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**SPECIAL DISTRICT RISK
MANAGEMENT AUTHORITY**
A Property and Liability Program for Public Agencies

**FOURTH AMENDED
JOINT POWERS AGREEMENT**

THIS 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 "members" and individually as "member," who have or may hereafter sign this Joint Powers Agreement, and the Special District Risk Management Authority (hereinafter referred to alternatively as SDRMA 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 public 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 members which are parties to the agreement desire to join together with other members in order to collectively self-insure their losses and/or to jointly purchase insurance and administrative _services in connection with a joint protection program for said members; and

WHEREAS the California Special Districts Association, hereinafter alternately referred to as CSDA, is a nonprofit corporation existing to assist and promote special districts and has been responsible for the original creation of SDRMA, and SDRMA and the California Special Districts Association (CSDA) contemplate a 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 interest of the parties to this Joint Powers Agreement, or successor documents thereto, to establish this joint powers authority for the purposes stated herein.

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

- (1) **Purpose:** This Joint Powers Agreement is entered into by members in order to jointly fund and develop programs to provide various joint protection programs for participating members, not including workers' compensation coverage. 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 members in the handling and litigation of claims. These purposes shall be accomplished through a joint exercise of powers by said members pursuant to the terms of this agreement. This joint powers authority shall be known as the SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY, hereinafter referred to as SDRMA.
- (2) **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.
- (3) **Term of Agreement:** This agreement shall initially become effective as to each new member upon: 1) approval of its membership by the Board of Directors of SDRMA, 2) the execution of this joint powers agreement by the member, and 3) upon payment by the member, to SDRMA, of its initial deposit for coverage. This agreement shall continue thereafter until terminated as hereinafter provided. Any subsequent amendments to the Joint Powers Agreement shall be in accordance with Paragraph 11 of this agreement.
- (4) **Board of Directors:** The powers of the Authority shall be exercised through a Board of Directors which shall be composed of one member appointed by the Board of Directors of the CSDA and five members elected by the SDRMA member entities who have executed the current operative Joint Powers Agreement and are participating in the joint protection program(s) offered by SDRMA. The CSDA appointee to the SDRMA Board of Directors shall be from an SDRMA member entity that has executed the current operative Joint Powers Agreement

and is participating in the joint protection program(s) offered by SDRMA. Each member of the Board of Directors shall have one vote. Reimbursement of Director expenses shall be pursuant to the Bylaws and approved SDRMA policy(ies). The Board of Directors shall have the authority to conduct all of the business of this joint powers authority under the provisions of this Joint Powers Agreement and the Bylaws and pursuant to law.

SDRMA shall appoint one Director to serve as a member of the CSDA Board of Directors. That appointee may be the President of the SDRMA Board of Directors, or any other Board member selected by the SDRMA Board, other than a CSDA Board appointee.

- (5) **Authority Powers:** Authority shall have all of the powers common to districts and all of the powers granted by the joint powers provisions of the Government Code of the State of California. Authority is hereby authorized to do all acts necessary for the exercise of said common powers and the powers granted by said code sections 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 receive contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities.
 - (f) To sue and be sued in its own name.
 - (g) To exercise all powers necessary and proper to carry out the terms and provisions of this agreement or otherwise authorized by law.

- (6) **Annual Service Fee:** SDRMA shall pay to CSDA a percentage of net annual premiums (gross premiums less refunds and _reinsurance costs), not to exceed the sum of \$50,000 (fifty thousand dollars) per program year and not to be less than \$25,000 (twenty-five thousand dollars) per program year. The percentage of net annual premiums payable to CSDA and the services provided by CSDA to SDRMA will be established and agreed upon from time to time by the Board of Directors of SDRMA and the California Special Districts Association, and such percentage and services shall be approved through a separate agreement. CSDA and SDRMA may from time to time exchange other services pursuant to California Government Code, Section 6506.

- (7) **Membership:** Each member which is a party to this agreement must be a public entity which is duly organized and existing under the laws of the State of California or a joint powers agency; be a member in good standing of the California Special Districts Association; and must be approved for participation in SDRMA in the manner provided by the Bylaws.

- (8) **Administration of Program:** SDRMA shall be administered pursuant to the terms of this agreement and pursuant to the Bylaws of SDRMA, a copy of which is attached hereto marked Exhibit A 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 District Risk Management Authority (SDRMA) shall operate and conduct its business affairs pursuant to the terms of this agreement and said Bylaws.
- (9) **Withdrawal or Involuntary Termination:** Any participating member may voluntarily withdraw from any particular joint protection program at the end of any coverage year of participation, if the following conditions are met:
- (a) The member has given not less than ninety (90) days advance written notice of withdrawal to the Board of Directors of the Authority, prior to the end of the coverage year; and either
 - (b) The entity, if it became a member on or after the March 1, 1990, effective date of this provision, shall have participated in the Package Program for not less than three full program years as of the date of the proposed withdrawal, or
 - (c) The entity was a member of the Authority prior to March 1, 1990.
- In the event said notice is not provided, and/or the three-year participation has not been met, any such participating member shall be obligated to pay any and all contributions, premiums and assessments for the next full coverage year, and for any portion of the three full years for which the member has not already paid. A member may be involuntarily terminated as provided in the Bylaws.
- (10) **Termination of SDRMA:** SDRMA may be terminated at any time upon the agreement of two-thirds of the member entities then party to this agreement. In the event of its termination, SDRMA shall pay to the then-members their prorata share of the assets of SDRMA pursuant to the provisions of the Bylaws.
- (11) **Amendments:** This agreement may be amended by an amendment in writing signed by two-thirds of the members then parties to this agreement. Amendments to Paragraphs (4) and/or (6) and/or (7) must also be approved by the Board of Directors of CSDA. The Bylaws may be amended as provided for therein. Upon signature of any amendment by two-thirds of the members, any member failing or refusing to concur in any amendment may be involuntarily terminated as a party to this agreement as provided in the Bylaws.
- (12) **Parties to Agreement:** Each member which has signed this agreement certifies that it intends to and does contract with SDRMA and with all other members who have signed this agreement, and, in addition, with each member which may later be added as a party and may sign this agreement. Each member which has or may hereafter sign this agreement also certifies that the deletion of any member

from this agreement by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this agreement nor each member's intent to contract as described above with the then-remaining members.

- (13) **Enforcement:** SDRMA 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 against any member which signed this agreement, such member agrees to pay such sums as the court may fix as attorney fees and costs in said action.
- (14) **Non-liability:** Nothing in this agreement or in the Bylaws adopted pursuant hereto shall be construed as imposing liability upon the California Special Districts Association, or any director, officer, or employee thereof, for the payment of any claim insured against by SDRMA, the sole recourse of claimants being against the funds of participating members paid into SDRMA for the payment of such claim. Pursuant to Government Code Section 6508.1, the debts, liabilities, and obligations of the California Special Districts Association shall not be debts, liabilities, or obligations of SDRMA or of any member that is a participating member in any program of SDRMA.
- (15) **Non-liability of Directors, Officers and Employees:** The members of the Board of Directors, and the officers, agents, and employees of SDRMA shall not be liable to SDRMA, to any participating 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 agent, 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, agent, or employee. No director, officer, agent, or employee shall be liable for any action taken or omitted by any other director, officer, agent, or employee. SDRMA shall defend and shall indemnify and hold harmless its directors, officers, agents, 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, agents, or employees of SDRMA except in the event of fraud, gross negligence, or intentional misconduct, and the funds of SDRMA shall be used for such purpose. SDRMA may purchase conventional insurance to protect SDRMA, and its participating members, against any such acts or omissions by its directors, officers, agents, and employees.
- (16) **Counterparts:** This agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.
- (17) **Supercedes:** This Agreement supercedes and replaces the Third Amended Joint Powers Agreement.

EXECUTION BY MEMBER ENTITY

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

Saddle Creek Community Services District

By: _____, Charles Robinson, President

By: _____, Ruth Foy, Clerk

Date:

EXECUTION BY AUTHORITY

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

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

By _____
President, Board of Directors

Date: