



SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION

Mailing Address: 5750 Almaden Expressway • San Jose, California 95118 • (408) 265-2600

Santa Clara County Special Districts Association

Monday, March 4, 2013

12:00 p.m. – 1:30 p.m.

A. Call to Order

1. Welcome and Introductions
2. Annual Elections (**Action**)

B. Approval of Minutes

1. Discussion and Approval of Meeting Minutes for December 3, 2012 (**Action**)

C. Time Certain

1. Guest Speaker: There is no guest speaker for this meeting.

D. Old Business

1. CSDA formal chapter affiliation update
 - a. Copy of affiliation agreement– **Attachment D1 (Information)**
 - b. Liability certification/letter status update (**Information**)
2. Membership Dues update

E. New Business

1. Financial Report (**Information**)
2. LAFCO Technical Advisory Committee Appointment (**Action**)
3. CSDA request for feedback on LAFCO 2013 Proposals – **Attachment E3 (Information)**

F. Partner Agency Reports

1. Local Agency Formation Commission- Neelima Palacherla, Executive Officer
2. League of California Cities – Jessica Stanfill Mullin, Regional Public Affairs Manager
3. CSDA – Dorothy Holzem, Legislative Representative

G. Santa Clara County Special District Association Member Reports

1. Round Robin

H. Review of Action Items and Adjournment

1. Action Item Review
2. The next meeting is scheduled for **June 3, 2013**
3. Adjourn

Officers: Steve Wesolowski, Chair • Pete Siemens, Vice-Chair • Tony Estremera, Secretary/Treasurer

Members: Burbank Sanitary District • Cupertino Sanitary District • El Camino Hospital District • Guadalupe Coyote Resource Conservation District • Loma Prieta Resource Conservation District • Midpeninsula Regional Open Space District • Rancho Rinconada Park & Recreation District • San Martin County Water District • Silver Creek Valley CC Geologic Hazard Abatement District • Santa Clara County Library Service Area • Santa Clara County Lighting Service • Santa Clara County Open Space Authority • Santa Clara Valley Water District • Saratoga Cemetery District • Saratoga Fire Protection District • South Santa Clara Valley Memorial District • Valley Transportation Authority • West Valley Sanitation District



SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION

B1. Meeting Minutes

Santa Clara County Special Districts Association

December 3, 2012

12:00 p.m. – 1:30 p.m.

Meeting Participants:

- **CSDA:** Dorothy Holzem
- **Cupertino Sanitary District:** Bill Bosworth
- **El Camino Hospital District:** Sylvia Covarrubias-Fong, Brenda Taussig
- **LAFCO of Santa Clara County:** Neelima Palacherla
- **Midpeninsula Regional Open Space District:** Pete Siemens
- **Rancho Rinconada Recreation and Park District:** Steve Wesolowski
- **Santa Clara County Open Space Authority:** Clark Williams
- **Santa Clara Valley Transportation Authority (VTA):** Scott Haywood
- **Santa Clara Valley Water District:** Tony Estremera, Patrick Kwok
- **Santa Clara County Special Districts Association:** Cheryl Togami, Cathy Paramo
- **West Valley Sanitation District:** Jon Newby

Also in attendance: Director Richard Santos from Santa Clara Valley Water District and member of the public Doug Muirhead.

Special Guest: Fred Silva, Senior Fiscal Policy Advisor for California Forward

- A. Call to Order: Chair Wesolowski called meeting to order.
- B. Discussion and Approval of Minutes: The minutes for the September 18, 2012 were approved as written.
- C. Guest Speaker: Fred Silva

California Forward developed a process for a new structure for voluntary framework for providing services at the local level and had enough resources to put it on the ballot. With these integrated services there would be new powers. They encountered two liabilities: 1) it required a significant amount of resources to reach the public and 2) there were too many moving parts.

People wanted to know how it works. As a consequence they needed to have a discussion with the public. The concept was simple but there are details that needed more of connection to the public.



SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION

A positive of the 2012 vote is that voters tried to do something with the structure through Prop 30. Primary effect is to solve the problem in the State budget process. If you take on an obligation, you need to have resources. The budget hole that was created with the reduction of the vehicle license fee and Prop 13 (taking on obligations without financing them) is being fixed. Fred advises being patient with the fiscal condition of California. He sees more money being fed into the budget to address the “wall of debt” that Governor Brown refers to. Fred believes the State, in 2013/14 and 2014/15, will work hard to keep spending flat as all new dollars are already spent.

One issue is pension obligations. CALSTIRS and CALPERS used to be reported as an accounting error. It is now going to be a new category—retirement obligations—that are going to be tracked.

California Forward’s outlook over the next 2-3 years—In general, they know that the framework needs to connect better with the public. The public needs to know the value for their money, that there is transparency, and levels of accountability within government. They are focusing on investment and infrastructure at the State and community level. They are looking at the practical realities of the community and that the more connection you have, the more voter trust you have. Fred mentioned the Los Angeles Unified School District’s bond measure and what they went through to get civic involvement. If California Forward is to create institutional change, they need enough public trust to be considered.

Fred recommends looking at CaliforniaCityFinance.com and looking at the descriptions and actions by all local governments. Eighty percent of city parcel taxes passed. Special District measures passed. But what happened to those that failed? Fred states that those that passed had a connection between the public and the measure.

Next year, Fred believes there will be changes in the initiative process which will determine under what circumstances are voters willing to change the voting requirement. He hopes there is vigorous discussion.

Fred would like to return and speak to us again in the spring or summer.

D. Old Business:

1. Staff reported that seven agencies have provided their liability certificates. Anyone who hasn’t sent theirs in should send it to Cathy Paramo as soon as possible.
2. The majority needed to obtain two seats on LAFCO has been obtained. Copies of the nine signed resolutions by individual special districts boards are included in the meeting packets. SDA will move forward on the next steps in getting the two seats appointed to LAFCO (see E5 of these minutes).

E1. Motion made and seconded to approve the financial report.



SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION

E2. Board discussed the annual membership dues. Motion made and approved to set the 2013 annual dues at \$100. Staff also to follow up with members who have not paid their 2012 dues.

E3. Staff reminded members that the annual election of officers will take place at the March 4, 2013 regular meeting.

E4. 2013 regular meeting dates were included in the agenda packet.

E5. Neelima Palacherla, Executive Officer of LAFCO, led the discussion on LAFCO next steps. She received the nine resolutions. With the addition of independent special districts, LAFCO commission members will increase from 5 to 7. She is putting this on the December 12, 2012 LAFCO agenda. She will request that LAFCO adopt a Resolution of Intention. She will then be authorized to call a meeting of the Independent Special District Selection Committee (Committee). The Committee will consist of the presiding officers (chairs) of each independent special district. If the presiding officer is unable to attend, then the board of the district must appoint an alternate to attend in place of the presiding officer. A quorum is needed to hold the meeting. The committee will select one regular member and one alternate (as the resolution already states that the Santa Clara Valley Water District is given a seat).

Neelima had a few dates and times for the Committee meeting. Members present, while they could not confirm the availability of their presiding officers, thought that January 11, 2013 from 10:30 to noon would work best.

Neelima stated, that in addition to appointing the commission member and alternate (which she said are named individually not as a district), the terms of each member must be decided. The terms are 4 years, but the first terms are staggered with one commissioner having a 2 year term and the other having a 4 year term. Another item that will need to be addressed is whether special district members on the commission want to disqualify themselves if a proposal affects their district (and Neelima will find out if this issue applies to proposals that may affect other special districts).

When Neelima calls the meeting, she will include information about the nominations, time commitment and other information that may be pertinent. She did say that LAFCO meets 6 times a year, each meeting is generally 1.5 hours. Special meetings are rare.

F1. Neelima reported that they are looking at 5-6 special districts in their special district service review. Also Patrick Kwok served on their TAC committee and will need to be replaced. No one volunteered so this will have to be addressed at our next regular meeting.

F2. The League of California Cities was not present.

F3. Dorothy Holzem is our new CSDA representative. Her background includes working as a Legislative Analyst for the League of California Cities. With new faces in the State legislature, Dorothy pointed out that is a new 2/3 democratic supermajority. CSDA's lobbying day is May 14, 2013 and it will be in



SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION

Sacramento. CSDA's focus is on: 1) changing voter threshold to 55% or simple majority; 2) Inner agency intercept collections programs to stop tax refunds to individuals if they owe a special district; 3) Brown Act clean up (e.g. what happens if a website goes down); 4) pension reform – technical clarifications and substantive changes and 5) bankruptcy issues.

G1. Due to time constraints, this item was skipped.

H1. Action Item Review

- a. 2013 Invoices for \$100 to be mailed to members at the end of December (Cathy)
- b. Email districts to see if anyone is interested in serving on TAC (Cheryl to prepare email)
- c. Meeting request to independent special districts for presiding officer attendance at LAFCO meeting (Neelima)



SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION

E1. Financial Statement

Balance as of 12/3/12 \$2856.61

Expenses

SCCSDA website 3-yr subscription to GoDaddy 177.75

Ck # 1002 - December 2012 lunch 452.05

\$2226.81

Deposits

2012 Dues @\$150 per year

Cupertino Sanitary District

150.00

2013 Dues @ \$100 per year

Cupertino Sanitary District

El Camino Hospital District

Guadalupe Coyote Resource Conservation District

Loma Prieta Resource Conservation District

Midpeninsula Regional Open Space District

Rancho Rinconada Recreation and Park District

San Martin County Water District

Santa Clara County Lighting Services Area

Santa Clara County Open Space District

Santa Clara Valley Water District

Santa Clara Valley Transportation Authority

Saratoga Cemetary District

Saratoga Fire Protection District

West Valley Sanitation District

1400.00

Balance on hand as of 3/4/13

\$3776.81

Attachment D1

CHAPTER AFFILIATION AGREEMENT

THIS AGREEMENT (the "Agreement") is made this 7 day of NOVEMBER, 2012, by and between **California Special Districts Association**, a 501(c)(6) California nonprofit corporation, with its principal place of business at 1112 I Street, Suite 200, Sacramento, CA 95814 ("CSDA"), and **Santa Clara County Special Districts Association**, an unincorporated business association, with its principal place of business at 5750 Almaden Expressway, San Jose, CA (hereinafter "Chapter").

RECITALS

A. CSDA is a California nonprofit public benefit corporation representing different types of special districts which provide a wide variety of public services to California communities. The purposes and objectives of the CSDA are to advance the vital public interest in effective, efficient and responsive local government, specifically by providing educational, legislative advocacy, financing, and insurance services to California special districts;

B. Chapter desires to obtain the right to use CSDA's name, logo, membership mailing list, endorsement, technical assistance and staff support and other CSDA Intellectual Property in connection with Chapter's activities including conducting programs for the continuing education of special district officials and employees, research projects on local special district issues of concern to Chapter's member special districts, legislative outreach on legislative issues of importance to individual chapters and their members, and supporting chapter outreach programs to educate the public about the operations of special districts within the jurisdictional boundaries of the Chapter (hereinafter the "Chapter Program");

C. CSDA is willing to provide its endorsement and technical support services to Chapter and permit Chapter to use its name, logo, membership list and other Intellectual Property in connection with the operation of the Chapter Program, on the terms and conditions specified in this Agreement.

D. The Boards of Directors of CSDA and Chapter hereby reaffirm that the relationship of CSDA and Chapter to each other is that of Licensee and Licensor. This agreement is not intended by the parties to create any association, joint venture, partnership, or agency relationship of any kind between CSDA and Chapter. Neither CSDA nor Chapter is authorized to incur any liability, obligation or expense on behalf of the other, to use the other's monetary credit in conducting any activities under this Agreement, or to represent that CSDA is in the business of providing services comprising the Chapter Program, other than CSDA's endorsement and technical support of the Chapter Program. It is the intent of both CSDA and Chapter that the terms and conditions of this Agreement be interpreted to advance the stated intent of the parties to remain autonomous organizations, each seeking to fulfill its respective stated mission and offer programs that accomplish each party's business goals and objectives.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

I. License of Intellectual Property.

A. Definition of Intellectual Property.

1. "Intellectual Property" of CSDA includes, but is not limited to use of its name (to include both "California Special Districts Association" and the "CSDA" acronym), logo, and membership mailing and electronic mail list with respect to past, current or prospective members of CSDA located within Chapter's

geographic area; copyrighted, trademarked or proprietary information and materials prepared by CSDA and provided by CSDA to Chapter pursuant to the provisions of this Agreement; and all other Intellectual Property rights including the know-how, licenses, trade secrets, proprietary programs and processes of CSDA.

B. Limited License of Name, Logo, Membership Mailing List and Intellectual Property.

1. CSDA hereby grants a conditional, revocable, nonexclusive license to Chapter to use its name, acronym, logo, membership mailing list, and other Intellectual Property in connection with Chapter's operation of the Chapter Program. In addition, CSDA hereby agrees to provide its public endorsement of the Chapter Program. Chapter hereby accepts the grant of such license and the endorsement of its Chapter Program.

2. Chapter agrees that the license granted hereunder, the promotion and endorsement of the Chapter Program, and the usage of CSDA's name, logo, membership mailing list, and other Intellectual Property shall be restricted to the operation and promotion of the Chapter Program to existing and potential members of the Chapter. Chapter further agrees to protect the name and goodwill of CSDA throughout the term of this agreement.

3. Chapter agrees that it shall not use, or permit any person or entity other than Chapter members to use, CSDA's name, logo, membership mailing list, and other Intellectual Property, for any purpose without the prior written consent of CSDA. Chapter further agrees to keep CSDA's membership mailing list in strict confidence and to not sell or disclose such mailing list or its contents to any third party in any manner, except with the prior written consent of CSDA.

4. Upon termination or expiration of this Agreement, Chapter shall: (i) immediately cease utilization of CSDA's name, logo, membership mailing list, and other Intellectual Property in connection with the Chapter Program or for any other purpose; (ii) immediately return to CSDA all originals and copies of CSDA's name, logo, membership mailing list, and other Intellectual Property (whether in printed, electronic, recorded, or other tangible form); and (iii) discard or destroy all copies thereof.

C. Review and Approval. In order to protect the reputation and goodwill of CSDA, Chapter shall provide CSDA with the right to review and pre-approve all uses of CSDA's name, logo, membership mailing list, and other Intellectual Property or any portion thereof, by chapter and its member districts and agents. Chapter shall submit to CSDA a copy of the intended use of CSDA's name, logo, membership mailing list, and other Intellectual Property or proposed endorsement materials to CSDA. CSDA shall have ten (10) days to approve or disapprove such use by the Chapter of the proposed materials. If CSDA fails to respond within ten (10) days of receipt of such materials, their silence shall be deemed approval of the Chapter's proposed use.

D. Conditions to Limited License of Intellectual Property.

This Limited License of Intellectual Property is granted by CSDA to Chapter subject to satisfaction of each and all of the following conditions.

1. Chapter must provide copies of its bylaws to CSDA for review and approval for consistency with the Articles of Incorporation and bylaws of CSDA. Receipt and approval of the Chapter's bylaws CSDA is confirmed by execution of this Agreement. Chapter agrees to provide copies of all amendments to the bylaws of the Chapter to CSDA during the term of this Agreement.

2. Chapter agrees to comply with those requirements specified in CSDA bylaws regarding Chapters.

3. Chapter shall comply with all federal, state and local laws, regulations and ordinances.

4. Chapter will establish membership requirements that are based on guidelines established by the CSDA bylaws. (Exhibit A)

5. Chapter agrees to appoint a Communications Liaison to facilitate communication between Chapter and CSDA. The Communications Liaison shall be a member district of both the Chapter and CSDA.

II. Description of Services.

CSDA shall provide the following services to Chapter pursuant to the terms and conditions of this Agreement: (1) provide training and assistance in issues regarding governance and operations of the Chapter and its member districts including but not limited to leadership training, district training certification, and legislative updates. In addition, CSDA shall provide the Chapter access to services of its endorsed business affiliates for supplemental services which may be of value to individual special district Chapter members; (2) CSDA agrees to promote Chapter activities in its regular communications to all CSDA members.

Chapter agrees to provide the following services pursuant to the terms and conditions of this Agreement: (1) conduct educational, outreach and other programs and activities the purposes of which do not conflict with the stated purposes of CSDA; (2) agrees to periodically inform its members of CSDA programs, activities, services and legislative alerts; (3) Chapter agrees to maintain regular communication with CSDA and share general information of interest to both parties; and (4) Chapter agrees that it will not, during the term of this Agreement, represent itself as a Chapter of CSDA and publish a legislative position or a position on a valid initiative that is in opposition to one taken by CSDA. This representation does not preclude individual special district members of the Chapter from taking their own respective positions on pending legislation and/or ballot initiatives affecting special districts.

III. Confidential Information.

A. Both CSDA and Chapter may disclose certain confidential information and trade secrets ("Confidential Information") concerning the operations of their respective businesses in connection with entering into this Agreement and performing their obligations herein. Such Confidential Information includes, but is not limited to the manner and terms under which services are provided or will be provided to their respective members. Each party agrees, on behalf of itself and its members, and other persons to whom disclosure of the Confidential Information is permitted hereunder, to keep confidential, and not use, disclose or publish the Confidential Information other than as permitted under the terms of this Agreement.

B. Each party acknowledges and agrees that the Confidential Information of the other parties is confidential and proprietary, and that any and all Confidential Information shall remain strictly confidential among the parties, and shall not be disclosed, used or published except as specifically permitted under the terms of this Agreement

C. The parties' obligations under this Article shall survive the termination of this Agreement. In addition, upon termination or revocation of the license contemplated hereunder, or upon expiration or earlier termination of this Agreement, all Confidential Information transmitted to the receiving party by the disclosing party and any copies thereof made by the receiving party will be destroyed or, at the disclosing party's written request, promptly returned to the disclosing party.

IV Term and Termination. This Agreement shall be effective as of the date and year first above written and shall remain in full force and effect until terminated at any time by either party, without cause, upon giving to the other party not less than sixty (60) working days' prior written notice of an election to terminate this Agreement. Failure by Chapter to comply with the conditions for issuance of the limited license specified in

Sections 1B, 1C and 1D hereof may lead to suspension or revocation of this license by CSDA. Upon termination of this Agreement, the license granted hereby shall be deemed to have been revoked by CSDA.

V. Indemnification and Insurance.

A. Indemnification.

1. Except as otherwise provided in this Agreement, each party shall indemnify, defend, and hold harmless the other party, and its governing board, officers, employees, agents and representatives, from and against any and all liabilities, obligations, losses, damages, penalties, fines, claims, actions, suits, costs and expenses, (including legal fees and expenses) of any kind whatsoever, asserted against, incurred or suffered by the other party, or its governing board, officers, employees, agents or representatives, by reason of personal injury or property damage resulting in any way from: (a) any negligent or intentional act by it or any of its officers, employees, agents or representatives in the performance of services or obligations hereunder; or (b) any negligent omission or failure to act when under a duty to act on its part or the part of any of its officers, employees, agents or representatives in the performance of services or obligations hereunder.

B. Insurance. In order to assure the indemnity described in this Section both CSDA and Chapter shall, at its sole expense, carry and keep in full force and effect at all times during the Term of this Agreement a liability insurance policy with a single limit of at least 1 million dollars (\$1,000,000) to cover potential liability to third parties arising from the operation of the Chapter Program. Each party shall name the other party as an additional insured on such insurance policy, and such insurance policy shall contain a provision by which the insurer agrees that such policy shall not be cancelled except after thirty (30) days written notice to Association. Each party shall provide to the other, within thirty (30) days of the commencement of the initial Term of this Agreement, a copy of the certificate evidencing such insurance policy. The indemnification under this Agreement shall in no way be limited by the extent of insurance coverage. The provisions of this Section shall survive any termination or expiration of this Agreement.

1. As an alternative to providing an insurance policy pursuant to Section V.B., Chapter may assure the indemnity obligations specified in Section V.A. by providing a written certificate from each member district of Chapter certifying that all employees of such Chapter member district participating in Chapter activities as part of the Chapter Program, are acting within the course and scope of their duties for the individual Chapter member, and that the individual Chapter member's insurance policies provide general liability coverage for all such member district employees participating in Chapter activities. (Exhibit B)

VI. MEDIATION.

(a) The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to the party in any such action.

VII. Warranties. Each party covenants, warrants and represents that it shall comply with all laws and regulations applicable to this Agreement, and that it shall exercise due care and act in good faith at all times in performance of its obligations under this Agreement. The provisions of this Section shall survive any termination or expiration of this Agreement.

VIII. Waiver. Either party's waiver of, or failure to exercise, any right provided for in this Agreement shall not be deemed a waiver of any further or future right under this Agreement.

IX. Governing Law. All questions with respect to the construction, performance and enforcement of this Agreement, and the rights and liabilities of the parties hereunder, shall be determined in accordance with the laws of the State of California. Any legal action taken or to be taken by either party regarding this Agreement or the rights and liabilities of parties hereunder shall be brought only before a federal, state or local court of competent jurisdiction located within the State of California. Each party hereby consents to, and agrees not to contest, the jurisdiction of the federal, state and local courts located within the State of California.

X. Headings. The headings of the various paragraphs hereof are intended solely for the convenience of reference and are not intended for any purpose whatsoever to explain, modify or place any construction upon any of the provisions of this Agreement.

XI. Assignment. This Agreement may not be assigned, or the rights granted hereunder transferred or sub-licensed, by either party without the express prior written consent of the other party.

XII. Heirs, Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each party, its subsidiaries, affiliates, related entities, partners, agents, officers, directors, employees, heirs, successors, and assigns, without regard to whether it is expressly acknowledged in any instrument of succession or assignment.

XIII. Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one (1) and the same instrument.

XIV. Entire Agreement. This Agreement: (i) constitutes the entire agreement between the parties hereto with respect to the subject matter hereof; (ii) supersedes and replaces all prior agreements, oral and written, between the parties relating to the subject matter hereof; and (iii) may be amended only by a written instrument clearly setting forth the amendment(s) and executed by both parties.

XV. Independent Agreement. This Agreement is an independent agreement which is not in any way contingent upon or related to any other contractual obligations of the parties. The royalties and price discounts provided by Company herein are solely in consideration for the license of Association's name, logo and membership mailing list.

XVI. Severability. All provisions of this Agreement are severable. If any provision or portion hereof is determined to be unenforceable in arbitration or by a court of competent jurisdiction, then the remaining portion of the Agreement shall remain in full effect.


XVII. Notice. All notices and demands of any kind or nature that either party to this Agreement may be required or may desire to serve upon the other in connection with this Agreement shall be in writing and may be served personally, by certified mail, or by commercial overnight courier (e.g., Federal Express), with constructive receipt deemed to have occurred 3 calendar days after the mailing or sending of such notice, to the following addresses:

If to CSDA: California Special Districts Association
 1112 I Street, Suite 200
 Sacramento, CA 95814
 Attn.: Neil McCormick, Executive Director

If to Chapter:

* * * * * IN WITNESS WHEREOF, the parties hereto have caused duplicate originals of this Agreement to be executed by their respective duly authorized representatives as of the date and year first above written.

California Special Districts Association
Contact: Neil McCormick, Executive Director
1112 I Street, Suite 200
Sacramento, CA 95814
T - 916.442.7887

By: 
Neil McCormick
Executive Director
Date: 11-7-12

Santa Clara County Special Districts Association

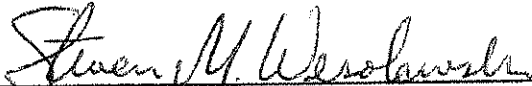
By: 
Steve Wesolowski
Chair
Date: 31 October 2012

Exhibit A

ARTICLE VIII – LOCAL CHAPTERS

Section 1. Purpose:

The purpose of local chapters is to provide a local forum of members for the discussion, consideration and interchange of ideas concerning matters relating to the purposes and powers of special districts and the CSDA.

The local chapters may meet to discuss issues bearing upon special districts and the CSDA. The chapters may make recommendations to the CSDA's Board of Directors.

Section 2. Organization:

The regular voting members of the CSDA are encouraged to create and establish local chapters. Each of the following existing chapters must have at least one (1) CSDA member in their membership at all times: Alameda, Butte, Contra Costa, Kern, Marin, Monterey, Orange ((SDOC), Placer, Sacramento, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara and Ventura. These existing chapters are strongly encouraged to have all district members as CSDA members, however the existing local chapter may include members of local organizations, districts and professionals who are not members of the CSDA.

New chapters formed after August 1, 2011 are required to have 100 percent of their district members as CSDA members in order to be a chapter affiliate of CSDA. The existing local chapter may include members of local organizations and professionals who are not members of CSDA.

Local chapters shall be determined to be affiliates of the CSDA upon approval and ratification by the Board of Directors of the CSDA. The chapters shall be required to provide updated membership lists to the CSDA at least annually.

CSDA and its local chapters shall not become or deem to be partners or joint ventures with each other by reason of the provisions of these Bylaws.

Section 3. Rules, Regulations and Meetings:

Each local chapter shall adopt such rules and regulations, meeting place and times as the membership of such local chapter may decide by majority vote. Rules and regulations of the local chapter shall not be inconsistent with the Articles of Incorporation or Bylaws of the CSDA.

Section 4. Financing of Local Chapters:

No part of the CSDA's funds shall be used for the operation of the local chapter affiliates. The CSDA is not responsible for the debts, obligations, acts or omissions of its local chapters.

Section 5. Legislative Program Participation:

Local chapters may function as a forum in regard to federal, state and local legislative issues. The chapters may assist the CSDA in the distribution of information to their members.

Sample Certificate for Liability Coverage

The undersigned, being duly authorized to execute this Certificate on behalf of the Board of Directors of _____ (name of special district) (hereinafter the "District") hereby affirm the following:

1. That the participation by employees and members of the Board of Directors of District in the meetings and activities conducted by the _____ Chapter of the California Special Districts Association have been authorized by the District's Board of Directors; and that the Board of Directors has found such activities constitute activities in the course and scope of such individual's employment with or position of director with the District.

Cheryl Togami

Attachment E3

From: Cathy P
Sent: Monday
To: Ann Strickland - Pacheco Pass Water District; Bill Bosworth - Cupertino Sanitary District; Brenda Taussig - El Camino Hospital; Burbank Sanitary District; Carson Cox - Guadalupe Coyote Resource Group; Chuck Griffen - SCCo Library Service Area; Clark Williams - SCCo Open Space Authority; David Bergman - Los Altos Hills County Fire District; Dawn Cameron - SCCo Lighting Service Area; Donald Toy - Burbank Sanitary District; Dorothy Holzem - California Special Districts Association; Ed Oyama - West Valley Sanitation District; Frankie Martinez - Burbank Sanitary District; Fred Schulenburg - Central Fire Protection District; Gabriel Peres - South Santa Clara Valley Memorial District; Gary Reed - Saratoga Cemetery District; Gene Zambetti - Saratoga Fire Protection; Guadalupe Coyote Resource Group; Jessica Stanfill Mullin - League of California Cities; Joe Long - Saratoga Fire Protection District; Jon Newby - West Valley Sanitation District; Judy Johnstone - Saratoga Cemetery District; Keri Russo - Burbank Sanitary District; Kim Gardner - Aldercroft Hieghts County Water District; Kurtis Shenfiel - Lions Gate Community Services District; Larry Johmann; Lauren Monack - SCCo Open Space Authority; Michael King - El Camino Hospital; Miryam Mora-Barajas - California Special Districts Association; Neelima Palacherla - LAFCO; Pete Siemens - Midpeninsula Open Space District; Peter Townley - Guadalupe Coyote Resource Group; Robert Tanaka - County Sanitation District No. 2-3; San Martin County Water District; Cheryl Togami; Cathy Paramo; Rick Callender; SCCo Open Space Authority; Steve Abbors - Midpeninsula Regional Open Space District; Steve Wesolowski - Rancho Rinconada Recreation and Park District; Steve Woodill - South SCCo Fire Protection District; Sylvia Corvarrubias Fong - El Camino Hospital; Todd Reese - West Bay Sanitary; BoardScheduler; Trina Whitley - Saratoga Fire Protection; Vicky Bosworth - Saratoga Cemetery District; Yorik Kishimoto - Midpeninsula Open Space District
Subject: Please review and provide feedback on 2013 LAFCO Proposals
Attachments: 2013 CALAFCO Legislative Proposals.pdf; 1. and 2. Independent Special District-GC 56332(d) and GC 56044.docx; 5. Santa Clara County Annexations-56757 proposed text changesRev1302013.pdf; 6. Reduce Public Vote Opportunity-AB 912 Re-Write-57077.1 proposed text_01_30_13.pdf; 8. Landowner Definition-56048 Proposed language change.pdf; 10. Extend MSR-SOI Timeline-56425(g)amendmentproposal1182013.doc; 11. Service Outside Boundaries.pdf

Sent on Behalf of Chair Wesolowski

Hello SCCSDA Colleagues,

CSDA received a list of legislative proposals from the California Association of Local Agency Formation Commissions (CALAFCO). They have compiled the proposals in the attached memo, and provided the text connected to those proposals within the additional corresponding attachments. CSDA has asked our chapter to review these documents and share our feedback.

If you only have time to review a couple of proposals, you might want to focus on #5 and #6. If you have feedback on any or all of these proposals, please submit them by **Thursday, February 21** to Cheryl Togami at ctogami@valleywater.org so that she can consolidate our responses and send them to CSDA.

Thank you.

Steve Wesolowski
Chairperson, Santa Clara County Special Districts Association

*On behalf of Chair Wesolowski,
Cathy Paramo, Staff Analyst*



**California Special
Districts Association**

Districts Stronger Together

DATE: January 31, 2013

TO: CSDA Legislative Committee
CSDA Legislative Secondary List
CSDA Expert Feedback Team on Formation and Reorganization

FROM: Kyle Packham, CSDA Advocacy and Public Affairs Director

RE: 2013 CALAFCO Legislative Proposals

In the spirit of collaboration, the California Association of Local Agency Formation Commissions has shared the 11 legislative proposals below with CSDA for our review and feedback. To my understanding, these proposals have been approved by the CALAFCO Legislative Committee for further development and submission to the State Legislature for introduction (Except for item number 11, which is going before the CALAFCO Board of Directors for further discussion).

I have copied and pasted below and/or attached to this message, the summaries and proposed legislative language as it was provided to me by CALAFCO. This is not an independent summary/analysis by CSDA.

Please review this document and the attached text and reply to me via e-mail (kylep@csda.net) with your feedback. Please consider how each proposal would impact the special districts community as a whole, and include any specific examples. Cost estimates and statistics are always the most helpful feedback. Please be sure to note aspects that you support, as well as concerns and suggestions for amendments that would improve the proposal and/or alleviate your concerns.

Thank you,
Kyle

Omnibus Proposals:

1. Independent Special District Commissioner Definition

A proposal to rewrite the GC section relating to the appointment of the "Independent Special District Commissioner and Alternate Commissioner" by the Special District Selection Committee. The intent is to clarify that the nominated and elected commissioners are to be members of the legislative body of an independent special district.

Revise GC section 56332 (d) to read:

56332 (d) The selection committee shall appoint two regular members and one alternate member to the commission. The members so appointed shall be elected or appointed members of the legislative body of an independent

special district ~~officers~~ residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a commission meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. ~~The Service on the commission representation by a regular district member who is a special district officer shall not disqualify, or be cause for disqualification of, the member from acting on a proposals affecting the special district on whose legislative body the member serves.~~ The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district on whose legislative body the member serves of which the member is a representative.

2. Independent Special District Definition

Amend (replace) the definition of "Independent district" or "Independent special district" in GC section 56044 with the prior definition from 2010 due to an unintended confusion between the revised definition of "dependent district" created in the 2011 change. No functional or policy change is proposed by this substitution and the result is intended to be a more concise delineation of the differences for purposes of the C-K-H Act.

56044. ~~"Independent district" or "independent special district" includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in Sections 56036 and 56036.6.~~ "Independent district" or "independent special district" includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in Section 56036 or 56036.6.

3. Registered Voter District Wording

In GC sections §56866(a) and §56870, correct a typo wording for "resident voter district" that should read "registered voter district" to be correct.

4. Protest Provision Reference

Correct an oversight in the revision of protest provision sections that missed changing a reference in GC section §57118(f) to reference §57077.4(b) rather than §57114.

5. Santa Clara County Annexations

Amend GC section §56757. §56757 allows certain proposals that include annexations to cities in Santa Clara County to be reviewed and approved by the city, rather than by LAFCO, if the

annexation is within the urban service area of the city and the annexation is initiated by resolution of the legislative body of the city. However, the text in section §56757 refers specifically to reorganizations. Not all city annexations in Santa Clara County involve district actions, some of them are city annexations without corresponding district detachments. The proposed text revisions clarify that this provision applies to city annexations and reorganizations involving city annexations. Because the proposed text revisions are consistent with the intent of the law and reflect actual practice in Santa Clara County, it is recommended that these revisions be included in CALAFCO's Omnibus bill. *Text attached.*

6. Reduce Public Vote Opportunity—AB 912 Re-Write

Dissolutions with Concurrent Annexation GC §57077.1(c) In 2011, AB 912 streamlined the dissolution process for a district if the district was recommended for dissolution in a prior LAFCo action and if it met certain other criteria. However, that provision only covers a district dissolution process and does not cover a situation where the territory of a dissolved district is concurrently annexed to another district. This proposal addresses that. *Text attached.*

7. Reduce Public Protest Period in LA County

Delete Government Code Section 57026(f)(2). GC Section 57026(f)(2) is a special provision which applies only to cities with more than 100,000 in counties of more than 4 million. Los Angeles is the only county in the State with a population of more than 4 million. The next closest counties by population are Orange and San Diego, each with a population slightly over 3 million. There are 14 cities in Los Angeles County with a population of more than 100,000. For the cities in question, this code section requires that the resolution approving a change of organization or reorganization must set a protest hearing that is at least 90 days, but not more than 105 days, after the Commission approves the resolution.

LA LAFCo's practice is to set protest hearings at least 30 days after the public hearing. This allows for a concurrent tolling of the reconsideration period. In effect, for those cities in Los Angeles County that have a population of more than 100,000, the protest period is 3 times longer than usual. LA LAFCo sees no current public policy purpose that is advanced by GC Section 57026(f)(2). This section was enacted years ago when multiple annexations were occurring in the northern area of the county. Most cities perform extensive outreach before proposing to annex unincorporated territory into their city. For this reason, most of their city annexation proposals experience either no protest, or merely a handful. For two recent annexations—one in excess of 5,000 people, and one in excess of 10,000 people—LA LAFCo received a grand total of 4 written protests. LA LAFCo sees no opposition from any of the 14 cities.

8. Landowner Definition

Clarifying the definition of "landowner" in GC Section §56048. *Text attached.*

Regular Legislative Proposals:

9. Expand Protest Exemption for Island Annexations

In 2004 the Legislature approved legislation (GC sections 56375.3 and 56375.4) to allow for cities to propose to annex islands of unincorporated territory up to 150 acres in size without the need for costly protests or elections in order to implement logical and efficient jurisdictional boundaries. A "sunset provision" of January 1, 2014 was included in the legislation. It is proposed to eliminate the sunset provision and increase the island eligibility size to 300 acres. Inconsistent development of urban type services and annexations to cities resulted in many relatively small areas in "islands" or pockets of often underserved properties in county areas substantially surrounded by city(s).

10. Extend MSR/SOI Timeline

It is proposed to conduct in-depth service reviews over a longer time period and then do so at the LAFCO's discretion, when either a sphere change is merited and if an agency has the potential to contribute to sprawl? Many special districts, such as those providing resource conservation, library, health care, pest control, and cemetery services, do not generally contribute to sprawl. Their boundaries and spheres do not change often. Throughout the state, cities and counties have established urban growth boundaries (UGB) which limit their growth over 20-25-year periods; often spheres and the UGBs are coterminous. At this time, with LAFCOs likely having completed at least one cycle of MSR/SOI updates, it would be more advantageous for each LAFCO to be able to determine whether it needs to review specific agencies based on its own experience. It would also make sense to coordinate the cycle to be more in line with timing of when counties and cities do their Housing and General Plan updates which is in timeline of 2013 – 2015.

In considering spheres of agencies under LAFCO jurisdiction and in coordination with those agencies, LAFCOs may determine that no change to a sphere is necessary. LAFCOs should have authority by statute to confirm a sphere as it exists, without having to conduct a municipal service review. This would also lower costs of the Commission and, by extension, costs of funding agencies and costs of local agencies. Having a specific time period built into the statute, however, should be a signal to LAFCOs that this responsibility for review of spheres is important and should not be ignored. *Text attached.*

11. Service Extension Outside Boundaries (Pending Before CALAFCO Board)

Amend Government Code §56133 and its provisions governing LAFCo approval for cities and districts to provide new and extended services outside boundaries. Three key changes underlie this proposal. The first and most significant change expands LAFCo's existing authority to approve new and extended services beyond agencies' spheres of influence irrespective of public health and safety threats, so long as LAFCo can make three findings at noticed public hearings. These findings involve determining the extension: 1) was contemplated in a municipal service review; 2) will not result in adverse impacts on open-space and agricultural lands or growth; and 3) a later change of organization is not expected or desired based on local policies. The second change clarifies LAFCo's sole authority in determining the application of the statute. The third change deemphasizes the approval of contracts and emphasizes the approval of service extensions. *Text attached.*

Cheryl Togami

From: keri russo [keri.russo@yahoo.com]
Sent: Wednesday, February 20, 2013 7:27 PM
To: Cheryl Togami
Subject: LAFCO proposals

Greetings,

Our board is very much split on the issues of (5, 6 & 9). With only 4 members at our board meeting last, 2 were strongly for, and 2 were strongly against these issues. The other proposals seem fine and routine to us.

Keri Russo
Burbank Sanitary District

Cheryl Togami

From: Hal Toppel [htoppel@netgate.net]
Sent: Tuesday, February 19, 2013 10:56 AM
To: Cheryl Togami
Cc: Joe Long; David Moyles; Gene Zambetti; Trina Whitley
Subject: Saratoga Fire District Comments on GC 57077.1(c)

Hi Cheryl,

I am the District Counsel for the Saratoga Fire Protection District.

The Saratoga Fire Protection District (SFD) welcomes the opportunity to express its concerns over the proposed amendment to Government Code Section 57077.1(c), pertaining to dissolution of special districts with concurrent annexation to another district. The comments in this email have been reviewed and approved by the District Board.

The Santa Clara County LAFCo has commenced a service study as a first step toward its apparent objective of dissolving SFD and annexing its territory to the Santa Clara County Central Fire Protection District (SCCFD). This action is being taken at the initiative of the Commission and has been strongly and consistently opposed by SFD. Moreover, no request for annexation of this territory has been made by SCCFD. Among the various legal objections raised by SFD, was the argument that the proposed dissolution of SFD would not result in its territory being annexed to SCCFD. CALAFCO apparently agreed with this analysis and has now proposed legislation to allow a dissolution and annexation proceedings to be conducted concurrently.

One of the stated goals of the proposed legislation is to reduce the need for a public vote on a proposed dissolution. It is one thing if the district being dissolved is inactive or, as stated in the Senate Rules Committee report on AB 912, is identified as one of the "vestigial districts that linger because no one wants to take the time to get rid of them." However, the Saratoga Fire Protection District is actively conducting its business, as it has done for the last 88 years. No desire to dissolve the District has been expressed by the SFD Board, the residents of the District, or the SCCFD Board. The District enjoys strong support from the community and recently received an 88% voter approval of a bond issue that was used to finance construction of a new fire station, which is now completed and occupied.

SFD has no objection to the legislative proposal to allow dissolution and annexation proceedings to be conducted concurrently, but we strongly oppose a reduction or limitation of the requirement for voter approval when the dissolution has been initiated *solely* by LAFCo and is against the wishes of both agencies involved in this process. If LAFCo desires to proceed, the dissolution proposal should be subject to voter approval. It has been our position that a 10% protest should be sufficient to require an election. The amendments to the Cortese-Knox-Hertzberg Act which became effective on January 1, 2013, particularly the repeal of Section 56854, can be used by LAFCo to argue that a majority (i.e. 50%) protest is required. If this is indeed the law, then it places an unreasonable, if not insurmountable, burden on the opponents of dissolution. It would be exceedingly difficult, if not impossible, to gather protests from 50% of the residents of the District in the short time between the adoption of the LAFCo resolution and the scheduled protest hearing. Moreover, since every registered voter does not always participate in

every election, the 50% protest requirement is actually higher than the number needed for a majority vote at the election itself.

The current law needs to be amended to make it clear that in the case of a dissolution initiated by LAFCo (and it could even say where the governing body of the district to be dissolved has adopted a resolution opposing the dissolution), the protest will be determined by Section 57113 of the Government Code, and will be either 10% or 25%, as may be applicable.

Dissolution is a drastic action when applied to a district that is still actively conducting its business and is fully involved with the community. We do not believe LAFCo can make the factual determinations that are legally required for adoption of a resolution to dissolve SFD, but the District should not be required to become engaged in a legal battle with LAFCo on a matter that should be submitted to the voters for a final decision.

Please pass these comments along to CSDA. Feel free to give me a call if you have any questions or comments.

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