

MEMORANDUM OF UNDERSTANDING
Affiliation Agreement between CWEA and Its Local Sections

This Agreement is entered into as of this _____ day of _____, 20____ between the California Water Environment Association, Inc., a California nonprofit public benefit corporation, (“CWEA”) and _____, an unincorporated association (“Local Section”) with respect to the following:

- A. CWEA is an association of voluntarily affiliated local sections whose common mission is to provide education to members of the wastewater community.
- B. The parties desire to clarify the relationship between CWEA and the _____ to provide for more efficient and effective operation of the association.

Now, therefore, the parties agree:

- 1. *Approved Local Section.* CWEA confirms that _____ is an approved local section of CWEA operating in the designated geographical area (“Local Section”).
- 2. *CWEA Name and Logo.* CWEA confirms to the Local Section the license and right to use the CWEA name and logo for all proper purposes in carrying out its mission as a Local Section within its area. The license and right to use the name and logo shall terminate should the local section fail to adhere to the terms and conditions of this Agreement or upon termination of the Agreement.
- 3. *Standards, Policies and Procedures.* The parties acknowledge that it is necessary and desirable to supplement this Agreement as to some issues that may not be fully addressed. CWEA may establish standards, policies and procedures consistent with this Agreement, which shall be binding on both parties. The Local Section may file a written request for review limited to whether the standards, policies and procedures are consistent with this Agreement; the decision of the CWEA Board of Directors shall be final.
- 4. *Designated Geographical Area.* CWEA confirms that the Local Section’s designated geographical area is that designated in Attachment 1 to this Agreement. CWEA retains the right to revise or re-designate the geographical area.
- 5. *CWEA/Local Membership.* Every member who is qualified for membership in CWEA and is a member of the Local Section, shall be a member of CWEA and all CWEA members shall be members of the Local Section serving the business address of the member, unless the member otherwise specifies.
 - 5.1 All memberships shall be processed through the CWEA office, with Local Section Membership revenue rebated to Local Sections by CWEA staff on a monthly basis, accompanied by a membership roster.

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- 5.2 An individual qualified for CWEA membership who is denied membership or has his/her membership withdrawn by CWEA for any reason including refusal to pay dues or refusal to abide by the bylaws of CWEA, may not apply for Local Section Membership.
6. *CWEA Member Services.* CWEA shall provide to the Local Section such regional or statewide services as it determines are in the best interests of the association. These services may include industrial relations, government relations, trade shows, technical certification, insurance, surveys, WEB hosting, development of standards for awards, and state and regional education conferences. The Local Section understands and agrees that any services offered by CWEA are subject to the Local Section's obligation to provide reasonable cooperation and assistance.
7. *Public Policy Issues.* CWEA shall have the exclusive responsibility to determine and communicate policy positions relating to federal and state legislation, regulation or other proceedings. The Local Section is encouraged to communicate its position on these issues to CWEA.
8. *Other Member Services.* The Local Section shall be responsible for the development of programs and services which appeal to its members, including, but not limited to, educational classes and seminars within the geographic boundaries of the Local Section.
 - 8.1 A specific program, activity or service designated and initiated by a Local Section for local usage may have potential value for use by another Local Section, or by CWEA. Local Sections may join together to sponsor such programs. When such programs, activities or services are undertaken by more than one Local Section, CWEA must be notified in writing of the arrangements by which such programs are to be offered or jointly sponsored. Such activities shall not conflict with other CWEA sponsored programs, activities or services. CWEA will cooperate and assist in encouraging these joint activities, which are of benefit to the general membership.
 - 8.2 A local section shall not independently advertise, promote, sell or provide its services, programs or activities that are designated to produce revenues outside its own established territorial jurisdiction, without prior written agreement with other Local Sections whose jurisdictional boundaries are involved. CWEA shall be concurrently advised in writing of the planned activity and agreement. Local Section agrees that it shall not refuse to permit another Local Section to advertise, promote, sell or provide said association services, programs or activities in its territory without due cause.
 - 8.3 CWEA shall, by standard agreement with the Local Section, market and distribute CWEA regional and statewide services, programs and/or activities in cooperation with the Local Section. One library copy of all generally available Local Section publications shall be provided to CWEA.

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- 8.4 No Local Section shall prevent or seek to prevent any CWEA activity within the area of its geographic boundaries.
- 8.5 The Local Section recognizes its primary obligation to represent, promote and sponsor CWEA activities, programs and services.
9. *Local Section Tax-Exempt Status.* The Local Section enjoys tax exempt status under the IRS Group Determination Letter issued to CWEA. To maintain that status the Local Section shall conform to all pertinent requirements under Section 501 (c)(3). In this regard, the Local Section shall maintain all records and reports specified by CWEA or its tax preparer and shall provide such records and reports to CWEA on or before the date specified by CWEA to permit CWEA to properly prepare a group return for the IRS. Should the Local Section fail to timely submit the required records and reports to CWEA, CWEA may assess an administrative fine on a per diem basis, of an amount to be determined annually by the Board of Directors, or cause the Local Section to be removed from the IRS Group Determination Letter and thus be required to file its own tax return with the IRS.
10. *Insurance and Tax Preparation.* CWEA shall provide the Local Section insurance and tax preparation services on such terms and conditions as determined by CWEA.
11. *Compliance with Laws.* All policies and activities of the Local Section shall be consistent with:
- 11.1 Applicable federal, state and local antitrust and trade regulation laws:
- 11.2 Applicable tax-exemption requirements; and
- 11.3 All other legal requirements including the California Nonprofit Corporation law.
- 11.4 The Local Section shall report to CWEA its compliance with this paragraph in the manner designated by CWEA and shall immediately report to CWEA any actual or alleged violation of the legal requirements identified in this paragraph. CWEA shall have the right to inspect all applicable records pertaining to any actual or alleged violation of the legal requirements identified in this paragraph.
12. *No Agency.* The Local Section has no authority to represent itself or act as the agent of CWEA for any purpose and shall have the primary responsibility for conforming its activities to all relevant laws. The Local Section shall provide CWEA with a copy of any proposed correspondence using the CWEA name or logo to ensure that there are no representations of agency and to verify conformance with applicable law.

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13. *Subsidiary Organizations.* The Local Section may utilize a subsidiary to achieve its objectives; the Local Section shall require each subsidiary to conform its organization and operation to the requirements of this Agreement. Any violation of these requirements by a subsidiary shall be charged to the Local Section. The Local Section shall disclose in Attachment 2 to this Agreement the identity of all subsidiaries including, Student Chapters, Professional Development Committees and other Committees. The Local Section shall report to CWEA within 30 days the identity of each subsidiary newly activated and shall make periodic reports concerning subsidiaries in the manner specified by CWEA.
14. *Termination.* Should the CWEA Board of Directors or its designee determine that the Local Section has substantially breached this Agreement and that this Agreement should be terminated, CWEA shall give the Local Section notice of the alleged substantial breach and the opportunity to respond within 15 days to the CWEA Board of Directors or its designee. After the written response by the Local Section has been received, the CWEA Board of Directors or its designee and the President of the Local Section shall meet to attempt to resolve the matter. If the matter is not timely resolved, the CWEA Board of Directors or its designee may issue its final determination of the matter. If the final determination is termination, the Local Section shall cease to be an approved Local Section and shall forfeit all other rights under this Agreement.

In Witness Whereof, The parties have entered into this Agreement as of the first date specified above.

CWEA:
California Water Environment
Association, Inc.,
a California public benefit corporation

Local Section:

[Name of Section]
an unincorporated association

by: _____

by: _____

CWEA President

President, _____ LS