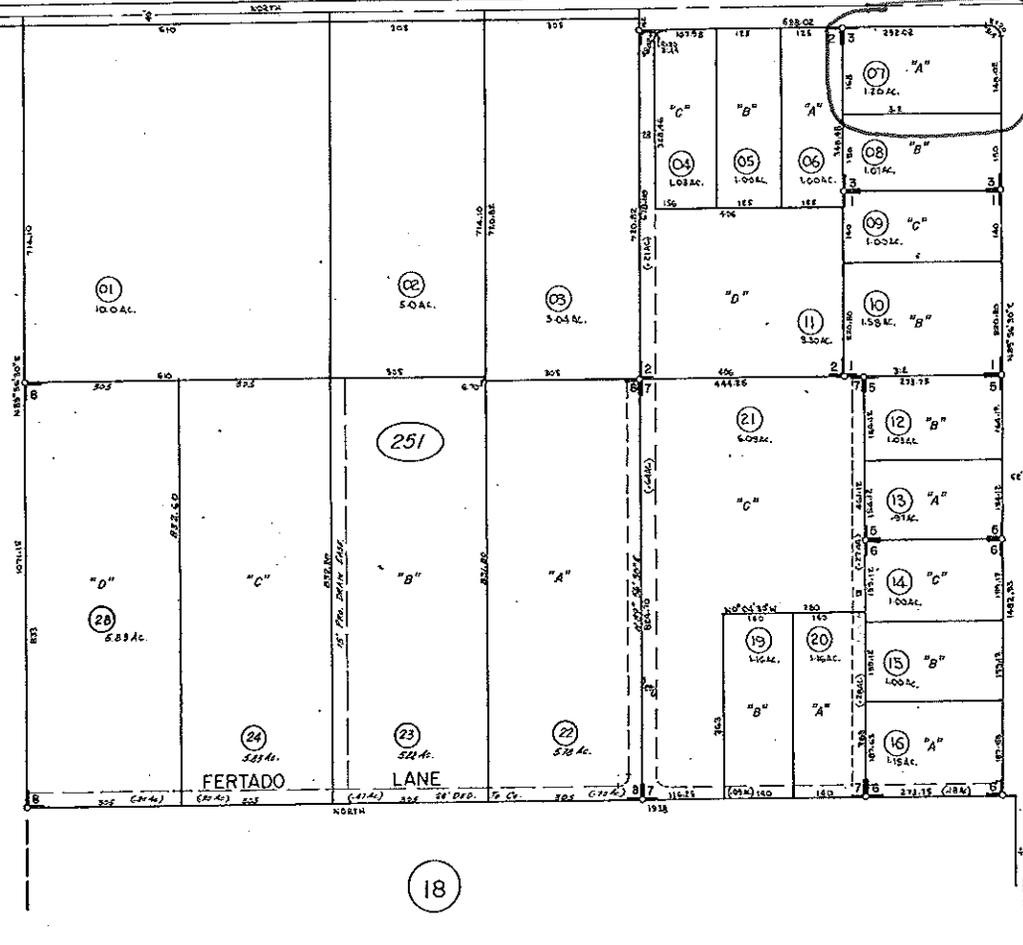
(22)

BIXLER

ROAD

APN #
 011-251-007

1" = 200'



SEE ATTACHE
 ...

FOR M/R SEE
 PAGE 18

(251)

(M) 8
 6/12/73 RS FM11-18
 ASSESSOR'S MAP
 BOOK 11 PAGE
 CONTRA COSTA COUNTY,



**Town of Discovery Bay
Community Services District**

RESOLUTION NO. 2007-04

RESOLUTION OF APPLICATION OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT (CSD)
TO THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION FOR AMENDMENT OF THE TOWN'S
SPHERE OF INFLUENCE

WHEREAS, the Knightsen Elementary School District has approached the Town of Discovery Bay CSD for the provision of water and wastewater services to the proposed new elementary school to be located just north of the Town's current Sphere of Influence; and

WHEREAS, the Town of Discovery Bay CSD has considered the Environmental Impact Report prepared by the School District for the proposed school;

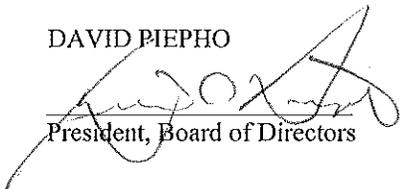
NOW, THEREFORE, the Town of Discovery Bay CSD does hereby resolve and order as follows:

1. This proposal is made, and it is requested that proceedings be taken to amend the Town's Sphere of Influence, pursuant to sphere of influence provisions of Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, found in Section 56425 of the California Government Code.
2. This proposal is to amend the Town's Sphere of Influence to provide services to the new Knightsen Elementary School.
3. A map of the affected territory is set forth in Exhibit A, attached hereto and by reference incorporated herein.
4. This proposal does not require consultation with the county under Government Code section 56425 because the proposed sphere amendment does not pertain to the boundaries of a city.
5. The reason for the proposal is to provide services to the new school.
6. Under California Environmental Quality Act, Knightsen Elementary School District is the lead agency for the project and has prepared an Environmental Impact Report which the Town of Discovery Bay CSD has considered.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay CSD, at their regular meeting thereof, held on January 17, 2007 by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSTENTION:	<u>0</u>
ABSENT:	<u>1</u>

DAVID PIEPHO


President, Board of Directors

ATTEST:
VIRGIL KOEHNE


Secretary, Board of Directors

EXHIBIT "A"

GENERAL PLAN AND ZONING FOR ACQUISITION OF 16.4 (+/-) ACRES OF LAND BY KNIGHTSEN SCHOOL DISTRICT FOR PROPOSED SCHOOL SITE (County File: CP#06-58)

Zoning
A-2

Zoning
A-2

Zoning
A-3

Orwood Rd

Zoning
A-2

APN 015-170-008

Sixler Rd

Proposed school site to be aquired by KSD
Portion of APN: 015-170-008

Zoning
A-4

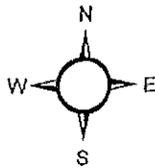
Zoning
A-40

Westport Cir

Zoning
P-1

Legend

-  Zoning D strict Boundary
-  Inside Urban Limit Line
- General Plan Land Use Designation**
-  SH (Single Family Residential - High)
-  AL OI BA (Agricultural Lands & Off Island Bonus Area)
-  PS (Public/Semi-Public)
-  PR (Parks and Recreation)
-  OS (Open Space)
-  AL (Agricultural Lands)
-  AC (Agricultural Core)
-  DR (Delta Recreation)
-  WA (Water)



By Order of the Board of Supervisors
County of Santa Cruz, California
JULY 15 2008

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Scale
1" = 200'



Town of Discovery Bay
Community Services District
RESOLUTION NO. 2007-05

Resolution to Repeal District Resolution No. 2007-02 adopted January 17, 2007, Calling for an Appropriations Limit Override Election and to Establish a new Appropriations Limit Override Election Date for Discovery Bay Landscaping & Lighting Zone #8 District

WHEREAS, the Town of Discovery Bay Community Services District Board (CSD) which adopted RESOLUTON No. 2007-02, Calling for an Appropriations Limit Override Election for the Discovery Bay Lighting & Landscape Zone #8 (DB L&L Zone #8 District) on May 8, 2007;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Town of Discovery Bay Community Services District, as follows:

A. Town of Discovery Bay Resolution Number 2007-02, passed and adopted January 17, 2007, pertaining to Calling for an Appropriations Override Election for the Town of Discovery Bay Lighting & Landscaping Zone #8 District, is hereby repealed;

B. An Appropriations Override Election for August 28, 2007 for the DB L&L Zone #8 District is called as follows:

1. Date, Consolidation: Pursuant to Section 4 of Article XIIB of the California Constitution an appropriation limit increase election is hereby called for the DB L&L Zone #8 District on August 28, 2007 and it shall be consolidated with any other election in the DB L&L Zone #8 District on that date.

2. Ballot Measure: The election shall be conducted by submitting to the voters of DB L&L Zone #8 District the ballot measure requiring a majority vote for passage in substantially the following:

"Shall the appropriations limit under California Constitution Article XIIB be increased to \$715,000.00 and adjusted for changes in the cost-of-living and population, with the increase effective for Fiscal Years 2004-2005 through 2007-2008 (inclusive) to provide for the expenditure of funds that will be available to the Discovery Bay Lighting & Landscape Zone #8 District for the stated fiscal years."

3. Notice, Conduct: The County Clerk Elections shall take all steps necessary to provide appropriate notice of the election and to conduct it in accordance with applicable provisions of the Election Code 4108. The District shall reimburse the county for the actual costs incurred by the County Elections Official.

4. Mailed Ballot: The election shall be by mailed ballot.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay CSD, at their regular meeting thereof, held on March 21, 2007 by the following vote:

AYES: 4
NOES: 0
ABSTENTION: 0
ABSENT: 1

DAVID PIEPHO
President, Board of Directors

ATTEST:
VIRGIL KOEHNE
Secretary, Board of Directors



**Town of Discovery Bay
Community Services District**

RESOLUTION NO. 2007-06

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT TO CONTINUE COLLECTION OF SEWERAGE AND WATER SERVICE CHARGES ON THE COUNTY TAX ROLL FOR THE 2007-2008 YEAR WITH THE APPROVED ANNUAL CONSUMER PRICE INDEX INCREASE OF 3.0%

WHEREAS, the Board of Directors of the Town of Discovery Bay Community Services District ("CSD") finds and declares that sewerage and water service fees for service were established by the District pursuant to its Ordinance No. 18 with an Amendment of Ordinance No. 14, and accepted and continued in effect by DBCSD Ordinance No. 1, including collection of those charges on the County tax roll;

WHEREAS, the Board of Directors of the Town of Discovery Bay CSD has approved at their regular meeting on May 2, 2007 the annual Consumer Price Index ("CPI") for the 2007-08 Tax Roll Year of 3.0% in accordance with Section 2 of Ordinance No. 18;

WHEREAS, the Board of Directors of the Town of Discovery Bay CSD further finds and declares that the Town of Discovery Bay CSD has prepared a report of all parcels in the district receiving services and facilities, and the amount of the charge for each parcel for the year, computed in conformity with the charges prescribed in the Ordinances listed above; and that written notice of said report was mailed to each person to whom any parcel of real estate described in such report is assessed; and that the Town has held a public hearing pursuant to California Government Code section 61115.(b);

WHEREAS, the Board of Directors of the Town of Discovery Bay CSD further finds and declares that the annual charge for sewerage and water services and facilities shall continue to be collected on the County tax roll.

NOW, THEREFORE, the Town of Discovery Bay CSD does hereby resolve and order as follows:

1. That sewerage and water service fees were established by the District pursuant to its Ordinance No. 18 with an Amendment of Ordinance No. 14, and accepted and continued in effect by DBCSD Ordinance No. 1.
2. The board approved the annual CPI increase of 3.0% for the 2007-08 tax roll year in accordance with Section 2 of Ordinance No. 18 at their regular board meeting on May 2, 2007 after conduct of a Proposition 218 protest hearing, at which no majority protest was received.
3. The Town of Discovery Bay CSD has prepared a report of all parcels in the district receiving services and facilities, and the amount of the charge for each parcel for the year as prescribed in the Ordinances listed above.

4. A written notice of said report was mailed to each person to whom any parcel of real estate described in such report is assessed.

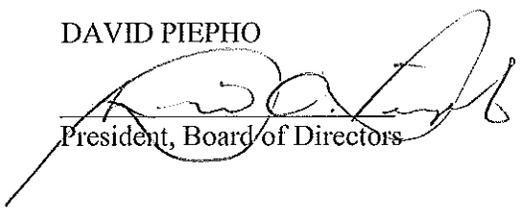
5. The Town of Discovery Bay CSD has held a public hearing pursuant to California Government Code section 61115.(b).

6. The Board of Directors of the Town of Discovery Bay CSD further finds and declares that the annual charge for sewerage and water services and facilities shall continue to be collected on the County tax roll.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay CSD, at their regular meeting thereof, held on July 18, 2007 by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSTENTION:	<u>0</u>
ABSENT:	<u>1</u>

DAVID PIEPHO



President, Board of Directors

ATTEST:
VIRGIL KOEHNE



Secretary Board of Directors



Town of Discovery Bay
Community Services District

RESOLUTION NO. 2007-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT (CSD) ESTABLISHING PERSONS
PERFORMING VOLUNTARY SERVICE FOR THE TOWN OF DISCOVERY BAY AS EMPLOYEES
ONLY FOR THE PURPOSE OF COVERAGE UNDER THE TOWN'S WORKER'S COMPENSATION
POLICY

WHEREAS, the Directors of the Town of Discovery Bay Community Services District ("Directors") recognizes the need from time to time to use volunteer labor on projects in the Town of Discovery Bay Community Services District ("Town"); and

WHEREAS, the Directors desire to protect the Town from liability for injuries sustained while volunteers are working on Town projects; and

WHEREAS, the Worker's Compensation Act provides compensation in lieu of any other liability against an employer for any injury sustained by his employees arising out of and in the course of employment, or for death proximately caused by such an injury; and

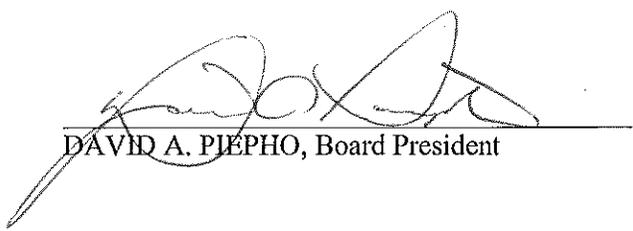
WHEREAS, under the California Labor Code the Directors may declare a volunteer to be an employee of the agency for the purposes of having the Worker's Compensation Act apply to them. (California Labor Code Section 3363.5).

NOW, THEREFORE THE DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT DOES RESOLVE AS FOLLOWS:

Volunteers, meaning an unpaid person who may receive remuneration in the form of meals, transportation, lodging, or reimbursement for incidental expenses but in no other way is compensated and is authorized by the Directors to perform volunteer services, shall have the Worker's Compensation Act apply to them and thus be covered under the Town's policy.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay Community Services District at a meeting thereof held on June 20, 2007 by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSTENTIONS:	<u>0</u>
ABSENT:	<u>1</u>



DAVID A. PIEPHO, Board President

ATTEST:


VIRGIL KOEHNE, Board Secretary



**Town of Discovery Bay
Community Services District
RESOLUTION NO. 2007-08**

A RESOLUTION OF THE GOVERNING BODY OF THE
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT APPROVING
THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A
SIXTH AMENDED JOINT POWERS AGREEMENT

WHEREAS, the Town of Discovery Bay Community Services District a public agency duly organized and existing under and by virtue of the California Government Code and laws of the State of California (the "Member Agency"), has entered into the Fifth Amended and Restated Joint Powers Agreement (the "Original Agreement"), relating to the Special District Risk Management Authority (the "Authority"); and

WHEREAS, the Town of Discovery Bay Community Services District and the other members of the Authority (the "Members") find it beneficial to amend the Original Agreement (i) to amend Article 25 of the agreement regarding administrative fees paid by the Authority to the California Special District Association, and (ii) to make certain other amendments to the Original Agreement; and

WHEREAS, in order to implement the foregoing, the Member Agency and the Members propose to execute and enter into a Sixth Amended Joint Powers Agreement (the "Amended JPA Agreement"); 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 Governing Body 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 GOVERNING BODY OF THE MEMBER AGENCY AS FOLLOWS:

Section 1. Findings. The Governing Body Town of Discovery Bay Community Services District hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the agency.

Section 2. Amended JPA Agreement. The Amended JPA Agreement, proposed to be executed and entered into by and between the Member Agency and the Members, in the form presented at this meeting and on file with the District Secretary, is hereby approved. The Board President, David A. Piepho ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the Governing Body, to execute and deliver to the Authority the Amended JPA Agreement in Resolution 2007-08 SDRMA Approving 6th Amended JPA

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. Effective Date of Amended JPA Agreement. The Amended JPA Agreement shall take effect on October 1, 2007, but not sooner than receipt of required affirmative written approval of 2/3 of the Members participating in the Authority's risk management program(s), and who are signatory to the Fifth Amended and Restated JPA Agreement.

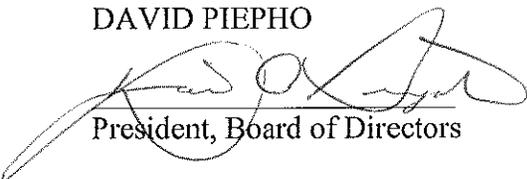
Section 4. Other Actions. The Authorized Officers of the Governing Body are each hereby authorized and directed to execute and deliver any and all documents which they may deem necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are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

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

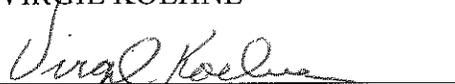
PASSED AND ADOPTED this 20th day of June, 2007 by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSTENTION:	<u>0</u>
ABSENT:	<u>1</u>

DAVID PIEPHO


President, Board of Directors

ATTEST:
VIRGIL KOEHNE


Secretary, Board of Directors

**SIXTH AMENDED
JOINT POWERS AGREEMENT**

RELATING TO THE

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

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

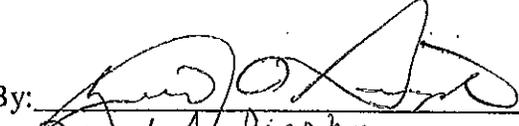
James W. Towns, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

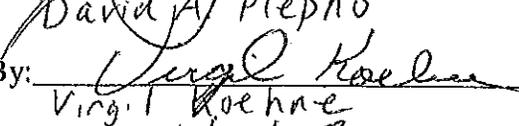
Date

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: Town of Discovery Bay Community Services District

By:  President

By:  Clerk

Date: 6/21/07

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: _____
Ken Sonksen, President
Board of Directors

Date: _____



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION NO. 2007-09

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT (CSD)
CONCERNING THE RAVENSWOOD
IMPROVEMENT DISTRICT – DB L&L ZONE # 9 - ANNUAL ASSESSMENT**

WHEREAS, the Board of Directors of the Town of Discovery Bay CSD, pursuant to a will-serve letter with the developer of that subdivision known as Ravenswood, has formed a landscaping, park, lighting and open space district, known as Ravenswood Improvement District – DB L&L Zone #9, for the purpose of providing for the operation and maintenance of landscaping, parks, street lights and open space installed in said subdivision by developer; and

WHEREAS, the Board of Directors now desires to levy the annual assessment for fiscal year 2007-2008 for such district.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Town of Discovery Bay as follows:

1. The Board of Directors of the Town of Discovery Bay Community Services District, in an effort to deter crime, provide traffic safety, aid law enforcement, and provide a better neighborhood environment has formed an assessment district pursuant to California Streets & Highway Code, Division 15, Part 2, sections 22500 and following, pursuant to Resolution 2005-03.
2. The improvements, the operation and maintenance of which are intended to be funded by the assessments levied by the proposed assessment district, include all expenses associated with the maintenance and operation of non-privately owned landscaping, parks, street lights, and open space in the subdivision 8710 known as Ravenswood.
3. The assessment district consists of that property generally described as Subdivision 8710-Ravenswood being a subdivision of a portion of the Northwest quarter of Section 26, Township 1 North, Range 3 East, Mount Diablo Meridian as recorded in Book 458 of Maps, Pages 1-15, Contra Costa County Records.
4. There are no proposed new improvements or substantial change in existing improvements in said district.

5. HERWIT Engineering is hereby ordered to prepare a report for annual assessment for the assessment District in accordance with Article 4, of Chapter 1, of Part 2, of Division 15 (commencing with § 22565), of the California Streets and Highways Code, and to file it with the Secretary of the Board of Directors of the Town of Discovery Bay Community Services District.

6. The Board of Directors finds and declares that the formation of the assessment district, and the levy of assessments, is exempt from the requirement of the California Environmental Quality Act (CEQA), pursuant to Title 14 of the California Code of Regulations section 15273(a), in that such formation and levy is not designed to increase services, or expand a system, but is for the purpose, with respect to systems already determined to be installed pursuant to the various documents approving the Ravenswood subdivision, of meeting operating expenses, purchasing supplies, equipment and materials, meeting financial reserve needs, and obtaining funds necessary for repair and replacement to maintain such services and systems.

7. If, and when, the annual assessment is levied, the Secretary of the Board of Directors is authorized and directed to file a notice of exemption from CEQA.

PASSED AND ADOPTED by the Board of Directors of the Town of Discovery Bay Community Services District, at a regular meeting thereof, held on August 1, 2007, by the following vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSENT:	<u>1</u>
ABSTENTION:	<u>0</u>

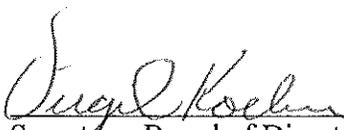
DAVID A. PIEPHO



 President, Board of Directors

ATTEST:

VIRGIL KOEHNE



 Secretary, Board of Directors



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION NO. 2007-10

**RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS OF THE
TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT TO LEVY AND
COLLECT AN ANNUAL ASSESSMENT
FOR THE RAVENSWOOD IMPROVEMENT DISTRICT – DB L&L ZONE #9**

WHEREAS, the Board of Directors of the Town of Discovery Bay Community Services District, pursuant to a development agreement with the developer of that subdivision known as Ravenswood formed a landscaping, park, lighting and open space district, for the purpose of providing for the operation and maintenance of landscaping, park, lighting and open space installed in said subdivision by developer; and

WHEREAS, said subdivision is generally located along Blake Court, Coleridge Way, Wilde Drive, Shakespeare Court, Slifer Court and Seuss Court, and

WHEREAS, the Board of Directors now desires to declare its intention to levy an annual assessment within such district.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Town of Discovery Bay Community Services District as follows:

1. The Board of Directors of the Town of Discovery Bay Community Services District, in an effort to deter crime, provide traffic safety, aid law enforcement, and provide a better neighborhood environment has formed an assessment district pursuant to California Streets & Highway Code, Division 15, Part 2, sections 22500 and following, and to levy and collect assessments thereunder, pursuant to Resolution 2005-03.
2. The improvements, the operation and maintenance of which are intended to be funded by the assessments levied by the proposed assessment district, include all expenses associated with the maintenance and operation of non-privately owned landscaping, park, lighting and open space in the subdivision known as Ravenswood.
3. The assessment district consists of that property generally described as Subdivision 8710-Ravenswood being a subdivision of a portion of the Northwest quarter of Section 26, Township 1 North, Range 3 East, Mount Diablo Meridian as recorded in Book 458 of Maps, Pages 1-15, Contra Costa County Records.

4. The designation for the assessment district is "Ravenswood Improvement District" –DB L&L Zone #9.
5. HERWIT Engineers have prepared and filed with the Secretary of the Board of Directors a report detailing the full and detailed designation of the improvements, and the boundaries of, and the proposed assessments upon assessable lots and parcels of land within, the Ravenswood Improvement District, and the Board of Directors hereby adopts and approves said report.
6. A hearing by the Board of Directors on the question of levy of annual assessments of the Ravenswood Improvement District –DB L&L Zone #9 will be held at 7:00 p.m., on August 1, 2007, at 1800 Willow Lake Road, Discovery Bay, CA 94505.
7. The proposed annual assessment is not expected to increase from fiscal year 2006-2007.

PASSED AND ADOPTED by the Town of Discovery Bay Community Services District Board of Directors, at a regular meeting thereof, held on August 1, 2007, by the following vote:

AYES: 4
 NOES: 0
 ABSENT: 1
 ABSTENTION: 0

DAVID A. PIEPHO


 President, Board of Directors

ATTEST:

VIRGIL KOEHNE


 Secretary, Board of Directors



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION 2007-11

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF
DISCOVERY BAY COMMUNITY SERVICES DISTRICT CONFIRMING THE
REPORT AND ORDERING THE LEVY
AND COLLECTION OF CHARGES FOR THE ANNUAL ASSESSMENTS FOR
RAVENSWOOD IMPROVEMENT DISTRICT ASSESSMENTS
WITHIN THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT**

WHEREAS, all property owners in Ravenswood approved the formation of a landscaping, parks, lighting and open space assessment district pursuant to California Streets and Highways Code sections 22500 and following; and

WHEREAS, the formation of such district, and the levy of assessment on the real property therein was approved by the landowners in such district in accordance with California Constitution Article XIID (Proposition 218); and

WHEREAS, the assessments against the real property in each assessment area are not levied with regard to property values and these assessments are for the purpose of paying for the operation and maintenance of landscaping, parks, lighting and open space installed in such district; and

WHEREAS the assessment for fiscal year 2007-2008 is the same as that assessed by Resolution 2005-03, and is Four Hundred and Thirty One Dollars (\$431.00) per lot.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. The above recitals are true and correct.
2. The report, diagram and assessment set forth in that report ("Report") prepared by HERWIT Engineers for the Ravenswood Improvement for fiscal year 2007-2008 is adopted and confirmed.

3. The assessment specified in the Report for the Ravenswood District, for fiscal year 2007- 2008 is hereby imposed on the real property within such district for fiscal year 2007-2008.
4. The Board of Directors of the Town of Discovery Bay Community Services District orders the levy and collection of such assessments in accordance with California Streets and Highway Code sections 22645 and 22646.
5. The Secretary of the Board of Directors is authorized and directed to file the diagram and assessments, and any other necessary documents, with the Auditor-Controller of Contra Costa County in accordance with California Streets and Highway Code section 22641.

PASSED AND ADOPTED by the Town of Discovery Bay Community Services District Board of Directors at a regular meeting thereof held on August 1, 2007 by the following vote:

AYES: 4
NOES: 0
ABSENT: 1
ABSTENTION: 0

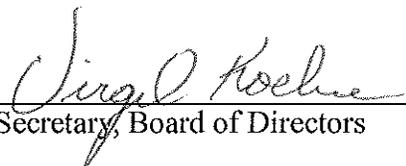
DAVID A. PIEPHO



President, Board of Directors

ATTEST:

VIRGIL KOEHNE



Secretary, Board of Directors



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLUTION 2007-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT (CSD) APPROVING THE SEWER SYSTEM MANAGEMENT WORK PLAN AS THE FIRST REQUIREMENT OF THE GENERAL WASTE DISCHARGE REQUIREMENTS IN COMPLETING A SEWER SYSTEM MANAGEMENT PLAN AS REQUIRED BY THE STATE WATER RESOURCES CONTROL BOARD

WHEREAS, on May 2, 2006, the State Water Resources Control Board (SWRCB) implemented Order No. 2006-0003-DWQ (General Waste Discharge Requirements); and

WHEREAS, this order requires any municipality in the State of California that owns or operates a sanitary sewer system greater than 1 mile in length and that collects and/or conveys untreated or partially treated wastewater to a publicly owned treatment plant to comply with the terms of this order; and

WHEREAS, this order requires the development and implementation of a system-specific Sewer System Management Plan (SSMP); and

WHEREAS, the Town of Discovery Bay CSD staff has completed the first requirement of the General Waste Discharge Requirements (GWDR) for the Collection Systems by developing a Sewer System Management Work Plan as part of the SSMP; and

WHEREAS, this Sewer System Management Work Plan includes a schedule for completing the requirements of the General Waste Discharge Requirements; and

WHEREAS, adoption of the Sewer System Management Work Plan and schedule by the Town of Discovery Bay CSD Board of Directors at a public meeting is required by the State Water Resources Control Board; and

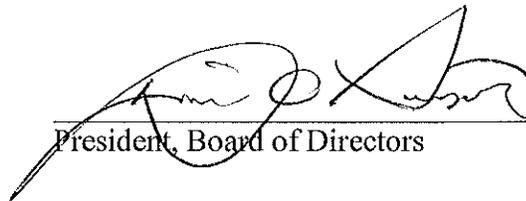
WHEREAS, on November 7, 2007 the Town of Discovery Bay CSD Board of Directors held a public meeting and considered the Sewer System Management Work Plan.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT that they approve the Sewer System Management Work Plan as the State Water Resources Control Board's first requirement of the General Waste Discharge Requirements in completing a Sewer System Management Plan.

PASSED AND ADOPTED by the Town of Discovery Bay Community Services District Board of Directors at a regular meeting thereof held on November 7, 2007 by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTENTION: 0

DAVID A. PIEPHO



President, Board of Directors

ATTEST:

VIRGIL KOEHNE



Secretary, Board of Directors

Sewer System Management Plan Development Plan and Schedule

Sections	Description of Activities to Achieve Desired Goals	Required Completion Date *	Completion Date **
Develop SSMP Plan and Schedule	Prepare the SSMP development plan schedule	11/02/2007	11/07/07
Section 1 - Goals	Define the goals of the SSMP	11/02/2007	11/07/07
Section 2 - Organization Structure	<ol style="list-style-type: none"> 1) Identify the administrative and maintenance positions for implementations measures in the SSMP program, including lines of authority by organization chart. 2) Identify the chain of communication for reporting SSOs, from receipt of a complaint or other information, to RWQCB, SWRCB, County Health Dept, State Office of Emergency Services (OES) etc. 	11/02/2007	11/07/07
Section 3 - Legal Authority	<p>Identify all legal authorities possessed by the Town to :</p> <ol style="list-style-type: none"> a) Prevent illegal connection to the sewer system; b) Require that sewers and connections be properly designed and constructed; c) Ensure access for maintenance, inspection, or repairs of mainline sewers; d) Limit the discharge of fats, oil, and grease (FOG) and other debris that may cause blockages, and e) Enforce any violation of its sewer ordinances. 	05/02/2009	
Section 4 - Operation and Maintenance Program	<p>Identify procedures in place or to be implemented and the person in the organization responsible for the following:</p> <ol style="list-style-type: none"> a) Providing adequate operation and maintenance of facilities and equipment; b) Maintaining an up-to-date map of the sewer system; c) Maintaining relevant records to establish and prioritize appropriate SSMP activities and show trends in SSO; d) Providing preventative activities and tracking work orders; e) Identifying and prioritizing system deficiencies and implementing short and long term rehabilitation actions; f) Providing training to staff and monitoring contractors activities; g) Providing equipment and replacement part inventories; h) Establishing and implementing public education and outreach program that promotes proper disposal of FOG. 	05/02/2009	
Section 5 - Design and Performance Provision	<p>Identify procedures for the following:</p> <ol style="list-style-type: none"> a) Ensuring that sewer systems are properly designed and constructed through establishment of design and construction standards for the systems. b) Ensuring proper inspection and testing for the installation, rehabilitation, or repairs of sewer project. 	08/02/2009	
Section 6 - Overflow Emergency Response Plan	<p>Develop or affirm the existence of an overflow response plan that includes the following:</p> <ol style="list-style-type: none"> a) Proper and timely notification procedures of SSOs to primary responders; b) Procedure to ensure timely response and containment of SSOs; c) Procedures to ensure prompt notification of SSOs to appropriate authorities; d) Procedures to ensure that staff and contractors are aware of and follow the plan and are appropriately trained. e) Industry accepted response time for different categories of emergencies. 	05/02/2009	
Section 7 - Fats, Oil, and Grease Control	<p>Develop new or identify existing FOG control Program that includes:</p> <ol style="list-style-type: none"> a) Legal authority to prohibit discharges to system and measures to prevent SSOs caused by FOG; b) Identify sections of the sewer systems subject to grease blockages and establish cleaning maintenance schedule for each section; and c) Source control measures for all sources of FOG discharge to the sewer systems. 	05/02/2009	
Section 8 - System Evaluation and Capacity Assurance Plan	<p>Develop or affirm the existence of a Capital Improvement Plan (CIP) that includes the following:</p> <ol style="list-style-type: none"> a) Steps to evaluate portions of the sewer system which are experiencing or contributing to SSOs caused by hydraulic deficiencies. b) Short and long term CIP to address identified hydraulic deficiencies including prioritization, alternative analysis, and schedule. The CIP may include increases in pipe size, plastic lining of sewers, infiltration/inflow reduction, and upgrading of pumping systems for redundancy, reliability, and emergency storage. 	08/02/2009	
Section 9 - Monitoring, Measurement, and Program Modification	<p>Develop or identify existing system to do the following:</p> <ol style="list-style-type: none"> a) Monitor the implementation and where appropriate, measure the effectiveness of each element of the SSMP; and b) Update program elements as appropriate, based on monitoring or performance evaluations. 	08/02/2009	
Section 10 - SSMP Program Audits	Develop an internal SSMP periodic audit system that focuses on evaluating the effectiveness and deficiencies of the SSMP and steps to correct them.		
Section 11 - Communication Program	Develop or identify effective means of communicating with the public and stakeholders on the development, implementation, and performance of the SSMP. The communication system shall be open to public and stakeholders input in the development and implementation of the SSMP.	08/02/2009	
Complete First Draft	Draft SSMP and circulate to management for review and comments.	05/02/2009	
Complete Final SSMP	Prepare SSMP incorporating comments where appropriate, from stakeholders and submit to Administration for approval, and to the SWRCB and RWQCB as required and distribute to stakeholders.	08/02/2009	

Town of Discovery Bay CSD Sewer System Management Plan Section 1 - Goals

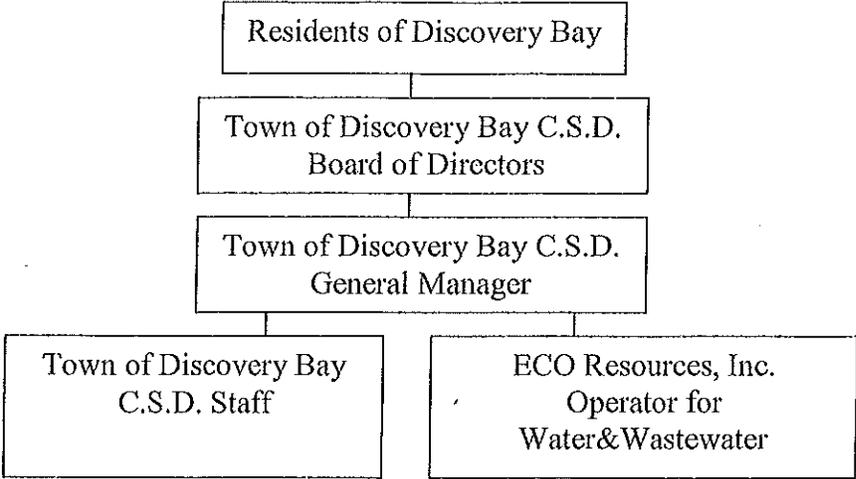
The main goal of the Sewer System Management Plan (SSMP) is to prevent Sanitary Sewer Overflows (SSO)

The Town of Discovery Bay Community Services District recognizes the importance of protecting the waterways that surround our community by preventing sewer spills, also known as SSO's that our residents use on a daily basis.

The following are some of our major goals:

1. Operate and maintain a First-Class collection system
2. Operate and maintain all Lift Stations within our collection system
3. Set a goal to have no sewage overflows (SSO's) for the year.
4. Minimize all SSO's to a very small area, if and when they occur.
5. Annually train staff employees to control SSO's
6. Annually educate Discovery Bay residents on how to prevent SSO's.

**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
ORGANIZATIONAL FLOW CHART**



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
SSO Reporting Chain of Communication**

