



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

RESOLUTION 3-07

A RESOLUTION OF THE BOARD OR DIRECTORS OF THE LAKE SHASTINA COMMUNITY SERVICES DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS ANCILLARY COVERAGES

WHEREAS, the Lake Shastina Community Services District, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "Entity"), has determined that it is in the best interest and to the advantage of the Entity to participate in Health Benefits Ancillary Coverages offered by the Special District Risk Management Authority (the "Authority"); and the Entity understands a condition of participation in Health Benefits Ancillary Coverages is a minimum of 3 full years; and

WHEREAS, Special District Risk Management Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing risk financing and risk management programs; and other coverage protection programs; and

WHEREAS, participation in Special District Risk Management Authority programs requires the Entity to execute and enter into a Memorandum of Understanding (the "MOU"); which states the purpose and participation requirements for Health Benefits Ancillary Coverages; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Entity is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ENTITY AS FOLLOWS:

Section 1. Findings. The Entity's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the Entity.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the Entity and the Special District Risk Management Authority, in the form presented at this meeting and on file with the Entity's Secretary, is hereby approved. The Entity's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the Entity, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The Entity's Governing Body approves participating for a minimum of three full years in Special District Risk Management Authority Health Benefits Ancillary Coverages.

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

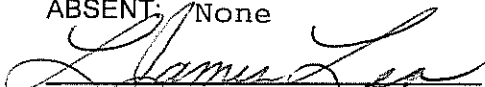
Section 5. Effective Date. This resolution shall take effect immediately upon its passage.


PASSED AND ADOPTED this 19th day of September, 2007 by the following vote:

AYES: Directors Cupp, Dean, Negro, Roths and Wetter

NOES: None

ABSENT: None


L. James Lea, LSCSD Secretary


Beverly Roths, LSCSD President



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereafter "MEMORANDUM") is entered into by and between the Special District Risk Management Authority (hereafter "SDRMA") and the participating public entity (hereafter "ENTITY") who is signatory to this MEMORANDUM.

Recitals

WHEREAS, on August 1, 2006, SDRMA was appointed administrator for the purpose of enrolling small public entities typically having 250 or less employees into the California State Association of Counties ("CSAC") Excess Insurance Authority ("EIA") EIAHealth's Small Group Health Benefits Ancillary Coverages Program (hereinafter "PROGRAM").

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by EIAHealth Committee for the PROGRAM (the "COMMITTEE") and not SDRMA.

WHEREAS, ENTITY desires to enroll and participate in the PROGRAM.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the express purpose of enrolling in the PROGRAM.
2. **INITIAL COMMITMENT PERIOD.** ENTITY understands and acknowledges that it is required to remain in the PROGRAM for a period of at least three (3) full years as a condition to participation in the PROGRAM (the "INITIAL COMMITMENT PERIOD").
3. **ENTRY INTO PROGRAM.** ENTITY shall enroll in the PROGRAM by making application through SDRMA which shall be subject to approval by the PROGRAM's Underwriter and governing documents and in accordance with applicable eligibility guidelines.
4. **MAINTENANCE OF EFFORT.** PROGRAM is designed to provide an alternative health benefit ancillary coverage solution to all participants of the ENTITY including active employees, dependents and public officials. After the INITIAL COMMITMENT PERIOD, ENTITY may discontinue coverage or change the contribution amount for retirees. However, ENTITY must contribute at least the minimum percentage required by the eligibility requirements.
5. **PREMIUMS.** ENTITY understands that premiums and rates for the PROGRAM are set by the COMMITTEE. ENTITY will remit monthly premiums based upon rates established for each category of participants and the census of covered employees, dependents and public officials.

Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from their consultants and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA will add an administrative fee to premiums and rates set by the COMMITTEE for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.

- a. SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties. Health benefit ancillary coverage premiums are based on a full month. There are no partial months or prorated premiums.
- b. ENTITY must send notification of termination of ancillary benefits for a covered employee to the PROGRAM and SDRMA by the 15th of the current month to terminate at the end of the month. Otherwise (i.e. notification after the 15th), termination will be as of the end of the following month.

6. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the PROGRAM and as agreed upon between the ENTITY and its recognized employee organizations as applicable.
7. **COVERAGE DOCUMENTS.** Except as otherwise provided herein, CSAC-EIA Health documents outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM.
8. **PROGRAM FUNDING.** It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.
9. **ASSESSMENTS.** Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments, which are deemed necessary to ensure approved funding levels, shall be made upon the determination and approval of the COMMITTEE in accordance the following:
 - a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.
 - b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premium paid for the preceding 3 years. ENTITY's must be current participants to receive a dividend except upon termination of the PROGRAM and distribution of assets.
 - c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.
 - d. Fund equity will be evaluated on a total program-wide basis as opposed to each year standing on its own.
10. **WITHDRAWAL.** ENTITY may withdraw after their INITIAL COMMITMENT PERIOD (three (3) full year commitment period) and subject to the following condition; ENTITY shall notify SDRMA and the PROGRAM in writing of their intent to withdraw at least 180 days prior to their actual coverage renewal date. ENTITY may rescind its notice of intent to withdraw.
11. **LIAISON WITH SDRMA.** Each ENTITY shall maintain staff to act as liaison with the SDRMA and between the ENTITY and the SDRMA's designated PROGRAM representative.
12. **DISPUTES.** Disputes between the parties related to this MEMORANDUM shall be resolved as follows:
 - a. Mediation Before Litigation. The parties agree that in the event of any dispute by and between them, they shall first attempt to resolve the dispute by way of an informal mediation and if such efforts do not result in a resolution, they may proceed to litigate the claims.
 - b. Selection of Mediator. The mediation shall be held before a neutral mediator having at least 15 years civil business litigation experience or a retired judge. Within ten (10) days of a demand for mediation, the parties shall attempt to mutually select a neutral and qualified mediator. If the parties agree on the selection of the mediator, the mutually selected mediator shall be appointed for the mediation. If the parties are unable to mutually select a qualified mediator, they shall each select a neutral mediator and the two shall then select the third who shall be designated as the parties' neutral mediator for the dispute. Any selected mediator who is unable or unwilling to fulfill his duties may be replaced.
 - c. Time of Mediation. Subject to the mediator's availability, the parties will make best efforts to have the mediation scheduled and held within 45 days of a demand.
 - d. Costs of Mediation. The parties shall split and pay for the fees charged by the mediator equally.

- e. Confidentiality of Mediation Process. The parties agree that the mediation of the dispute will be an effort to compromise disputed claims and that mediation shall be deemed confidential and no statements made at the mediation can be used against them in the event of future litigation.
 - f. Position Statements. Any party making a demand for mediation shall set forth in their written demand for mediation the factual and legal basis known to them for their claims or dispute and provide copies of any statements, summaries, reports, or documentary information known to them at the time to support their claims, save and except, privileged or confidential information, which may be withheld. Within thirty (30) days after receipt of a demand for mediation, the recipient shall provide a written response to the claims setting forth the factual and legal basis known to them to support the response or affirmative defenses and also provide copies of any statements, summaries, reports, or documentary information known to them at the time to support the response or affirmative defenses, save and except, privileged or confidential information, which may be withheld. Copies of the position statements and information exchanged between the parties under this provision shall be provided to the mediator in advance of the mediation.
 - g. Failure to Participate in Mediation. Any party who fails to participate in the mediation shall waive their right to collect attorney fees herein.
 - h. Exclusions From Mediation. The parties agree that any claim for immediate injunctive relief is specifically excluded from the requirements of mediation. The parties further agree that disputes related to coverage under the PROGRAM are excluded from this provision and shall be governed in accordance with CSAC-EIAHealth documents and/or PROGRAM documents.
13. **GOVERNING LAW.** This MEMORANDUM shall be governed in accordance with the laws of the State of California.
14. **VENUE.** Venue for any dispute or enforcement shall be in Sacramento, California.
15. **ATTORNEY FEES.** The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
16. **COMPLETE AGREEMENT.** This MEMORANDUM together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.
17. **SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
18. **AMENDMENT OF MEMORANDUM.** This MEMORANDUM may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's signatory to this MEMORANDUM. Any ENTITY who fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.
19. **EFFECTIVE DATE.** This MEMORANDUM shall become effective upon the signing of this MEMORANDUM by the ENTITY and Chief Executive Officer or Board President of SDRMA.
20. **EXECUTION IN COUNTERPARTS.** This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.



In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: 9/19/07

By: *Beverly Roths*
Beverly Roths, President

[Name of Public Entity]

Lake Shastina Community Services
District

E. Discussion / Action: SDRMA Employee Health Insurance – Ancillary Health Coverage (Dental and Vision) - Resolution 3-07 and SDRMA Memorandum of Understanding – Received and Filed
Motion by Dir. Wetter second by Dir. Cupp to provide dental and vision coverage as discussed at the August 17, 2007 meeting, approve Resolution 3-07 Ancillary Health Coverage, and authorize President to sign the SDRMA Memorandum of Understanding and Resolution 3-07 as required.
Ayes: Directors Cupp, Dean, Negro, Roths and Wetter
Noes: None
Absent: None

F. Discussion / Possible Action: Water Rates – Received and Filed: Item removed from consent agenda. Dir. Cupp stated that the District should research a water rate structure that motivates water conservation, such as charging higher rates with higher usage.

Item 10. NEW BUSINESS----- Pres. Roths

A. Discussion / Possible Action: Change Date of November LSCSD Regular Board Meeting – Received and Filed: Board agreed to change the date of the November Regular Board Meeting to Wednesday, November 28, 2007 at 5:30 p.m.

B. COPS MORE Grant (FY 07/08) Expenditure Plan – Received and Filed

- 1. Public Hearing regarding Expenditure Plan
- 2. Discussion / Decision: Approval of Expenditure Plan

Pres. Roths opened the Public Hearing at 7:10 p.m. for the expenditure proposal of COPS More Grant to fund the Animal Control Officer (Community Service Officer) position and one Patrol Officer position through the 2007/2008 grant year. There were no public comments. Pres. Roths closed the Public Hearing at 7:15 p.m. Board discussed.

Motion by Dir. Negro second by Dir. Wetter to approve COPS More Grant Expenditure Plan to fund Police Dept. personnel (one Animal Control Officer (Community Service Officer) position and one Patrol Officer position), equipment and training expenditures for the 2007/2008 grant year, as outlined in Summary Report and Proposal from PC Alves dated September 7, 2007.

Ayes: Directors Cupp, Dean, Negro, Roths and Wetter
Noes: None
Absent: None

C. Discussion / Possible Action: Agreement: Siskiyou County Sheriff Department / LSCSD - 911 Services in exchange for Policing of County Campground – Received and Filed: Board and staff discussed.

Motion by Dir. Wetter second by Dir. Negro to approve the President sign the Agreement between the Siskiyou County Sheriff Dept. and the LSCSD for 911 services in exchange for policing the County Campground, for a one-year term, pending clarification of responsibilities with a detailed insurance liability clause.

Ayes: Directors Cupp, Dean, Negro, Roths and Wetter
Noes: None
Absent: None

D. Discussion / Possible Action: Administration Office Copier Replacement – Received and Filed

Motion by Dir. Wetter second by Dir. Cupp to approve the purchase of a Kyocera KM-4050 copier (LSPOA and LSCSD to share cost 50 percent each – total cost of copier \$9,988) (LSPOA approved on 9/12/07).

Ayes: Directors Cupp, Dean, Negro, Roths and Wetter
Noes: None
Absent: None

E. Discussion / Possible Action: Demand on Water System – Received and Filed: Board and staff discussed the needs of the Water System and available Office of Emergency Services (OES) grant funding. Board directed GM Lea to proceed with hiring an engineering firm to discuss the needs/demand on the Water System.

F. Discussion / Possible Action: Increasing liability insurance limit from \$5.M to \$10.M – Received and Filed: Board and staff discussed that the request for staff to obtain a quote to increase liability insurance was specifically for Police Dept. coverage.

Motion by Dir. Negro second by Dir. Wetter to approve increasing the limits of liability on the insurance policy to \$10.M, effective immediately and allocate payment of actual bill by percentage (Fire 10%, Police 11%, Sewer 21%, Water 44% General 3%, POA 11%), per memo dated August 27, 2007, pending clarification that the Police Department coverage increases.

Ayes: Directors Cupp, Dean, Negro, Roths and Wetter
Noes: None
Absent: None