



SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION

5700 Almaden Expressway • San Jose, California 95118 • (408) 265-2600

Santa Clara County Special Districts Association

AGENDA

Monday, June 4, 2012

12:00 p.m. – 1:30 p.m.

A. Call to Order

1. Welcome and Introductions

B. Approval of Minutes

1. Discussion and Approval of Meeting Minutes for March 5, 2012 **(Action)**

C. Time Certain (12:30p)

1. Guest Speaker: Donald Rocha, City of San Jose Councilmember

D. Old Business

1. Review of Bylaw Posting Requirement –Attachment D1 **(Action)**
2. Agency response to LAFCO representation – **(Action)**

E. New Business

1. Financial Report **(Action)**
2. CSDA formal affiliation – Attachment D2 **(Action)**

F. Partner Agency Reports

1. Local Agency Formation Commission- Neelima Palacherla, Executive Officer
2. League of California Cities – (not available for this meeting)
3. CSDA – Iris Herrera, Legislative Advocate

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 **September 10, 2012**
3. Adjourn

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

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



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B1. Meeting Minutes

Santa Clara County Special Districts Association

Monday, March 5, 2012

12:00 p.m. – 1:30 p.m.

Meeting Participants:

- **CSDA:** Iris Herrera
- **Cupertino Sanitary District :** Bill Bosworth
- **El Camino Hospital:** Sylvia Covarrubias
- **LAFCO of Santa Clara County:** Neelima Palacherla
- **League of California Cities:** Jessica Stanfill Mullen
- **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:** Beau Goldie, Patrick Kwok, Tony Estremera
- **Saratoga Fire Protection District:** Joe Long
- **Santa Clara County Special Districts Association:** Rick Callender, Cheryl Togami
- **West Valley Sanitation District:** Robert Reid

In attendance: Alan Bicho and Bob Buxton from Santa Clara County Grand Jury

Special Guest: San Jose Mayor Chuck Reed

- A. 1. Call to Order: Chair Reid called meeting to order.
 2. Annual Election: This was Robert Reid's last meeting as he is retiring at the end of April. Steve Wesolowski was elected as the new chair; Pete Siemens was elected to continue as vice chair; and Tony Estremera was elected to continue as secretary/treasurer.
- B. Discussion and Approval of Minutes: The minutes for the December 5, 2011 were approved as written.



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- C. Guest Speaker: Mayor Reed spoke about how San Jose is leading the way in dealing with the pension issue. Ten years ago, it cost \$73 million for pension and healthcare (at 15 years of service, employees get lifetime healthcare); the cost is \$245 million this year. The estimate is that it will be flat next year, but actuaries estimate that it goes up for the following 12 years.

Fiscal reform plan started last year. The city has been cutting services for the last 10 years. Staff went from 7400 to 5400 during this time. The city is below the minimum level of services it should be providing.

There will be a ballot measure in June. Had to craft measure. Options are layoff, cut pay, and make employees pay more for benefits. Have done the latter two in the past and it's not the best solution although it cuts retirement costs. The city is looking at having employees pay more for retirement benefits and option of lower cost plan. Maybe a hybrid plan. Fifty percent of payroll goes towards retirement benefit costs. Contrast this to private sector where it's more like 6%. Everyone is reducing benefits.

Mayor Reed was asked about vested rights for retirees and whether, except for COLA, the rest of retirement stays untouched. Mayor Reed confirmed that if a fiscal emergency is declared, COLAS can be reduced or suspended for up to 5 years.

Mayor Reed was asked if hiring new employees would be difficult if they offered reduced pension benefits but he stated that the city would make it up in the pay line if they needed to compete.

In San Jose, there is more flexibility with pensions. It is a Charter City and has plenary authority; therefore, it can restructure pensions. With PERS, you just pick from a menu. Vallejo just dealt with healthcare; it did not restructure its pension plan. CalPERS threatened a lawsuit if the city were going to reduce pension benefits.

- D. Old Business:

1. Rick Callender gave an overview of the bylaw changes. Motion and Action: Bylaws adopted.

Question was raised about agenda posting requirements. Rick explained that SCCSDA is not out of compliance but staff could look into posting requirements.

Action: Motion made and approved to bring back posting requirements.

2. Rick Callender led the discussion on the implications of having a seat at LAFCO.



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CSDA does not have a formal position on representation on LAFCO but does participate in the LAFCO working group.

California Forward looked at consolidation of Special Districts in a city and county. It can be powerful for Special Districts to have a seat on LAFCO. Only half of the counties have special district reps on LAFCOs. Based on current membership: two board members are from county, one is from City of San Jose Council, one council member is from any of the 14 other cities. These four are elected and they pick a public member.

Cost is a big concern. There are different approaches. Can allocate based on representation or a couple of special districts can take on more of the cost.

If nine resolutions adopted, LAFCO would be required to seat special districts.

A bylaw change and several actions would need to occur. Motion made and approved to see if organizations have an interest in joining LAFCO knowing it will cost something.

Action: Neelima will provide info on costs.

E. New Business:

1. Financial Report: A balance of \$1975.17 was reported as of March 5, 2012.

F. Partner Agency Reports:

1. LAFCO: Water Service Review reports out. Letters went out to agencies reviewed. Responses due by March 14. Next LAFCO meeting is April 4. Currently in the process of audit service review of El Camino Hospital District and the report will be out at the end of April.

With all the interest in special districts, LAFCO is going to expand the website to include information on special districts.

2. California League of Cities: Legislative deadline was February 24. Nineteen hundred bills were introduced. League is creating a hotlist of priority bills. At next meeting, Jessica may have a couple of watch bills.

Hearings on redevelopment are next week. Bills in legislature.



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Pension reform plan introduced by Brown. Conference committee is working on it.

3. CSDA: They have been following redevelopment and will host a webinar on April 4.

Thinks legislature will push a pension plan this year. Special districts have different concerns than city/counties. Special districts don't have a 70% budget for fire and police. Pensions shouldn't affect everyone the same since issues are different.

G. Santa Clara County SDA Member Reports:

Due to time constraints, no reports given. Former Chair Reid thanked the association and members thanked Robert for his service and wished him well in retirement.

H. Review of Action Items:

1. Posting requirements
2. Cost of being on LAFCO

Adjourn to the next meeting on June 4, 2012.



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E1. Financial Statement

Balance on hand on March 5, 2012	\$1975.17
Expenses	
Lunch expenses – March 5, 2012	\$254.60
Deposits	
Membership Dues	\$1350.00
Balance on hand on June 4, 2012	\$3070.57

Attachment D1

Draft Changes in Article V
BYLAWS
OF SANTA CLARA COUNTY
SPECIAL DISTRICTS ASSOCIATION

ARTICLE I

PURPOSE, PRINCIPAL OFFICE AND POWERS

Section 1. Purpose. The purpose of this organization is to propose and advocate constructive means for the continuous improvement and functioning of Special Districts within the County of Santa Clara, State of California, and to assist such Special Districts and their governing bodies to provide a more effective and efficient government at the closest level to the citizens of Santa Clara County that will result in benefit to the public. The organization's objectives are to:

- (1) further the interests of member Special Districts in providing Special District local government services;
- (2) inform the public of the purposes and benefits of local Special District government;
- (3) serve as a forum of member districts for discussion and consideration of Special District issues and establish positions on such issues with other governmental agencies within the county;
- (4) establish a communication network among member districts linked to other governmental agencies, and
- (5) carry out programs and projects of joint interest and mutual benefit to member districts.

Section 2. Principal Office. The principal office for the transaction of the business of the Special Districts Association (Association), is fixed and located at Santa Clara Valley Water District, 5750 Almaden Expressway, San Jose, California. The Board of Directors is granted full power and authority to change the principal office from one location to another in the county, and such change shall not be considered an amendment of these bylaws.

Contact Government Relations at (408) 265-2600, Fax (408) 979-5659, Special District's Association of Santa Clara Valley, c/o Santa Clara Valley Water District, 5750 Almaden Expressway, San Jose, CA 95118.

Section 3. Powers. No member of the Association shall be personally liable to the creditors of the Association or for any indebtedness or liability of the Association, and any and all such creditors shall look only to the Association's assets for payment.

ARTICLE II

MEMBERSHIP

Section 1. Membership. There shall be one class of members of the Association. Each member district will have one seat on the Board of Directors.

Members of the Association shall be Special Districts within the County of Santa Clara. Special Districts are defined to mean districts, exclusive of school districts, which are organized and exist under and by virtue of the laws of the State of California to perform authorized local government services.

Application for membership in this Association shall be by letter request and payment of annual dues. The letter should describe the district's primary functions and its enabling legislation to the under state law. Also, federal affiliations, if any, should be noted. The letter shall name the current governing board members and manager. It shall also provide the mailing address and telephone number. Send the application letter and dues to the principal office with attention to the Manager, Office of Government Relations.

Section 2. Termination of Membership. Any member in arrears in the payment of dues for a period of 3 months after said dues are due and payable shall be notified in writing by the secretary or treasurer of such arrearage, and 1 month thereafter, if such dues shall have continued unpaid, such member shall automatically cease to be a member of the Association and shall not be restored to membership without making written application for reinstatement to the Board of Directors.

A member district may withdraw membership in this Association at any time. A written notice of withdrawal should be sent to the principal office. No refund of dues will be made.

Section 3. Good Standing. Any member districts who shall be in arrears in the payment of dues shall not be in good standing and shall not be entitled to vote as a member.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Selection and Tenure. The Board of Directors shall be composed of a representative from each member district, selected by and from the legislative body thereof. Each Board member shall hold office at the pleasure of his or her Special District's legislative body, and selection shall be made in such manner as the respective legislative bodies of member districts may themselves determine.

The directors appointed shall classify themselves by lot so that four of these shall hold office until the second succeeding annual meeting of members. Each director elected subsequent to the initial election shall hold office for a term of 2 years or until the election of his/her successor.

Section 2. Alternates. The legislative body of a member special district may, in its discretion, select from among its members an alternate to represent that special district on the Board of Directors and vote in the absence of the member from that special district.

Section 3. Notice of Appointment. The legislative body of each member district shall, immediately upon the selection of one of its members as a member of Board of Directors, or as alternate, advise the Secretary/Treasurer of such appointment.

Section 4. Disqualification of Directors, Vacancies. All duly appointed directors shall serve in such capacity as provided for herein for the term of office as provided for herein unless such director shall become disqualified for further service upon the occurrence of any of the following:

- A. Where such director is a member of the Board of Directors, Board of Trustees, or other governing body of the district, and such director's term of office therein expires and shall subsequently fail reelection.
- B. Where such director is an officer or employee of a member special district whose employment or service with such member is terminated or severed for any reason.
- C. Where such director shall resign.
- D. Where such director shall fail to attend three consecutive meetings of the Board of Directors without leave of absence, that position as director may be declared vacant by a vote of a majority of all of the remaining directors.

The remaining directors shall request that the appointing legislative body name a replacement director to the position of such disqualified director for the unexpired portion of such term of office by a majority vote.

Section 5. Duties and Powers. It is the responsibility of the members of the Board to report to and solicit comments from their fellow Association members on major issues and to keep their member districts informed on the business of the Association.

Subject to the direction and control of the membership, all Association powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors, in the absence of directions to the contrary from the membership, shall have the following powers, to wit:

First: To appoint and remove all officers of the Association and to prescribe such powers and duties for any officers, agents, and employees as may not be inconsistent with applicable law or the bylaws.

Second: To conduct, manage, and control the affairs and business of the Association, and to make such rules and regulations necessary for these purposes and consistent with applicable law or the bylaws.

Third: To designate any place within the County of Santa Clara for the holding of any membership meeting or meetings; to change the principal office of the Association for the transaction of its business from one location to another in the county.

Section 6. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

ARTICLE IV

OFFICERS

Section 1. Responsibility. All officers are subordinate and responsible to the Board of Directors.

Section 2. Number, Selection, and Title. The officers of the Association shall be a president, a vice president, a secretary-treasurer, and such officers shall be chosen from the Board of Directors of the Association. The Association may also have such other officers as the Board of Directors may choose and any person may hold two or more offices, except those of president and secretary. An assistant secretary-treasurer may be appointed who is not a director of the Association.

The officers of the Association shall be chosen annually by the Board of Directors, and each shall hold his/her office until he/she shall resign or shall be removed or otherwise disqualified to serve, or until his/her successor shall be elected or qualified.

The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period and have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 3. Duties.

- (1) **President.** The president shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have supervision, direction, and control of the business and affairs of the Association and shall preside at all meetings of the Board of Directors and of the members. He/she shall be ex-officio a member of all the standing committees and shall have the general powers and duties and management usually vested in the office of the president of an association, and shall have such other powers and duties as may be prescribed by the Board of Directors or by the bylaws.
- (2) **Vice-President.** In the absence of, or disability of, the president, the vice president shall perform all the duties of the president, and when so acting shall have the powers of and be subject to all the restrictions upon the president.

- (3) **Secretary-Treasurer.** The secretary-treasurer shall keep, or cause to be kept, at the principal office of the Association, or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and members. The secretary-treasurer shall also keep, or cause to be kept at the principal office of the Association, a membership book containing the names and addresses of each member, and in any case where membership has been terminated such fact shall be recorded in the book together with the date upon which the membership ceased, and shall give the notices of special meetings of the Board of Directors and of the regular and special meetings of the members as provided in these bylaws. The secretary-treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and the business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall at all times be open to inspection by any director or by any member of the Association. The secretary-treasurer shall deposit all moneys of the Association and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors, shall disburse the funds of the Association as ordered by the Board of Directors and shall render to the president and the directors, upon request, an account of all his/her transactions as secretary-treasurer and of the financial condition of the Association. The secretary-treasurer shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or by the bylaws. The secretary-treasurer shall, after the close of the fiscal year of the Association, cause an annual audit of the financial condition of the Association to be done.

Section 4. Removal of Officers. Officers may be removed, with or without cause, at any meeting of the Board of Directors by the affirmative vote of a majority of all of the directors.

ARTICLE V

MEETINGS

Section 1. Schedule and Locations. Regular meetings of the Board of Directors shall be held at any place within Santa Clara County which has been designated from time to time by the Board of Directors or by the president of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Association.

Section 2. Notice of meetings. All meeting notices shall be sent to each member district at least ~~30~~ 28 days prior to the meeting. The secretary-treasurer shall notice quarterly, annual, and special meetings in accordance with the provisions of California law. Meeting notices will designate time and place of meetings. Such notices may be sent by United States mail, postage prepaid, electronic mail, or by the Internet, which shall be determined to be personally delivered. The Secretary/Treasurer or designee shall be responsible for preparing and posting agendas of Board meetings three (3) days prior to the meeting.

Section 3. Special Meetings, Notice to Agenda. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the president or, in the cases of absence or refusal to act, by any two directors. Such meetings may be held at any location within the county. Meetings can also be called via teleconference or webconference as available.

Notice of the time and place of special meetings shall be communicated to the directors by ~~United States mail, postage prepaid, electronic mail, or by the Internet. any convenient means with a written record of contacts and responses that shall be furnished to the secretary.~~ The notice shall be given as early as possible but in no case less than 24 hours ~~prior to the meeting.~~

The agenda can be communicated by any convenient means. However, a written agenda shall be ~~posted and~~ available at the meeting.

Section 4. Quorum. A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by one-third of the directors present at a meeting duly held, at which a quorum was present, shall be regarded as an act of the Board of Directors.

Section 5. Voting at Meetings. Each member district shall be entitled to one vote on all matters brought before the membership for vote. The governing body of each member district shall designate to the secretary of the Association in writing one representative who shall exercise the right of the member to vote and one alternate who shall have the right to vote in the absence of the representative.

The Board of Directors may in its discretion authorize the voting upon any issue by written ballot or electronic ballot mailed to each regular member. Such authorization shall specify the time and date when such written ballot or electronic ballot must be received by the secretary of the Association.

Authority to vote by proxy shall be in writing and signed by the proper officer or designated representative of the member authorizing said proxy and shall be filed with the secretary or chair of the meeting prior to any vote to be cast pursuant to said proxy.

A majority vote of all members voting shall be necessary to carry any matter voted upon.

ARTICLE VI

COMMITTEES

Section 1. Open Committees. Subject to confirmation by the Board of Directors, the president may appoint open committees from time to time as he/she may determine to be necessary for the proper operation of the Association. For each such committee, the president shall likewise designate the chair who, together with the other members of the committee, shall serve at the pleasure of the president.

ARTICLE VII

FINANCES

Section 1. Annual dues. Annual dues shall be due and payable on or before the first day of February each year. New members shall pay their dues with their application for membership in the Association. The dues shall be paid without proration. The dues shall be determined by the Board of Directors at the December meeting each year and be applicable to membership for the following year. At the time dues are paid, the district shall state its current address, board membership, manager, and telephone contact. Any changes of the district's functions should also be stated.

The Board of Directors may from time to time provide for a greater or lesser amount of annual dues in accordance with the adopted financial requirements of the Association.

In no event shall said dues be increased, except in compliance with Section 2 of Article VIII of these bylaws.

No assessments shall be levied on the members by the Board of Directors and no member shall be subject to or liable for the payment of any assessment or levy other than the payment of regular dues as herein provided. Any additional funds required by the Association in the conduct of its business shall be raised by voluntary subscription from the members.

Section 2. Funds. No funds shall be disbursed by the Association unless the check, draft, or other evidence of such disbursement shall be executed on behalf of the Association by either the president or vice president and the secretary-treasurer.

Section 3. Accounting. An annual written account of all receipts and disbursements during the previous year showing the opening and closing balances shall be prepared by the Secretary/Treasurer or a designee. Copies thereof shall be filed with the Board of Directors

ARTICLE VIII

AMENDMENTS

Section 1. Adoption, Amendment, or Repeal. New bylaws may be adopted, amended, or repealed, or these bylaws may be amended or repealed by a majority vote of the membership of the Association at any regular meeting of the membership of the Association, or at any meeting called for that purpose. Any change of these bylaws shall be submitted to the membership in writing 60 days in advance of any meeting.

Section 2. Change of dues. No amendment to these bylaws which shall increase the amount of dues for members provided for herein shall be made unless such amendment is ratified at a regular meeting of the members, or by the written consent of members, by a vote of not less than 50 percent of all members of the Association.

ARTICLE IX.

OTHER ORGANIZATIONS

Section 1. Recognition of and/or participation in other organizations. Recognition of other governmental agencies and supporting advocating organizations shall be made by the Board by a majority vote at a regular or special meeting called and agendized for this purpose. Participation in the activities of the other organization may be authorized by the Board of Directors. Authorization to expend funds in support of other organizations shall be granted by a majority of the membership. The other organizations can have jurisdiction outside Santa Clara County.

ATTACHMENT D2

From: Travis Wills [<mailto:travisw@csda.net>]
Sent: Tuesday, May 22, 2012 10:32 AM
To: Paula Sparkman
Subject: CSDA Chapter Roundtable and Affiliation Agreement

Hi Paula,

You should have received a CSDA Chapter Roundtable invitation from us last week via email. The meeting is scheduled for June 22nd in Sacramento. I will be mailing invitations with more information this week and hope you or a representative from Santa Clara can make it.

As you probably know, CSDA is scheduling conference calls and in-person meetings to move forward a formal affiliation agreement between the state and local associations. This agreement is by no means mandatory. CSDA is presenting it as an option to each group that wants access to the CSDA name, logo, database, etc. We would be happy to talk to you about the benefits of such an affiliation could bring.

Are you the right person to help me coordinate a presentation/dialog with your association's executive committee?

Please let me know the best way to proceed.

Thank you.

Travis

Travis Wills
Member Services Coordinator

CHAPTER AFFILIATION AGREEMENT

THIS AGREEMENT (the "Agreement") is made this _____ day of _____, 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 _____, an unincorporated business association, with its principal place of business at _____, 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.

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: _____

By: _____
Date: _____



**California Special
Districts Association**
Districts Stronger Together

CSDA/Chapter Affiliation Agreement – FAQ

What is the purpose of signing an affiliation agreement?

The purpose of an affiliation agreement between chapters and the state association is to clearly define the relationship between CSDA and local chapters. From a risk management perspective, the agreement clearly outlines the level of liability for both parties. Other components include logo usage and reporting guidelines.

Why is this important now?

With the development of a new chapter (the Gold Country Regional Chapter), it became apparent to the CSDA Board of Directors and legal counsel that such an agreement would be prudent and beneficial to all parties. The designation “chapter” is misleading in that it implies a formal relationship between CSDA and the local groups that doesn’t currently exist.

Why should my chapter sign this affiliation agreement?

Affiliated chapters and their activities will be endorsed by CSDA. In addition, affiliated chapters will:

- Be protected from liability in the event of action against the state association
- Have access to CSDA/Chapter logo, member database and other intellectual property
- Will receive technical assistance from CSDA, including recruitment assistance, chapter website development and communications support
- Will have priority when scheduling visits from CSDA legislative staff and other CSDA representatives and speakers
- May receive additional training opportunities

Does this give CSDA control over our chapter process?

As long as the chapter conducts activities that are consistent with the mission and purposes of CSDA, your group will continue to function as before. An affiliated chapter will need to meet the agreement’s guidelines regarding bylaws, membership requirements, liability insurance and information sharing.

Why does our chapter have to have insurance?

CSDA recommends each chapter have liability insurance to protect itself and its members, as well as the state association, from potential liability. Simple and affordable event-related coverages are available from a number of firms and CSDA can provide contacts if requested. In lieu of an insurance policy, chapters may choose to provide a written certificate from each member district that would certify the district’s representatives are covered by the district’s insurance when participating in chapter activities.

Will our chapter have to give any money to CSDA?

No. The chapter will not be required to pass any of their income to CSDA to be considered a chapter of CSDA.

Does the affiliation agreement mean there will be mandatory membership in the state association?

Per the CSDA bylaws updated August 2011, 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 (ISDOC), Placer, Sacramento, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara and Ventura. Only new chapters formed after August 1, 2011 are asked to have 100 percent of their district members as CSDA members in order to be a chapter affiliate of CSDA.

What if our chapter does not sign the agreement?

If a local special district association is not interested in being formally affiliated with CSDA, they will continue functioning much as before. However, the group will no longer be able to use the CSDA name or logo or be referred to as a "chapter" of the state association. Affiliated chapters will be given priority in terms of CSDA staff time and other resources.