

**FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
08/04/25**

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Consider recommendations from District for the election of Directors to the Special District Risk Management Authority Board of Directors and authorize the APCO and Administrative Services Office/Clerk of the Board to submit ballot through SDRMA website.

RECOMMENDATION:

Select from the attached list of candidates for the election of directors to the Special District Risk Management Authority Board of Directors.

BACKGROUND:

The District has been a member of California Special District Association (CSDA) since July 1, 2005. As a member of the CSDA (a not-for-profit association) the District is eligible for education and training, insurance programs, legal advice, industry-wide litigation, to name just a few.

The Special District Risk Management Authority (SDRMA) is a public agency that provides a full-service risk management program for California's local governments. The District is part of the self-insured pool and contracts for both Worker's Compensation Insurance Program and the Property/Liability Program.

Historically, the District has recommended candidates that are concerned with smaller districts and costs. With that in mind, staff recommends the following:

Mr. Steven Ruettgers (Incumbent)

Mr. Tom Wright (Incumbent)

Mr. Mike Scheafer (Incumbent)

Mr. Robert Housley, CSDM (Incumbent)

FISCAL IMPACT:

None.



June 16, 2025

Rachelle Channel
Administrative Services Officer
Feather River Air Quality Management District
541 Washington Avenue
Yuba City, California 95991

RECEIVED
RECEIVED

JUN 23 2025

JUN 23 2025

FEATHER RIVER
AQMD

RE: Notification of Election Ballot – 2025 SDRMA Board of Directors Election

Dear Rachelle:

The Special District Risk Management Authority (SDRMA) Board of Directors 2025 Election began in March, with the opening of nominations. On May 22, 2025, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2024-08 Establishing Guidelines for Director Elections. The Election Committee confirmed that (5) candidates met the qualification requirements, and those names are included on the Official Election Ballot.

This year, SDRMA is using an electronic voting system in MemberPlus, allowing the Primary Contact of each member agency to easily vote online on behalf of their agency. A member may not vote unless the member was a member of SDRMA in "good standing" on or before the nomination due date for the pending election. "Good standing" is defined as no accounts receivable due to SDRMA which is more than ninety (90) days past due.

To vote, log in to MemberPlus and select the "Board Election" dropdown. The Primary Contact of each agency can electronically vote by selecting the "Submit Ballot" link. If you wish to submit a paper ballot, or designate an alternate contact to vote online, please contact Candice Richardson at crichardson@sdrma.org.

The Official Election Ballot Document Packet has been posted to MemberPlus and includes the following:

- *Election Ballot Instructions*
- *Official Election Ballot (Action Required in MemberPlus)*
- *Candidate's Statements of Qualifications (5)*





The Election Ballot **MUST** be submitted on or before 4:30 p.m. on Monday, September 22, 2025.

Important Balloting and Election Dates – The balloting and election dates are as follows:

- **September 22, 2025:** Deadline for members to submit your vote.
- **September 23-26, 2025:** Ballots are tabulated.
- **September 29, 2025:** Election results are announced, and candidates notified.
- **November 5-6, 2025:** Newly elected Directors are invited to attend SDRMA board meeting (Sacramento).
- **January 2026:** Newly elected Directors are seated, and Board officer elections are held.

If you have any questions or would like to request a printed copy of the election documents, please contact SDRMA's Management Analyst Candice Richardson at crichardson@sdrma.org or 800-537-7790.

Sincerely,
Special District Risk Management Authority

Candice Richardson
Management Analyst





SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for four (4) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was announced to the membership in March 2025.

On May 22, 2025, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2024-08 Establishing Guidelines for Director Elections. The Election Committee confirmed that (5) candidates met the qualification requirements, and those names are included on the Official Election Ballot.

The Official Election Ballot along with a Statement of Qualifications as submitted by each candidate are posted to the SDRMA MemberPlus portal along with these instructions. The election instructions are as follows:

1. Cast your vote in MemberPlus by clicking on the "Board Election" dropdown on the left hand side, and selecting the "Submit Ballot" link. You may choose up to four (4) candidates.
2. **The Primary Contact assigned to each agency will have the authority to vote online.** If you would like to assign an alternate to vote, the Primary Contact or General Manager assigned to your agency must email crichardson@sdrma.org and choose a Designated Voting Representative.
3. Please contact Candice Richardson at crichardson@sdrma.org if you wish to submit a paper ballot.
4. Votes must be submitted on or before 4:30 p.m. on Monday September 22, 2025.
5. The four-year terms for newly elected Directors will begin on January 1, 2026, and terminate on December 31, 2029.
6. Important balloting and election dates are:
 - **September 22, 2025:** Deadline for members to submit your vote.
 - **September 23-26, 2025:** Ballots are tabulated.
 - **September 29, 2025:** Election results are announced, and candidates notified.
 - **November 5-6, 2025:** Newly elected Directors are invited to attend SDRMA board meeting (Sacramento).
 - **January 2026:** Newly elected Directors are seated, and Board officer elections are held.

Please do not hesitate to contact SDRMA's Management Analyst Candice Richardson at crichardson@sdrma.org or 800-537-7790 if you have any questions regarding the election and balloting process.

2025 Nomination/Election Schedule



JANUARY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

FEBRUARY						
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MARCH						
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23/ 30	24/ 31	25	26	27	28	29

APRIL						
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27	28	29	30			

MAY						
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JUNE						
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29	30					

JULY						
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AUGUST						
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SEPTEMBER						
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14	15	16	17	18	19	20
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28	29	30				

OCTOBER						
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NOVEMBER						
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DECEMBER						
S	M	T	W	T	F	S
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14	15	16	17	18	19	20
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28	29	30	31			

TASK TIMELINE

11/5/24 Board approves 2025 Election Schedule

2/5-6 Election Committee is appointed/ratified

3/3 Notification of Election & Nomination
procedure sent to Members
90 days prior to posting of Ballots

5/16 Deadline to return Nominations
30 days prior to Election

5/22 *Tentative* - Election Committee
Meeting - Reviews Nominations (Virtual)

6/16-18 Ballots Posted to MemberPlus
60 days prior to Ballot Receipt Deadline

9/22 Deadline to Submit Ballots
9/25 *Tentative* - Election Committee Meeting to
Verify Election Results (Virtual)
No more than 5 days after 9/22

9/29 Election Committee Notifies Successful
Candidates of Election Results

11/5-6 Directors' Elect are invited to attend
November Board Meeting

1/2026 Newly Elected Directors' Seated and
Election of Officers

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* Steven Ruetters

District/Agency Kern Mosquito & Vector Control District

Work Address 4705 Allen Road, Bakersfield, CA 93314

Work Phone (661) 589-2744

Cell Phone (661) 332-8287

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

To serve the needs of the SDRMA members consistent with SDRMA's mission statement: to provide excellent risk financing and risk management services through a financially sound pool to California public agencies, delivered in a timely and responsive cost-efficient manner.

I recently retired from the Kern County Water Agency, and desire to continue to contribute to the needs of special districts as I have in the past. This opportunity matches well with my experience, education, and dedication.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Served 22 years on the Audit-Finance Committee of the ACWA JPIA* (see below), which provided financial oversight to the organization and its programs (Liability, Property, Workers Compensation, Health Insurance, and pass through insurance).

Served 1 year on the Property Committee of the ACWA JPIA* (see below) before I was asked to serve on the Audit-Finance Committee.

Kern Mosquito & Vector Control District (current Board Member)

North of the River Sanitary District (current Board Member with 17 years experience)

North of the River Recreation & Park District (past Board Member with 22 years experience)

* ACWA JPIA (Association of California Water Agencies Joint Powers Insurance Authority) is a collection of risk pools similar to SDRMA serving nearly 400 California water districts, which has similar member services available and a captive insurance entity.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Oregon State University, BS Finance, Minor Economics

California State University, Bakersfield, MBA

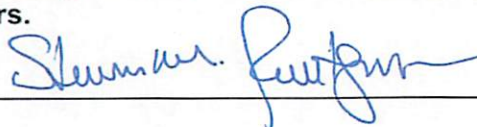
Business Manager, Kern County Water Agency, 33 years

What is your overall vision for SDRMA? (Response Required)

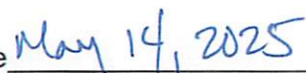
To remain consistent with the vision of the SDRMA as outlined in its mission statement. The goals of cost-effectiveness, stability, and reliability in the current insurance/risk market is difficult, though worth pursuing in earnest for all SDRMA members.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date



**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Candidate* Thomas B. Wright
District/Agency Clovis Veterans Memorial District
Work Address 808 4th St. Clovis, CA 93612
Work Phone 559-299-0473 Cell Phone 559-341-2857

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I was honored to be elected to the SDRMA Board for the first time four years ago. During my time on the Board I have come to appreciate the role of this organization and its extreme importance to Special Districts throughout the state. I believe SDRMA to be the finest example of "government" doing its job in the best possible manner. I would be honored to continue serving with this organization.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have been active in California Special Districts for decades. I am currently serving as Chairman of the Clovis Veterans Memorial District. Four years ago I was elected to the SDRMA Board of Directors, and subsequently appointed to the Special Districts Leadership Foundation board.

I have been involved in community and regional leadership activities all of my adult life; ranging from service clubs like Rotary and Lions Clubs, Chambers of Commerce, city and school district bond and tax elections, and local service organizations like the Clovis Rodeo Association. During my term with the SDRMA Board I have come to understand and appreciate the professionalism, extremely high standards, and effectiveness of the SDRMA in serving Special Districts.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I have served in leadership positions for many community organizations, local governments, educational boards and committees at all levels, and grassroots movements to assist with emergencies and special needs. Beyond local and state matters, I've been privileged to work with national and even international services in which people working together for the betterment of communities in need and make amazing things happen.

What is your overall vision for SDRMA? (Response Required)

My vision for the SDRMA is to continue to build upon the services it offers its members, always with an eye upon the quality of what we offer and to keep its costs at fair and minimal levels. We have endured some excruciating challenges at SDRMA over the past four years, from wildfires to the abandonment of California by many of its traditional insurance companies. The sound financial condition of SDRMA and its determination to maintain its high standards has served our membership well.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature Thomas B. Wight Date MARCH 24, 2025

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

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Candidate* MIKE SCHEAFER

District/Agency COSTA MESA SANITARY DISTRICT

Work Address 290 PAULARINO AVE, COSTA MESA, CA92626

Work Phone 949-645-8400

Cell Phone 714-552-9858

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot. exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As an incumbent of the SDRMA Board I wish to continue providing my expertise, decision making and ability to help Special Districts manage their insurance and risk management challenges and programs. I have dedicated many hours towards those efforts and feel I continue being a valuable asset to the member agencies.

I am uniquely qualified to continue serving on the SDRMA Board as I have over 50 years of experience in the private insurance field.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have served on the the SDRMA Board since 2014, with 3+ years as Board President. I have continued to work for policies that provide exceptional protection at rates that are reasonable. I am always mindful that public agencies need to protect their constituents at the most affordable rates.

I have been an insurance professional in my private career for over 50 years. I have been awarded numerous insurance industry awards and recognitions for service and dedication to my customers.

I currently hold a Community College teaching credential in insurance education. Additionally I have provided training course instruction for new insurance professionals.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I am the current Board President for the Costa Mesa Sanitary District, serving on that Board for 16 years. I am a former City Councilmember for the City of Costa Mesa, a former Parks and Recreation Commissioner and past President of the Costa Mesa Senior Center.

I have been a dedicated member of the Lions Club, serving as District Governor in 1997-1998.

I founded the Costa Mesa Little League, served as President and coached. I served as a Little League Assistant District Administrator. Served as President of the local Boys and Girls Club Board of Directors.

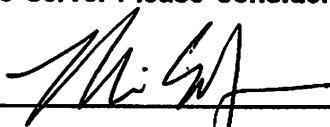
What is your overall vision for SDRMA? (Response Required)

My vision is to continue helping Special Districts have the very best, most comprehensive risk protection at the most affordable rates. To continue helping Districts and agencies with outstanding, innovative, and comprehensive programs that give them peace of mind knowing that unforeseen contingencies will not disrupt or destroy the services they provide.

Insurance can be very difficult, especially now with the state of issues in California. Districts need the experienced hand that I will continue to provide. I will work to make it less difficult and more affordable.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____



Date _____

5/12/25

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* Robert Housley, CSDM

District/Agency Midway City Sanitary District

Work Address 14451 Cedarwood Street, Westminster, CA 92683

Work Phone 714-893-3553

Cell Phone 562-239-7557

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I am seeking to continue my service on the SDRMA Board of Directors, to share my experience and insights, stay actively engaged, and continue learning from others in the industry. With 25 years of experience working in a variety of special districts, including those with very limited financial resources, I understand the challenges many agencies face in balancing fiscal responsibility with providing essential services.

Serving in this capacity would allow me to give back to other agencies by sharing my perspective, helping to shape policies, and supporting collaborative solutions that benefit members. I see this as an opportunity to strengthen risk management practices, advocate for special districts, and ensure that all agencies, regardless of size or resources, have access to the support they need to succeed and serve their communities.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I currently serve on the SDRMA Board of Directors and have additional board and committee experience as a member of the Alliance Executive Council (AEC), the CSDA Professional Development Committee, and, as a staff member at Midway City Sanitary District, I actively participate in the Legislative & Public Affairs Outreach Committee and the Franchise Committee.

With 26 years of experience in special districts, as a General Manager and previously as a Director of Finance & Human Resources, I have regularly collaborated with many governing bodies at many different levels and statewide associations, gaining practical experience in policy development, risk management, and member services, all of which directly support the responsibilities of an effective SDRMA Board Member.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I have an MBA from the University of La Verne with an emphasis in accounting and I am also a Certified Special District Manager (CSDM).

My other special skills and experience include being a forward-thinking, community-focused leader and a problem solver with more than 26 years of experience working in various special districts. I value collaboration, active listening, and service to others.

I have volunteered as an assistant coach for both Up & Running Again at the Orange County Rescue Mission and as a coach for Back on My Feet at the Long Beach Rescue Mission, both are programs that support individuals experiencing homelessness through community and goal setting. I have also volunteered with the food pantry at church, and I have coached and refereed for many years in AYSO soccer. These experiences reflect my long-standing commitment to public service and community involvement.

What is your overall vision for SDRMA? (Response Required)

I am eager to help advance the outstanding work currently being done by SDRMA. As a General Manager, I understand the critical importance of effective risk management for all Special Districts, as well as the fiscal constraints and limited access to resources that many districts face, particularly those with smaller operations or minimal staffing.

It is my vision to continue building on SDRMA's solid foundation by broadening awareness of its services and ensuring that all Special Districts recognize and benefit from the valuable support it provides. I believe SDRMA should serve as both a partner and an extension of every member district, delivering not only services but also the dependable support districts need to operate safely, efficiently, and confidently in service to their communities.

I am also committed to identifying and pursuing value-added services and new opportunities that enhance the benefits of membership while keeping costs manageable for all members. By expanding outreach and engagement, we can grow SDRMA's reach and deepen its impact across the state.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

5/1/2025

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates
– no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* **Virginia Chang Kiraly**
District/Agency San Mateo County Harbor District
Work Address P.O. Box 1449, El Granada Ca, 94018
Work Phone 650-583-4400 Cell Phone 650-868-8515

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I believe in SDRMA's mission to provide financially-sound pool resources for risk management, and risk financing for public agencies. Special districts throughout California provide services to tens of millions of Californians, and risk management becomes more crucial every year to safeguard against significant risk exposure.

I have personally seen the value that SDRMA has added for the San Mateo County Harbor District during the ten years I have been an elected Commissioner. Special districts like the Harbor District's commonly face challenges caused by specious claims or lawsuits, captious board governance, or providing affordable medical coverage for employees. SDRMA has been there for the Harbor District and the 780,000 San Mateo County residents to mitigate risk exposure and curb financial liability. I've seen firsthand the value SDRMA provided to the Harbor District, and want to ensure their services remain available.

**What Board or committee experience do you have that would help you to be an effective Board Member?
(SDRMA or any other organization) (Response Required)**

My extensive board experience on elected and appointed boards/committees and on nonprofit boards/committees have given me knowledge about board governance, parliamentary procedure, the public process, organizational integrity and ethical standards, transparency, and accountability.

Public Service & Elected Office

For more than two decades, I have served on various nonprofit boards and currently serve on two independent special district elected boards: the Menlo Park Fire Protection District Board of Directors (Fire Board) and the San Mateo County Harbor District Board of Commissioners (Harbor Board).

I also served for seven years as a Commissioner on the California Commission for Economic Development, appointed by Governor Schwarzenegger. On the California Commission for Economic Development, I was appointed by then-Lt. Governor Garamendi to chair the Biotech Advisory Committee and serve on the Goods Movement Committee and the Agriculture Committee. In 2014, the Commission for Economic Development became Go Biz, which is the California Governor's Office of Business and Economic Development created by Governor Brown.

I have served as President, Vice President, Treasurer, and Secretary on both the Harbor and Fire Boards, as well as chairing and serving on various Brown Act committees, such as finance and human resources. Overseeing tens of millions of tax dollars, my experience in finance and budgeting have greatly contributed to the fact that both the Harbor Board and Fire Board are debt-free, have consistently paid down unfunded pension liabilities, hired an investment advisor for cash management, capitalized on macroeconomic factors to earn interest income, and

Special District Risk Management Authority Board of Directors Candidate's Statement of Qualifications

improved the readability of both budgets so that the public can understand how their tax dollars are spent.

For the Harbor Board, I have also served, and currently serve, on the Oyster Point Marina Liaison Committee, which works with two South San Francisco councilmembers and meets at least once a year, to ensure that the terms of the Memorandum of Understanding are being honored as the manager of the marina, and that any updates are discussed for the benefit of the public, Oyster Point Marina tenants, and the Water Emergency Transportation Authority (WETA) that is San Mateo County's only public ferry transportation provider.

In San Mateo County, I have served on the San Mateo County Civil Grand Jury as a juror and foreperson. I currently serve on the San Mateo County LAFCO Board as one of two special district representatives, and on the San Mateo County Treasury Oversight Committee, which was established after the county pool lost \$155 million from the Lehman Brothers bankruptcy. These two committees are important for good government, transparency, and accountability.

Serving as a public servant on elected and appointed boards carries a responsibility to ensure the public's work is done on policymaking, fiscal oversight, making recommendations for the benefit of all Californians, and ensuring that public services and revenue generation continue so that essential services are provided and local economies thrives.

Nonprofit Board Service

While I have served on various nonprofit boards locally, some of my more notable board service statewide and regionally include:

- Silicon Valley Chapter of the American Red Cross
- California State Parks Foundation
- The Tech Museum of Innovation in San Jose
- Cultural Initiatives Silicon Valley

For traditional nonprofits, I have primarily served on fundraising committees, finance committees, and nominating committees. From my community service, I have had the honor of being recognized by the Silicon Valley Business Journal as a "Woman of Influence" in 2015.

Currently, I serve on the board of the California Association of Local Agency Formation Commissions (CALAFCO). For CALAFCO's board, I was elected to represent special districts for the Coastal Region, which is comprised of 15 counties from Ventura County to Sonoma County and going as far east as Alameda County and Contra Costa County. As part of CALAFCO's Legislative Committee, I research state legislation and bills and discuss how they affect LAFCOs in California's 58 counties.

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

I have an extensive background in financial research, planning, investments, and the capital markets. I have been involved with stock compensation plans, cash management, and retirement planning, as well as selling insurance products when I had a Series 6 license to do so. Further, I traded options for hedging purposes and also traded stocks and bonds for middle-markets institutional investors and high-net worth retail investors. My experience with risk management and mitigation has afforded me critical skills to help my agencies plan for future capital projects, pay down unfunded pension liabilities, and invest tax dollars to capitalize on the current economic

Special District Risk Management Authority

Board of Directors

Candidate's Statement of Qualifications

conditions and fluctuations in the capital markets.

I have a BA in Government and a minor Economics from the University of Texas at Austin and a Masters of Public Administration from the University of Southern California's Sol Price School of Public Policy. With my educational background and experience in elected offices, I understand how government and public agencies work from the elected officials' and public administrators' perspectives.

I have been able to use my professional experience by developing investment policies for both the Harbor District and Fire District and followed these policies to ensure principle preservation and meeting cash-flow needs. Further, since being elected to both the Harbor Board and Fire Board, I am proud that both agencies are debt-free, have consistently paid down unfunded pension liabilities, hired an investment advisor for cash management, capitalized on macroeconomic factors to earn interest income, and improved the readability of both budgets so that the public can understand how their tax dollars are spent. I have also served on the Audit Committee of both districts, which have consistently had clean audits.

As a member of the San Mateo County Treasury Oversight Committee, overseeing approximately \$4 billion, my financial expertise and background have been put to use to navigate market uncertainties and an inverted-yield curve environment that required more short-term investments to capture higher yields over the last couple of years. Also, having served on San Mateo County's Measure G Parcel Tax Committee for the San Mateo County Community College District, I understand the importance of the role of oversight of tax dollars. Financial transparency and accountability are crucial for public agencies to keep the public's trust as fiduciaries of tax dollars, and I will bring this experience to the SDRMA Board.

Working on nonprofit boards has given me an opportunity to advocate for organizations whose work I believe in. I have primarily been an advocate for disaster preparedness, state parks, mental health, senior services, and education. I have served on various boards and committees that have allowed me to plan an author's salon to raise money for senior services and San Mateo County's Meals on Wheels program, to lobby the state legislators to protect California state parks during Park Advocacy Day, to provide mental-health services for first responders and the Asian community after the farmworker shooting in Half Moon Bay, and to raise money for my local public schools, among many other causes. Because of my background in business development, advocacy, and sales, I have generally been involved with fundraising committees for the nonprofits, which has allowed me to build partnerships with corporate sponsors and donors and work well with board colleagues and staff.

What is your overall vision for SDRMA? (Response Required)

My overall vision for SDRMA is to increase its membership and educate prospective members about how SDRMA's pool is important for special districts' risk management and why being an SDRMA member is a great investment for special districts. California has approximately 3,400 special districts, so there is a tremendous opportunity to increase membership. There is also an opportunity to provide members with more education about SDRG and the benefits of reinsurance for customized coverage and long-term stability for risk management. In the end, a special district's bottom line could benefit with more members, and these benefits should be part of the communication narrative to the public as an excellent way of protecting public services and public assets.

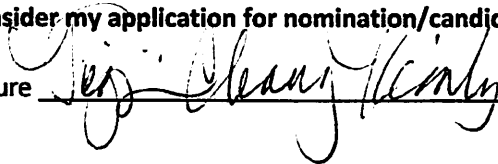
My professional background in finance and the capital markets and my role in elected office and oversight committees give me a great understanding of risk management for special districts, which provide essential

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

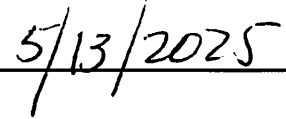
services funded by tax dollars. I would be honored to have your vote to serve on the SDRMA Board of Directors. Thank you for your consideration.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date



2025 Special District Risk Management Authority (SDRMA) Board of Directors Voting Page

There are 4 seats open for the 2025 election year. To view the statement of qualifications for each candidate, select the button to the right of each candidate. Only the primary contact of your agency will have the ability to vote. If you'd like to designate an alternative to vote, contact Candice Richardson at crichardson@sdrma.org. You may make up to 4 selections from the list of candidates. Once you have made your selection(s), click the submit ballot button below.

CURRENT NOMINEES

Selected Name	Agency	Job Title	Statement of Qualifications
☐ Steven Ruettgers	Kern Mosquito & Vector Control District	Director	View
☐ Tom Wright (Incumbent)	Clovis Veterans Memorial District	Chairman	View
☐ Mike Scheafer (Incumbent)	Costa Mesa Sanitary District	Board President	View
☐ Robert Housley, CSDM (Incumbent)	Midway City Sanitary District	General Manager	View
☐ Virginia Chang Kiraly	San Mateo County Harbor District	Commissioner	View

[Submit Ballot](#)



July 2, 2024

To: SDRMA Members

From: Sandy A. Seifert-Raffelson, President

Re: SDRMA Bylaws Update

On June 26, 2024, the SDRMA Board of Directors approved tentative Bylaw revisions in draft form and authorized staff to send the proposed Bylaw revisions to members for review and comment. Current Bylaws require that members receive a draft of the proposed Bylaw revisions at least 30 days before final approval by the SDRMA Board of Directors. The Board will take final action on the revised Bylaws at the next regular board meeting at 2:00 p.m. on August 7, 2024, in Sacramento, California at the SDRMA administration building.

Regarding the Bylaw revisions, the proposed amendments are related to the change in the election process and minor administrative updates. Provided for your review is the "redlined" version of the Bylaws showing proposed revisions (see attached).

There is no action required by your agency. However, if you have any comments on the proposed Bylaw revisions, please e-mail us at memberplus@sdrma.org.

Thank you for your feedback and continued partnership with SDRMA!

If you have any questions, please contact us at memberplus@sdrma.org or 800.537.7790.

Sincerely,

Special District Risk Management Authority

A handwritten signature in blue ink that reads "Sandy Seifert-Raffelson".

Sandy A. Seifert-Raffelson, President
SDRMA Board of Directors



**BYLAWS
OF
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

THESE BYLAWS are for the regulation of Special District Risk Management Authority (the "Authority"). The definitions of terms used in these Bylaws shall be those definitions contained in the Sixth Amended and Restated Joint Powers Agreement relating to the Authority (the "Agreement"), supplements to such Agreement, and subsequent amendments to such Agreement, unless the context requires otherwise.

**ARTICLE I
MEMBERSHIP**

1. Eligibility

Any district, public agency, or public entity organized under the laws of the State of California, which is a member of the California Special Districts Association ("CSDA") is eligible for membership in the Authority upon approval by the Board of Directors of the Authority.

2. Participating Member

A "Member," as that term is used herein, is any public entity described in Section 1 above in the State of California whose participation in the Authority has been approved by the Board of Directors, and which (a) has executed the Joint Powers Agreement or successor document pursuant to which these Bylaws are adopted, and (b) which participates in a Joint Protection Program. ~~Absent specific approval of the Board of Directors, A~~all members shall at all times be a participant in either the Property/Liability Program or Workers' Compensation Program established by the Authority.

3. Successor Member Entity

Should any Member reorganize in accordance with the statutes of the State of California, the successor in interest, or successors in interest, if a member of CSDA, may be substituted as a Member upon approval by the Board of Directors of the Authority.

4. Annual Membership Meeting

An annual meeting of the members of the Authority shall be held at a time and place to be determined by the Board of Directors. The annual meeting shall be conducted in accordance with policies established by the Board of Directors. Each and every entity that is a Member of the Authority shall, no less than thirty (30) calendar days prior to such meeting, be given ~~written~~ notice of the time and place of the meeting. The final agenda will be posted 72 hours prior to the meeting in the manner provided by the Ralph M. Brown Act

(California Government Code Section 54950 *et seq.* (the "Brown Act")). The agenda shall include:

- a. Those matters which are intended to be presented for action by the Board of Directors;
- b. The general nature of any proposal to be presented for action; and
- c. Such other matters, if any, as may be expressly required by statute or by the Agreement.

ARTICLE II BOARD OF DIRECTORS

1. Powers

Under the Agreement or successor document, the Authority is empowered to carry out all of its powers and functions through a Board of Directors. The Board of Directors shall have the powers set forth as follows, or as otherwise provided in the Agreement:

- a. to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;
- b. to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;
- c. to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;
- d. to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- e. to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities;
- f. to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;
- g. to employ agents and employees, and/or to contract for such services;
- h. to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority ~~under Article 2 or Article 4 of the Act;~~
- i. to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;
- j. to sue and be sued in its own name; and
- k. to exercise all powers necessary and proper to carry out the terms and provisions of ~~this~~ the Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act.

2. Nomination of Directors

Members may nominate candidates to the Board of Directors in the following manner:

- a. A Member may place into nomination its candidate for any open position on the Board of Directors in accordance with election guidelines established by the Board of Directors.
- b. Each candidate for election as a director must be a member of the board of directors or a management employee of a Member (as determined by the Member's governing board). Only one representative from any Member may serve on the Board of Directors at the same time.
- c. Nominating forms must be completed and received by the Authority at least ~~fifty-thirty~~ (5030) days before the date the election will occur.
- d. This nomination process shall be the sole method for placing candidates into nomination for the Board of Directors.

3. Terms of Directors

The composition of the Board shall be as set forth in the Agreement. The election of directors shall be held in each odd-numbered year. The terms of the directors elected by the Members will be staggered. Four directors will serve four-year terms, to end on December 31 of one odd-numbered year. Three directors will serve four-year terms, to end on December 31 of the alternate odd-numbered year.

The failure of a director to attend three (3) consecutive regular meetings of the Board (provided such meetings shall occur in a period of not less than three (3) successive months), except when prevented by sickness, or except when absent from the State with the prior consent of the Board, as provided by Government Code, Section 1770 shall cause such director's remaining term in office to be considered vacant. A successor director shall be selected for the duration of such director's term as set forth in Section 5 hereof.

4. Election of Directors

Members may vote for directors in accordance with the balloting process guidelines established herein or as otherwise established by policy of the Board of Directors. Each Member shall have one vote in the election per elected position.

The Board of Directors will conduct the election of directors to serve on the Board of Directors ~~by all mail ballot~~. ~~Written n~~Notice shall be sent ~~by mail~~ to each Member no later than ninety (90) days prior to the date scheduled for such election. Said notice shall (i)

inform each Member of the positions to be filled on the Board of Directors at such election; and (ii) inform each Member of its right to nominate candidates for any office to be filled at the election to Article II, Section 2 of the Bylaws. A form of ~~mail~~ ballot containing ~~all mailed~~ nominations accepted for any office to be filled at the election shall be ~~sent~~mailed in accordance with policy established by the Board of Directors to each Member. Said ~~mailed~~ ballot shall indicate that each Member may return the ballot in accordance with policy established by the Board of Directors ~~to the principal business address of the Authority~~ and that only those ballots received prior to the close of business on the date designated for the election shall be considered valid and counted.

5. Vacancy

Upon the death or resignation of any member of the elected Board of Directors, or the determination such member's remaining term is vacant pursuant to Section 3 hereof, the vacancy shall be filled for the balance of the unexpired term by appointment in accordance with policy established by the Board of Directors.

6. Meetings

The business of the Board of Directors shall be conducted and exercised only at a regular or special meeting of the Board of Directors held in accordance with law. Written or electronic notice of each meeting shall be given to each director of the Board by ~~mail or other means~~ of-written or electronic communication, in the manner provided by the Brown Act. Such notice shall specify the place, the date, and the hour of such meeting.

Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement, may be called at any time by the President, or by the Vice President in the absence or disability of the President, or by a majority of the members of the Board. The notice of the special meeting shall specify the time and place of the meeting and the business to be transacted. No other business shall be considered at the meeting.

Any annual, regular, or special Board of Directors' meeting, whether or not a quorum is present, may be adjourned from time to time, as provided by the Brown Act.

Minutes of any and all open meetings shall be available to Members upon request and distributed ~~by mail,~~ electronically, or available on the Authority's MemberPlus on-line web portal.

7. Quorum and Required Vote

A quorum of the Board of Directors shall be a majority of the total number of directors. A quorum must be present at any meeting before the business of the Board of Directors can be transacted. Four directors shall constitute a quorum. The vote of a majority of the Board

of Directors shall be required for any act or decision of the Board of Directors, except as otherwise specifically provided by law or the Agreement. The directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave less than a quorum.

8. Expenses

Board members shall be reimbursed by the Authority in accordance with policy approved by the Board of Directors for all reasonable and necessary travel expenses when required or incurred by any director in connection with attendance at a meeting of the Board of Directors or a committee thereof and for such other expenses as are approved by the Board. These expenses shall include, but shall not be limited to, all charges for meals, lodging, airfare, and the costs of travel by automobile at a rate per mile established by the Board of Directors.

ARTICLE III
OFFICERS AND EMPLOYEES

1. President, Vice President and Secretary

There shall be three officers of the Board: a president, a vice president and a secretary, who shall be members of the Board of Directors.

Election of officers shall be held at the first meeting following January 1 of each year, and each officer's term shall begin immediately thereafter, and shall end following adjournment of the first meeting following January 1 of the next year, or as soon thereafter as a successor is elected.

In the event the president, vice president or secretary so elected ceases to be a member of the Board of Directors, the resulting vacancy in the office shall be filled by election at the next regular meeting of the Board of Directors after such vacancy occurs. The president or vice president may be removed, without cause, by the Board of Directors at any regular or special meeting thereof, by a two-thirds vote of the voting members of the Board.

The president shall preside at and conduct all meetings of the Board of Directors, and shall carry out the resolutions and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. The president shall be ex-officio a member of all standing committees, if any. In the absence of the president, the vice president shall carry out the duties of the president. The secretary shall keep, or cause to be kept, minutes of all meetings, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

2. Board Committees

Committees of the Board may be appointed in accordance with policy established by the Board of Directors, and membership on such committees may be open to non-members of the Board of Directors. Committees shall include at least one (1) member of the Board of Directors, but may not include a majority of the Board of Directors.

3. Chief Executive Officer

The Board shall appoint a Chief Executive Officer who shall have general administrative responsibility for the activities of the Authority. The Chief Executive Officer shall be paid by the Authority and is a contract position.

The Chief Executive Officer shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office ~~or such other place as the Executive Committee may order~~, a book of minutes of actions taken at all meetings of the Board of Directors, whether regular or special (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof. The Chief Executive Officer/ shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated representatives and alternates of each Member. The Chief Executive Officer/ shall give, or cause to be given, notice of all the meetings of the Board of Directors required by the Bylaws or by statute to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Agreement or the Bylaws.

The Chief Executive Officer shall have the duty of administering the Programs of the Authority, as provided for in the Agreement, shall have direct supervisory control of and responsibility for the operation of the Authority including appointment of necessary employees thereof, subject to the approved budget and prior authorization of each position by the Board, and such other related duties as may be prescribed by the Board or elsewhere in these Bylaws or the Agreement.

4. Execution of Contracts

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances except as otherwise provided by these Bylaws or the Agreement. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

5. Resignation

Any officer may resign at any time by giving written notice to the president or to the Chief Executive Officer of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IV TREASURER AND AUDITOR

1. Treasurer

The Board appoints the Chief Executive Officer to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

2. Auditor

The Auditor shall draw warrants to pay demands against SDRMA when approved by the Treasurer. Pursuant to Government Code Section 6505.6, the Board appoints the Chief Financial Officer to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-e).

ARTICLE ~~IV~~V DESIGNATED ENTITY

The Lewiston Community Services District is hereby designated as the applicable entity for defining the restrictions upon the manner of exercising power as set forth in the California Government Code Section 6509, and as provided for in the Agreement of which these Bylaws are a part.

Should the Lewiston Community Services District terminate its membership or be involuntarily terminated in accordance with provisions of these Bylaws, the Board of Directors shall, by resolution, name a successor Member as the "designated entity" until such time as this Article can be amended.

ARTICLE ~~V~~VI JOINT PROTECTION PROGRAMS

1. Implementation of Joint Protection Programs

The Board of Directors may, at any time, offer such Programs as it may deem desirable. Such Program or Programs shall be offered on such terms and conditions as the Board of Directors may determine. Members must participate in at least one Joint Protection Program, but participation in any additional Programs or plans will be optional. Those Programs currently include: Property/Liability, Workers' Compensation, Health Benefits and

various optional ancillary coverages. The Board of Directors shall establish the amount of Contributions, Estimated Contributions and Assessments, determine the amount of loss reserves, provide for the handling of claims, determine both the type and amount of insurance and/or reinsurance, if any, to be purchased, and otherwise establish the policies and procedures necessary to provide a particular Program for Members. As soon as feasible after development of the details of a Program, the specific rules and regulations for the implementation of such Program shall be adopted by the Board, which shall cause them to be set forth in written form in a Memorandum of Coverage document and Claims Manual prepared by the Authority for the Members.

2. Method of Calculating Contributions

The Board of Directors shall establish the method of calculating contributions for Members in each Program or plan annually.

ARTICLE ~~VI~~VII
FINANCIAL AFFAIRS

1. Accounts and Records

In compliance with California Government Code Sections 6505.5 and 6505.6 (or as they may be amended), the Treasurer of the Authority shall establish and maintain such bank accounts and maintain such books and records as determined by the Board of Directors and as required by generally accepted accounting principles, the Governing Documents, applicable law, or any Resolution of the Authority. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of Members. Periodically, but not less often than annually, financial reports shall be made available to all Members.

As provided in the Agreement, the funds, reserves and accounts of each Program shall not be commingled and shall be separately accounted for; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be allocated among Programs as determined by the Board of Directors.

2. Audit

The Authority shall obtain an annual audit of its financial statements, which audit shall be made by an independent certified public accountant and shall conform to generally accepted auditing standards and accounting principles. A copy of said audit report shall be available, upon request, to each of the Members. Such audit report shall be obtained and filed within six months after the end of the fiscal year under examination with the State Controller and the Auditor-Controller of Sacramento County. A copy will also be posted to the Authority's website.

3. Annual Budget

Prior to the beginning of each Fiscal Year (or Program Year, as appropriate) the Board shall annually approve an operating budget for the Authority, including a budget for each Joint Protection Program.

4. Risk Sharing

- a. Except as otherwise determined by the Board, all Programs established and/or operated under the Agreement or these Bylaws are intended to be risk-sharing programs. Notwithstanding this intention, and upon findings by the Board of Directors of the Authority that confirm the value thereof, the Board of Directors may recognize sound risk management and loss control by the members through contribution and coverage modifications.
- b. The Board of Directors authorizes the Chief Executive Officer to make adjustments to a member agency's specific deductibles, ~~risk factor~~, experience modification factor or the coverage afforded based on:
 - i. The Member's loss experience in comparison to the loss experience of the other members;
 - ii. Non-compliance with SDRMA recommended risk management or loss control measures;
 - iii. The Member's failure to allow SDRMA or its agents reasonable access to facilities and records in the event of a claim or a loss control inspection;
 - iv. The Member's failure to cooperate with SDRMA's officers, agents, employees, attorneys and claim adjusters; or
 - v. The Member's failure to honor any other reasonable request by SDRMA with respect to fulfilling the Member's responsibilities as outlined in Article 17 of the Joint Powers Agreement relating to the Authority.

5. Distribution of Net Position

Any Net Position from the operation of any Program, in such amounts and under such terms and conditions as may be determined by the Board of Directors, may be distributed to the Members in such Program. Any distribution of such funds shall be made on a pro rata basis in relation to net contributions paid to that Program and shall be made only to those Members which participated in the Program during the Program Year in which the Net Position were generated. Such distributions may be made to Members based on the Program Year(s) during which the Member participated, even if the Member is not a Member at the time of the distribution.

6. Assessments

- a. If, in the opinion of the Board of Directors, claims against Members in any particular Program or plan for any particular Program Year are of such a magnitude as to endanger the ability of the Authority to continue to meet its obligations for that Program for that Program Year, each Member who has participated in that particular Program or plan of the Authority during the applicable Program Year shall be assessed a pro rata share of the additional amount determined necessary by the Board of Directors to restore the ability of the Authority to continue to meet its obligations for the applicable Program Year.
- b. Each Member's pro rata share of the total Assessment shall be in the same proportion as that Member's gross contributions paid during or due for the applicable Program Year bears to the total gross Contributions paid by or due from all Members during the applicable Program Year. In calculating these amounts, the Assessment shall not be included in gross Contributions.
- c. Failure of any Member to pay any regular Contribution or Assessment when due shall be cause for the involuntary termination of that entity's membership in the Authority. Such Assessment shall be a debt due by all Members who have participated in the applicable Program or plan during the applicable Program Year, and shall not be discharged by termination of membership.

7. Fiscal Year

The Authority shall operate on a fiscal year commencing on July 1 and ending on the following June 30. Such fiscal year shall also be the Program Year for any Member in any Joint Protection Program.

8. Agency Funds; No Loans

All funds received within a Joint Protection Program, as determined by the Board, for the purposes of the Authority shall be utilized solely for the purposes of such Joint Protection Program, and all expenditures of funds shall be made only upon signatures authorized by the Board of Directors, which shall establish the necessary procedures for doing so. Any funds not required for the immediate need of the Authority, as determined by the Board of Directors, may be invested in any manner authorized by law for the investment of funds of a special district.

Except for the allocation of administrative and overhead expenses, and for investment purposes as set forth in the Agreement, Program funds shall not be commingled and shall be separately accounted for.

The Board may not approve loans between Programs.

9. Grants and Donations

Without in any way limiting the powers otherwise provided for in the Agreement, these Bylaws, or by statute, the Authority shall have the power and authority to receive, accept, and utilize the services of personnel offered by any Member, or their representatives or agents; to receive, accept, and utilize property, real or personal, from any Member or its agents or representatives; and to receive, accept, expend, and disburse funds by contract or otherwise, for purposes consistent with the provisions of the Agreement, which funds may be provided by any Member, their agents, or representatives.

10. Recovery of Payment

In the event of any payment by the Authority, the Authority may on behalf of the Member, either in the name of the Authority, in the name of the Member or both, recover sums paid to or on behalf of the Member from any person or organization liable, legally, contractually or otherwise, and the Member shall execute and deliver such instruments and papers, and do whatever else is necessary including execution of an assignment of all claims, including all rights to recover attorney fees, to the Authority or to a third party at the Authority's request, to secure such recovery and shall do nothing to impair such recovery. All sums recovered shall be applied to reimburse the Authority for payments made to or on behalf of the Member, to reimburse the Authority for the expense of such recovery, and to reimburse the Member for any deductible or co-insurance penalty paid.

ARTICLE ~~VIII~~^{VIII}

WITHDRAWALS; TERMINATION OF MEMBERSHIP

1. Withdrawal from Programs

A Member may voluntarily withdraw from any particular Program only in accordance with the applicable provision of the Agreement or any successor document thereto. A Member may withdraw from a Program without withdrawing from the Agreement if it is a participant in another Joint Protection Program of the Authority. Notice of intention to withdraw from a Program must be given to the Authority at least ninety (90) days prior to the end of the Program Year. No withdrawal shall become effective until the end of the applicable Program Year.

2. Involuntary Termination

Membership shall be deemed automatically terminated immediately and without prior notice upon the failure of any Member to maintain membership in at least one of the Authority's Programs.

In addition, a Member may be terminated from membership in a Program or the Agreement for cause upon a majority vote of the Board of Directors. The effective date of such termination shall be as determined by the Board of Directors, except that such termination shall take effect no later than sixty (60) days following the Board's decision to terminate and notice thereof is provided to the Member pursuant to Article ~~VIII~~VIII, Section 3. For purposes of this Section, cause shall be deemed to include the following:

- a. Failure to pay any contribution, deposit, contribution to loss reserve, or assessment when due.
- b. Failure to comply with the Bylaws or with the policies and procedures established by the Authority.
- c. Based on a Member's loss experience, the Board of Directors has determined it to be detrimental to the stability of the pool.
- d. Dissolution of a Member.
- e. Failure to maintain membership in CSDA.
- f. Failure to undertake or continue risk management or loss control measures recommended by SDRMA or the Board of Directors.
- g. Failure to allow SDRMA or its agents reasonable access to all facilities and records of the Member which are necessary for the proper administration of a Program.
- h. Failure to cooperate fully with SDRMA officers, employees, attorneys, claims adjusters or other agents.
- i. Failure of a Member, the elected governing body of a Member, or of other personnel of the Member to exercise the Member's powers or fulfill the Member's duties in accordance with the Constitution or laws of the State of California.
- j. Any other act, omission or event, whether or not the fault of the Member, which causes the Member's continued membership in SDRMA to be inconsistent with the best interests of SDRMA or any of its programs.

3. Notification; Hearing, Obligations Upon Involuntary Termination

A Member which is automatically terminated on account of its failure to maintain membership in at least one of the Authority's Programs shall be given notice of such termination within thirty (30) days after such automatic termination. However, the failure to give such notice shall not operate to reinstate such Member.

If the Chief Executive Officer determines that cause exists for a Member's termination and that the Member should, in the best interest of the Authority, be terminated, the Chief Executive Officer shall issue a written notice to the Member, sent by certified or first class mail, stating the reason or reasons for the proposed termination. In addition, the notice shall state that the Board of Directors, at the next regularly scheduled meeting or at a special meeting, on a date specified in the notice at least thirty (30) days following the date of the notice, will consider the Member's termination at the recommendation of the Chief

Executive Officer, and invite the Member to request a hearing on the proposed termination at the board meeting. Any request for a hearing must be made within ten (10) days of the date of the notice. If a hearing is timely requested by the Member at the meeting specified in the notice the Chief Executive Officer shall present the case for termination for cause to the Board of Directors. The Member shall have a reasonable opportunity to present its case to the Board of Directors and may attempt to show that since the date of the notice, it has undertaken steps to cure any curable grounds for termination.

The decision by a majority of the Board of Directors to terminate a Member shall be final and shall not be subject to appeal in any forum. Notice of the Board's decision shall be given to the Member by certified or first class mail within five (5) days following the decision of the Board of Directors and shall state the effective date of the termination.

Any terminated Member shall continue to be bound to those same continuing obligations to which a withdrawing Member is obligated in accordance with Article ~~VH~~VIII, Section 6 of these Bylaws.

4. Voluntary Withdrawal from Agreement

A Member may withdraw voluntarily only as provided in the Agreement. Notice of intention to withdraw from the Agreement must be given to the Authority at least 90 days prior to the end of the Program Year of any Program in which the Member participates at the time of the notice.

5. Payment Upon Termination of Membership

In the event of a termination of the membership of any Member by involuntary or voluntary termination, said Member shall thereafter be entitled to receive its pro rata share of any distribution of Net Position declared by the Board of Directors that pertains to a coverage year during which the terminated Member participated in any particular Program for which such distribution is made. Such payment shall be in full settlement and satisfaction of any and all claims that said terminated Member may have against the Authority.

6. Continued Liability

Upon withdrawal or involuntary termination of a Member, the Agreement shall not terminate and that Member shall continue to be responsible for any unpaid Contributions and for any Assessment(s) levied in accordance with the provisions of the Agreement or Bylaws. Such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid or donated by the Member to the Authority, or to return of any loss reserve contribution, or to any distribution of assets (except payment of any Net Position, as set forth in Article ~~VH~~VIII, section 5 above).

ARTICLE ~~VIII~~XTERMINATION OF THE AUTHORITY; TERMINATION OF PROGRAMS

1. After having made proper provision for the winding up of the affairs of the Authority and each of the Programs operated by the Authority, the Authority shall distribute the net assets of the Authority as follows:
 - a. The net remaining assets of the Property/Liability Joint Protection Program shall be paid on a pro rata share basis to each Member who is a member of said Joint Protection Program at the time of termination of the Authority. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to said Joint Protection Program or its predecessor in interest from its inception in 1986 and continuing throughout said Member's period of participation bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest during its period of operation by all members of said Joint Protection Program at the time of termination.
 - b. The Authority shall pay to each Member who is a member of the Workers' Compensation Coverage Joint Protection Program at the time of termination its pro rata share of the net remaining assets of said Joint Protection Program. A member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to said Joint Protection Program and its predecessor in interest offered by SDWCA, from its inception in 1982 and continuing throughout that Member's participation, bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest offered by SDWCA, during its period of operation by all members of said Joint Protection Program at the time of termination.
 - c. The Authority shall pay to each Member who is a member of any additional Program, excluding the Health Benefits Program operated by the Authority at the time of termination its pro rata share of the net remaining assets of said Program. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to such Program during its period of participation bears to the total Contributions and Assessments paid to that Program during its entire period of operation by all Members of that Program at the time of termination.
2. The Board of Directors is also vested with the power to terminate individual Programs operated by the Authority without terminating the Agreement or terminating the Authority. In the event of termination of a Program operated by the Authority, said Program shall continue to exist for the purpose of paying or making provision for the payment of all

known claims arising within said Program; for insuring, reinsuring or making other provision for the payment of any and all unknown claims covered by such Program; for the payment of all debts, liabilities, administrative expenses, and obligations of that Program out of the assets of that Program; and to perform all other functions necessary to wind up the business affairs of that Program. After having made proper provisions for the winding up the business affairs of a terminated Program, the Authority shall pay to each Member who is a member of that Program at the time of termination its pro rata share of net remaining assets of that Program. A Member's pro rata share of the net remaining assets of each such terminated Program shall be computed as set forth in paragraph (1) above.

3. In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the existing Members, may elect to assign and transfer all of the Authority's rights, assets, claims, liabilities and obligations to a successor joint powers authority created under the Act.

ARTICLE ~~IX~~
PROVISIONS RELATING TO CSDA

1. Board of Directors; Alliance Executive Council

In the event the Alliance Executive Council MOU has been terminated or the Authority has withdrawn from the MOU, two (2) additional directors to be appointed by CSDA shall increase the composition of the Board of Directors. So long as the Authority is a participant in the MOU, the Board shall appoint three (3) members of the Board to serve as members of the Alliance Executive Council.

CSDA is authorized to appoint two (2) directors as provided in the Agreement, the terms of such appointed directors will end on December 31 of the alternate odd-numbered year to coincide with SDRMA's election of the minority number of directors.

Upon the death or resignation of a member of the Board of Directors appointed by CSDA, the vacancy shall be filled for the balance of the unexpired term by appointment by CSDA.

ARTICLE ~~XXI~~
AMENDMENTS; EFFECTIVE DATE

These Bylaws may be amended at any time by majority vote of the Board of Directors following a 30-day ~~written~~ notice to all Members as to the amendment(s) proposed to be adopted, except that these Bylaws cannot be amended in any way that would conflict with the terms and provisions of the Agreement or successor document and any amendment thereof. Said ~~written~~ notice provided to members shall include notification of the Board meeting date, time and location that action will be taken by the Board on the proposed amendments.

ARTICLE ~~XXII~~
PRIOR BYLAWS REVOKED

When approved by the Board of Directors these Bylaws, upon coming effective pursuant to Article ~~XXI~~ will supersede and replace all prior bylaws.

* * * * *

AYES: ~~6 — Scheafer, Seifert-Raffelson, Swan, Unruh, Claypool, Wright~~

NOES: ~~0~~

ABSTAINED: ~~0~~

ABSENT: ~~1 — Aranda~~

Approved:

~~Mike Scheafer~~ Sandy Seifert-Raffelson, President - Board of Directors

Date: ~~June 22, 2022~~ August 7, 2024

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Attested:

~~Laura S. Gill~~ Brian Kelley, ARM, ~~ARM-P, CSDM,~~ Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

**BYLAWS
OF
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

THESE BYLAWS are for the regulation of Special District Risk Management Authority (the "Authority"). The definitions of terms used in these Bylaws shall be those definitions contained in the Sixth Amended and Restated Joint Powers Agreement relating to the Authority (the "Agreement"), supplements to such Agreement, and subsequent amendments to such Agreement, unless the context requires otherwise.

**ARTICLE I
MEMBERSHIP**

1. Eligibility

Any district, public agency, or public entity organized under the laws of the State of California, which is a member of the California Special Districts Association ("CSDA") is eligible for membership in the Authority upon approval by the Board of Directors of the Authority.

2. Participating Member

A "Member," as that term is used herein, is any public entity described in Section 1 above in the State of California whose participation in the Authority has been approved by the Board of Directors, and which (a) has executed the Joint Powers Agreement or successor document pursuant to which these Bylaws are adopted, and (b) which participates in a Joint Protection Program. All members shall at all times be a participant in either the Property/Liability Program or Workers' Compensation Program established by the Authority.

3. Successor Member Entity

Should any Member reorganize in accordance with the statutes of the State of California, the successor in interest, or successors in interest, if a member of CSDA, may be substituted as a Member upon approval by the Board of Directors of the Authority.

4. Annual Membership Meeting

An annual meeting of the members of the Authority shall be held at a time and place to be determined by the Board of Directors. The annual meeting shall be conducted in accordance with policies established by the Board of Directors. Each and every entity that is a Member of the Authority shall, no less than thirty (30) calendar days prior to such meeting, be given notice of the time and place of the meeting. The final agenda will be posted 72 hours prior to the meeting in the manner provided by the Ralph M. Brown Act

(California Government Code Section 54950 *et seq.* (the “Brown Act”). The agenda shall include:

- a. Those matters which are intended to be presented for action by the Board of Directors;
- b. The general nature of any proposal to be presented for action; and
- c. Such other matters, if any, as may be expressly required by statute or by the Agreement.

ARTICLE II BOARD OF DIRECTORS

1. Powers

Under the Agreement or successor document, the Authority is empowered to carry out all of its powers and functions through a Board of Directors. The Board of Directors shall have the powers set forth as follows, or as otherwise provided in the Agreement:

- a. to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;
- b. to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;
- c. to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;
- d. to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- e. to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities;
- f. to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;
- g. to employ agents and employees, and/or to contract for such services;
- h. to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority;
- i. to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;
- j. to sue and be sued in its own name; and
- k. to exercise all powers necessary and proper to carry out the terms and provisions of the Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act.

2. Nomination of Directors

Members may nominate candidates to the Board of Directors in the following manner:

- a. A Member may place into nomination its candidate for any open position on the Board of Directors in accordance with election guidelines established by the Board of Directors.
- b. Each candidate for election as a director must be a member of the board of directors or a management employee of a Member (as determined by the Member's governing board). Only one representative from any Member may serve on the Board of Directors at the same time.
- c. Nominating forms must be completed and received by the Authority at least thirty (30) days before the date the election will occur.
- d. This nomination process shall be the sole method for placing candidates into nomination for the Board of Directors.

3. Terms of Directors

The composition of the Board shall be as set forth in the Agreement. The election of directors shall be held in each odd-numbered year. The terms of the directors elected by the Members will be staggered. Four directors will serve four-year terms, to end on December 31 of one odd-numbered year. Three directors will serve four-year terms, to end on December 31 of the alternate odd-numbered year.

The failure of a director to attend three (3) consecutive regular meetings of the Board (provided such meetings shall occur in a period of not less than three (3) successive months), except when prevented by sickness, or except when absent from the State with the prior consent of the Board, as provided by Government Code, Section 1770 shall cause such director's remaining term in office to be considered vacant. A successor director shall be selected for the duration of such director's term as set forth in Section 5 hereof.

4. Election of Directors

Members may vote for directors in accordance with the balloting process guidelines established herein or as otherwise established by policy of the Board of Directors. Each Member shall have one vote in the election per elected position.

The Board of Directors will conduct the election of directors to serve on the Board of Directors. Notice shall be sent to each Member no later than ninety (90) days prior to the date scheduled for such election. Said notice shall (i) inform each Member of the positions

to be filled on the Board of Directors at such election; and (ii) inform each Member of its right to nominate candidates for any office to be filled at the election to Article II, Section 2 of the Bylaws. A form of ballot containing nominations accepted for any office to be filled at the election shall be sent in accordance with policy established by the Board of Directors to each Member. Said ballot shall indicate that each Member may return the ballot in accordance with policy established by the Board of Directors and that only those ballots received prior to the close of business on the date designated for the election shall be considered valid and counted.

5. Vacancy

Upon the death or resignation of any member of the elected Board of Directors, or the determination such member's remaining term is vacant pursuant to Section 3 hereof, the vacancy shall be filled for the balance of the unexpired term by appointment in accordance with policy established by the Board of Directors.

6. Meetings

The business of the Board of Directors shall be conducted and exercised only at a regular or special meeting of the Board of Directors held in accordance with law. Written or electronic notice of each meeting shall be given to each director of the Board by written or electronic communication, in the manner provided by the Brown Act. Such notice shall specify the place, the date, and the hour of such meeting.

Special meetings of the Board of Directors, for the purpose of taking any action permitted by statute and the Agreement, may be called at any time by the President, or by the Vice President in the absence or disability of the President, or by a majority of the members of the Board. The notice of the special meeting shall specify the time and place of the meeting and the business to be transacted. No other business shall be considered at the meeting.

Any annual, regular, or special Board of Directors' meeting, whether or not a quorum is present, may be adjourned from time to time, as provided by the Brown Act.

Minutes of any and all open meetings shall be available to Members upon request and distributed electronically or available on the Authority's MemberPlus on-line web portal.

7. Quorum and Required Vote

A quorum of the Board of Directors shall be a majority of the total number of directors. A quorum must be present at any meeting before the business of the Board of Directors can be transacted. Four directors shall constitute a quorum. The vote of a majority of the Board of Directors shall be required for any act or decision of the Board of Directors, except as otherwise specifically provided by law or the Agreement. The directors present at a duly

called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave less than a quorum.

8. Expenses

Board members shall be reimbursed by the Authority in accordance with policy approved by the Board of Directors for all reasonable and necessary travel expenses when required or incurred by any director in connection with attendance at a meeting of the Board of Directors or a committee thereof and for such other expenses as are approved by the Board. These expenses shall include, but shall not be limited to, all charges for meals, lodging, airfare, and the costs of travel by automobile at a rate per mile established by the Board of Directors.

ARTICLE III
OFFICERS AND EMPLOYEES

1. President, Vice President and Secretary

There shall be three officers of the Board: a president, a vice president and a secretary, who shall be members of the Board of Directors.

Election of officers shall be held at the first meeting following January 1 of each year, and each officer's term shall begin immediately thereafter, and shall end following adjournment of the first meeting following January 1 of the next year, or as soon thereafter as a successor is elected.

In the event the president, vice president or secretary so elected ceases to be a member of the Board of Directors, the resulting vacancy in the office shall be filled by election at the next regular meeting of the Board of Directors after such vacancy occurs. The president or vice president may be removed, without cause, by the Board of Directors at any regular or special meeting thereof, by a two-thirds vote of the voting members of the Board.

The president shall preside at and conduct all meetings of the Board of Directors, and shall carry out the resolutions and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. The president shall be ex-officio a member of all standing committees, if any. In the absence of the president, the vice president shall carry out the duties of the president. The secretary shall keep, or cause to be kept, minutes of all meetings, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

2. Board Committees

Committees of the Board may be appointed in accordance with policy established by the Board of Directors, and membership on such committees may be open to non-members of the Board of Directors. Committees shall include at least one (1) member of the Board of Directors, but may not include a majority of the Board of Directors.

3. Chief Executive Officer

The Board shall appoint a Chief Executive Officer who shall have general administrative responsibility for the activities of the Authority. The Chief Executive Officer shall be paid by the Authority and is a contract position.

The Chief Executive Officer shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office, a book of minutes of actions taken at all meetings of the Board of Directors, whether regular or special (and, if special, how authorized), the notice thereof given, the names of those present at the meetings, and the proceedings thereof. The Chief Executive Officer/ shall keep, or cause to be kept, at the principal executive office of the Authority a list of all designated representatives and alternates of each Member. The Chief Executive Officer/ shall give, or cause to be given, notice of all the meetings of the Board of Directors required by the Bylaws or by statute to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board, the Agreement or the Bylaws.

The Chief Executive Officer shall have the duty of administering the Programs of the Authority, as provided for in the Agreement, shall have direct supervisory control of and responsibility for the operation of the Authority including appointment of necessary employees thereof, subject to the approved budget and prior authorization of each position by the Board, and such other related duties as may be prescribed by the Board or elsewhere in these Bylaws or the Agreement.

4. Execution of Contracts

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances except as otherwise provided by these Bylaws or the Agreement. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

5. Resignation

Any officer may resign at any time by giving written notice to the president or to the Chief Executive Officer of the Authority, without prejudice, however, to the rights, if any, of the Authority under any contract to which such officer is a party. Any such resignation shall take

effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IV
TREASURER AND AUDITOR

1. Treasurer

The Board appoints the Chief Executive Officer to the position of Treasurer, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

2. Auditor

The Auditor shall draw warrants to pay demands against SDRMA when approved by the Treasurer. Pursuant to Government Code Section 6505.6, the Board appoints the Chief Financial Officer to the position of Auditor, who shall comply with the provisions of Government Code Section 6505.5 (a-e).

ARTICLE V
DESIGNATED ENTITY

The Lewiston Community Services District is hereby designated as the applicable entity for defining the restrictions upon the manner of exercising power as set forth in the California Government Code Section 6509, and as provided for in the Agreement of which these Bylaws are a part.

Should the Lewiston Community Services District terminate its membership or be involuntarily terminated in accordance with provisions of these Bylaws, the Board of Directors shall, by resolution, name a successor Member as the "designated entity" until such time as this Article can be amended.

ARTICLE VI
JOINT PROTECTION PROGRAMS

1. Implementation of Joint Protection Programs

The Board of Directors may, at any time, offer such Programs as it may deem desirable. Such Program or Programs shall be offered on such terms and conditions as the Board of Directors may determine. Members must participate in at least one Joint Protection Program, but participation in any additional Programs or plans will be optional. Those Programs currently include: Property/Liability, Workers' Compensation, Health Benefits and various optional ancillary coverages. The Board of Directors shall establish the amount of Contributions, Estimated Contributions and Assessments, determine the amount of loss

reserves, provide for the handling of claims, determine both the type and amount of insurance and/or reinsurance, if any, to be purchased, and otherwise establish the policies and procedures necessary to provide a particular Program for Members. As soon as feasible after development of the details of a Program, the specific rules and regulations for the implementation of such Program shall be adopted by the Board, which shall cause them to be set forth in written form in a Memorandum of Coverage document and Claims Manual prepared by the Authority for the Members.

2. Method of Calculating Contributions

The Board of Directors shall establish the method of calculating contributions for Members in each Program or plan annually.

ARTICLE VII FINANCIAL AFFAIRS

1. Accounts and Records

In compliance with California Government Code Sections 6505.5 and 6505.6 (or as they may be amended), the Treasurer of the Authority shall establish and maintain such bank accounts and maintain such books and records as determined by the Board of Directors and as required by generally accepted accounting principles, the Governing Documents, applicable law, or any Resolution of the Authority. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of Members. Periodically, but not less often than annually, financial reports shall be made available to all Members.

As provided in the Agreement, the funds, reserves and accounts of each Program shall not be commingled and shall be separately accounted for; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be allocated among Programs as determined by the Board of Directors.

2. Audit

The Authority shall obtain an annual audit of its financial statements, which audit shall be made by an independent certified public accountant and shall conform to generally accepted auditing standards and accounting principles. A copy of said audit report shall be available, upon request, to each of the Members. Such audit report shall be obtained and filed within six months after the end of the fiscal year under examination with the State Controller and the Auditor-Controller of Sacramento County. A copy will also be posted to the Authority's website.

3. Annual Budget

Prior to the beginning of each Fiscal Year (or Program Year, as appropriate) the Board shall annually approve an operating budget for the Authority, including a budget for each Joint Protection Program.

4. Risk Sharing

- a. Except as otherwise determined by the Board, all Programs established and/or operated under the Agreement or these Bylaws are intended to be risk-sharing programs. Notwithstanding this intention, and upon findings by the Board of Directors of the Authority that confirm the value thereof, the Board of Directors may recognize sound risk management and loss control by the members through contribution and coverage modifications.
- b. The Board of Directors authorizes the Chief Executive Officer to make adjustments to a member agency's specific deductibles, experience modification factor or the coverage afforded based on:
 - i. The Member's loss experience in comparison to the loss experience of the other members;
 - ii. Non-compliance with SDRMA recommended risk management or loss control measures;
 - iii. The Member's failure to allow SDRMA or its agents reasonable access to facilities and records in the event of a claim or a loss control inspection;
 - iv. The Member's failure to cooperate with SDRMA's officers, agents, employees, attorneys and claim adjusters; or
 - v. The Member's failure to honor any other reasonable request by SDRMA with respect to fulfilling the Member's responsibilities as outlined in Article 17 of the Joint Powers Agreement relating to the Authority.

5. Distribution of Net Position

Any Net Position from the operation of any Program, in such amounts and under such terms and conditions as may be determined by the Board of Directors, may be distributed to the Members in such Program. Any distribution of such funds shall be made on a pro rata basis in relation to net contributions paid to that Program and shall be made only to those Members which participated in the Program during the Program Year in which the Net Position were generated. Such distributions may be made to Members based on the Program Year(s) during which the Member participated, even if the Member is not a Member at the time of the distribution.

6. Assessments

- a. If, in the opinion of the Board of Directors, claims against Members in any particular Program or plan for any particular Program Year are of such a magnitude as to endanger

the ability of the Authority to continue to meet its obligations for that Program for that Program Year, each Member who has participated in that particular Program or plan of the Authority during the applicable Program Year shall be assessed a pro rata share of the additional amount determined necessary by the Board of Directors to restore the ability of the Authority to continue to meet its obligations for the applicable Program Year.

- b. Each Member's pro rata share of the total Assessment shall be in the same proportion as that Member's gross contributions paid during or due for the applicable Program Year bears to the total gross Contributions paid by or due from all Members during the applicable Program Year. In calculating these amounts, the Assessment shall not be included in gross Contributions.
- c. Failure of any Member to pay any regular Contribution or Assessment when due shall be cause for the involuntary termination of that entity's membership in the Authority. Such Assessment shall be a debt due by all Members who have participated in the applicable Program or plan during the applicable Program Year, and shall not be discharged by termination of membership.

7. Fiscal Year

The Authority shall operate on a fiscal year commencing on July 1 and ending on the following June 30. Such fiscal year shall also be the Program Year for any Member in any Joint Protection Program.

8. Agency Funds; No Loans

All funds received within a Joint Protection Program, as determined by the Board, for the purposes of the Authority shall be utilized solely for the purposes of such Joint Protection Program, and all expenditures of funds shall be made only upon signatures authorized by the Board of Directors, which shall establish the necessary procedures for doing so. Any funds not required for the immediate need of the Authority, as determined by the Board of Directors, may be invested in any manner authorized by law for the investment of funds of a special district.

Except for the allocation of administrative and overhead expenses, and for investment purposes as set forth in the Agreement, Program funds shall not be commingled and shall be separately accounted for.

The Board may not approve loans between Programs.

9. Grants and Donations

Without in any way limiting the powers otherwise provided for in the Agreement, these Bylaws, or by statute, the Authority shall have the power and authority to receive, accept, and utilize the services of personnel offered by any Member, or their representatives or agents; to receive, accept, and utilize property, real or personal, from any Member or its agents or representatives; and to receive, accept, expend, and disburse funds by contract or otherwise, for purposes consistent with the provisions of the Agreement, which funds may be provided by any Member, their agents, or representatives.

10. Recovery of Payment

In the event of any payment by the Authority, the Authority may on behalf of the Member, either in the name of the Authority, in the name of the Member or both, recover sums paid to or on behalf of the Member from any person or organization liable, legally, contractually or otherwise, and the Member shall execute and deliver such instruments and papers, and do whatever else is necessary including execution of an assignment of all claims, including all rights to recover attorney fees, to the Authority or to a third party at the Authority's request, to secure such recovery and shall do nothing to impair such recovery. All sums recovered shall be applied to reimburse the Authority for payments made to or on behalf of the Member, to reimburse the Authority for the expense of such recovery, and to reimburse the Member for any deductible or co-insurance penalty paid.

ARTICLE VIII

WITHDRAWALS; TERMINATION OF MEMBERSHIP

1. Withdrawal from Programs

A Member may voluntarily withdraw from any particular Program only in accordance with the applicable provision of the Agreement or any successor document thereto. A Member may withdraw from a Program without withdrawing from the Agreement if it is a participant in another Joint Protection Program of the Authority. Notice of intention to withdraw from a Program must be given to the Authority at least ninety (90) days prior to the end of the Program Year. No withdrawal shall become effective until the end of the applicable Program Year.

2. Involuntary Termination

Membership shall be deemed automatically terminated immediately and without prior notice upon the failure of any Member to maintain membership in at least one of the Authority's Programs.

In addition, a Member may be terminated from membership in a Program or the Agreement for cause upon a majority vote of the Board of Directors. The effective date of such termination shall be as determined by the Board of Directors, except that such

termination shall take effect no later than sixty (60) days following the Board's decision to terminate and notice thereof is provided to the Member pursuant to Article VIII, Section 3. For purposes of this Section, cause shall be deemed to include the following:

- a. Failure to pay any contribution, deposit, contribution to loss reserve, or assessment when due.
- b. Failure to comply with the Bylaws or with the policies and procedures established by the Authority.
- c. Based on a Member's loss experience, the Board of Directors has determined it to be detrimental to the stability of the pool.
- d. Dissolution of a Member.
- e. Failure to maintain membership in CSDA.
- f. Failure to undertake or continue risk management or loss control measures recommended by SDRMA or the Board of Directors.
- g. Failure to allow SDRMA or its agents reasonable access to all facilities and records of the Member which are necessary for the proper administration of a Program.
- h. Failure to cooperate fully with SDRMA officers, employees, attorneys, claims adjusters or other agents.
- i. Failure of a Member, the elected governing body of a Member, or of other personnel of the Member to exercise the Member's powers or fulfill the Member's duties in accordance with the Constitution or laws of the State of California.
- j. Any other act, omission or event, whether or not the fault of the Member, which causes the Member's continued membership in SDRMA to be inconsistent with the best interests of SDRMA or any of its programs.

3. Notification; Hearing, Obligations Upon Involuntary Termination

A Member which is automatically terminated on account of its failure to maintain membership in at least one of the Authority's Programs shall be given notice of such termination within thirty (30) days after such automatic termination. However, the failure to give such notice shall not operate to reinstate such Member.

If the Chief Executive Officer determines that cause exists for a Member's termination and that the Member should, in the best interest of the Authority, be terminated, the Chief Executive Officer shall issue a written notice to the Member, sent by certified or first class mail, stating the reason or reasons for the proposed termination. In addition, the notice shall state that the Board of Directors, at the next regularly scheduled meeting or at a special meeting, on a date specified in the notice at least thirty (30) days following the date of the notice, will consider the Member's termination at the recommendation of the Chief Executive Officer, and invite the Member to request a hearing on the proposed termination at the board meeting. Any request for a hearing must be made within ten (10) days of the date of the notice. If a hearing is timely requested by the Member at the meeting specified

in the notice the Chief Executive Officer shall present the case for termination for cause to the Board of Directors. The Member shall have a reasonable opportunity to present its case to the Board of Directors and may attempt to show that since the date of the notice, it has undertaken steps to cure any curable grounds for termination.

The decision by a majority of the Board of Directors to terminate a Member shall be final and shall not be subject to appeal in any forum. Notice of the Board's decision shall be given to the Member by certified or first class mail within five (5) days following the decision of the Board of Directors and shall state the effective date of the termination.

Any terminated Member shall continue to be bound to those same continuing obligations to which a withdrawing Member is obligated in accordance with Article VIII, Section 6 of these Bylaws.

4. Voluntary Withdrawal from Agreement

A Member may withdraw voluntarily only as provided in the Agreement. Notice of intention to withdraw from the Agreement must be given to the Authority at least 90 days prior to the end of the Program Year of any Program in which the Member participates at the time of the notice.

5. Payment Upon Termination of Membership

In the event of a termination of the membership of any Member by involuntary or voluntary termination, said Member shall thereafter be entitled to receive its pro rata share of any distribution of Net Position declared by the Board of Directors that pertains to a coverage year during which the terminated Member participated in any particular Program for which such distribution is made. Such payment shall be in full settlement and satisfaction of any and all claims that said terminated Member may have against the Authority.

6. Continued Liability

Upon withdrawal or involuntary termination of a Member, the Agreement shall not terminate and that Member shall continue to be responsible for any unpaid Contributions and for any Assessment(s) levied in accordance with the provisions of the Agreement or Bylaws. Such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid or donated by the Member to the Authority, or to return of any loss reserve contribution, or to any distribution of assets (except payment of any Net Position, as set forth in Article VIII, section 5 above).

ARTICLE IX

TERMINATION OF THE AUTHORITY; TERMINATION OF PROGRAMS

1. After having made proper provision for the winding up of the affairs of the Authority and each of the Programs operated by the Authority, the Authority shall distribute the net assets of the Authority as follows:
 - a. The net remaining assets of the Property/Liability Joint Protection Program shall be paid on a pro rata share basis to each Member who is a member of said Joint Protection Program at the time of termination of the Authority. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to said Joint Protection Program or its predecessor in interest from its inception in 1986 and continuing throughout said Member's period of participation bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest during its period of operation by all members of said Joint Protection Program at the time of termination.
 - b. The Authority shall pay to each Member who is a member of the Workers' Compensation Coverage Joint Protection Program at the time of termination its pro rata share of the net remaining assets of said Joint Protection Program. A member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to said Joint Protection Program and its predecessor in interest offered by SDWCA, from its inception in 1982 and continuing throughout that Member's participation, bears to the total Contributions and Assessments paid to said Joint Protection Program and its predecessors in interest offered by SDWCA, during its period of operation by all members of said Joint Protection Program at the time of termination.
 - c. The Authority shall pay to each Member who is a member of any additional Program, excluding the Health Benefits Program operated by the Authority at the time of termination its pro rata share of the net remaining assets of said Program. A Member's pro rata share shall be in the same proportion as the total Contributions and Assessments paid by that Member to such Program during its period of participation bears to the total Contributions and Assessments paid to that Program during its entire period of operation by all Members of that Program at the time of termination.
2. The Board of Directors is also vested with the power to terminate individual Programs operated by the Authority without terminating the Agreement or terminating the Authority. In the event of termination of a Program operated by the Authority, said Program shall continue to exist for the purpose of paying or making provision for the payment of all known claims arising within said Program; for insuring, reinsuring or making other provision

for the payment of any and all unknown claims covered by such Program; for the payment of all debts, liabilities, administrative expenses, and obligations of that Program out of the assets of that Program; and to perform all other functions necessary to wind up the business affairs of that Program. After having made proper provisions for the winding up the business affairs of a terminated Program, the Authority shall pay to each Member who is a member of that Program at the time of termination its pro rata share of net remaining assets of that Program. A Member's pro rata share of the net remaining assets of each such terminated Program shall be computed as set forth in paragraph (1) above.

3. In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the existing Members, may elect to assign and transfer all of the Authority's rights, assets, claims, liabilities and obligations to a successor joint powers authority created under the Act.

ARTICLE X PROVISIONS RELATING TO CSDA

1. Board of Directors; Alliance Executive Council

In the event the Alliance Executive Council MOU has been terminated or the Authority has withdrawn from the MOU, two (2) additional directors to be appointed by CSDA shall increase the composition of the Board of Directors. So long as the Authority is a participant in the MOU, the Board shall appoint three (3) members of the Board to serve as members of the Alliance Executive Council.

CSDA is authorized to appoint two (2) directors as provided in the Agreement, the terms of such appointed directors will end on December 31 of the alternate odd-numbered year to coincide with SDRMA's election of the minority number of directors.

Upon the death or resignation of a member of the Board of Directors appointed by CSDA, the vacancy shall be filled for the balance of the unexpired term by appointment by CSDA.

ARTICLE XI
AMENDMENTS; EFFECTIVE DATE

These Bylaws may be amended at any time by majority vote of the Board of Directors following a 30-day notice to all Members as to the amendment(s) proposed to be adopted, except that these Bylaws cannot be amended in any way that would conflict with the terms and provisions of the Agreement or successor document and any amendment thereof. Said notice provided to members shall include notification of the Board meeting date, time and location that action will be taken by the Board on the proposed amendments.

ARTICLE XII
PRIOR BYLAWS REVOKED

When approved by the Board of Directors these Bylaws, upon coming effective pursuant to Article XI will supersede and replace all prior bylaws.

* * * * *

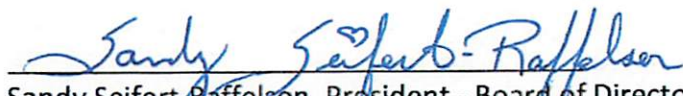
AYES: 7 – Seifert-Raffelson, Swan, Claypool, Scheafer, Unruh, Wright, Housley

NOES: 0

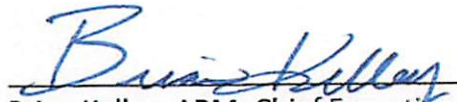
ABSTAINED: 0

ABSENT: 0

Approved:


Sandy Seifert-Raffelson, President - Board of Directors
Date: August 7, 2024
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Attested:



Brian Kelley, ARM, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY