1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833
(800) 541-4591 Fax (916) 244-1199
https://www.planjpa.org/

EXECUTIVE COMMITTEE MEETING
AGENDA

Thursday, June 6, 2019
9:00 A.M

Teleconference

All or portions of this meeting will be conducted by teleconferencing in accordance with Government Code Section 54953(b). Teleconference locations are as follows: York Pooling, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833; Aaronson, Dickerson, Cohn & Lanzone, 1001 Laurel Street, San Carlos, CA 94070; Town of Atherton, 91 Ashfield Road, Atherton, CA 94027; City of Burlingame, 501 Primrose Road, Burlingame, CA 94010; City of San Bruno, 567 El Camino Real, San Bruno, 94066; Town of Woodside, 2295 Woodside Road, Woodside, CA 94062; and the MGM Grand, 3799 S. Las Vegas Boulevard, Las Vegas, NV 89109.

Each location is accessible to the public, and members of the public may address the Executive Committee from any teleconference location.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Katie Sullivan at (916) 244-1164 or (916) 244-1199 (fax). Requests must be made as early as possible and at least one full business day before the start of the meeting.

Documents and materials relating to an open session
agenda item that are provided to the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

Page

1. CALL TO ORDER

2. INTRODUCTIONS

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

4. PUBLIC COMMENTS - This time is reserved for members of the public to address the Committee relative to matters of the PLAN JPA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.

* Reference materials attached with staff report.

Page

5. CONSENT CALENDAR

If a Committee member would like to discuss any item listed, it may be pulled from the Consent Calendar.

5 *A. Minutes from the April 18, 2019, Executive Committee Meeting
13 *B. Warrant List April 1, 2019 – April 30, 2019
14 *C. Treasurer's Report as of March 31, 2019
61 *D. York Contract Amendment Regarding Name Change from Bickmore

Recommendation: Staff recommends the Executive Committee approve the Consent Calendar.

6. CLOSED SESSION

A. Pursuant to Government Code Section 54956.95(a), the Committee will hold a closed session to discuss the following claims:

- Patton v. City of Morgan Hill

B. Pursuant to Government Code Section 54957.1, the Committee will report in open session any reportable action taken in closed session.

7. FINANCIAL MATTERS

63 *A. Investment Policy Update

Recommendation: Staff recommends the Executive Committee approve the PLAN JPA Investment Policy as presented.

84 *B. Review and Consideration of the Financial Audit

Recommendation: Staff recommends the Executive Committee accept and file the June 30, 2018, financial audit.

127 C. PLAN JPA Reinsurance/Excess Insurance Update

Recommendation: None.

128 *D. Consideration of Contract for Actuarial Services

Recommendation: Staff recommends the Executive Committee approve the actuarial services contract as presented.

139 *E. Review of the Financial Audit Request for Proposal (RFP) Responses

Recommendation: Staff recommends the Executive Committee provide direction.

8. ADMINISTRATIVE MATTERS

141 *A. Review of Governing Document Amendments

Recommendation: Staff recommends the Executive Committee recommend approval of the Memorandum of Coverage and the Bylaws, as amended, to the Board of Directors.

234 *B. 2019/20 PLAN JPA Calendar of Meetings Preview

Recommendation: Staff recommends the Executive Committee review the Board and Committee Meeting Schedule for the 2019/20 Program Year and recommend approval to the Board of Directors.

* Reference materials attached with staff report.

Page **8. ADMINISTRATIVE MATTERS (continued)**

236 *C. Review of Candidates to Fill PLAN JPA Committee and Officer Positions

Recommendation: Staff recommends the Executive Committee develop a slate of candidates to serve on PLAN JPA's Committees and as Officers for the 2019/20 Program Year for the Board's consideration.

239 *D. General Manager's Report

Recommendation: Staff recommends the Executive Committee approve Katie Sullivan as Assistant General Manager, and authorize staff to begin the CAJPA accreditation process during the 2019/20 program year.

8. CLOSING COMMENTS

This time is reserved for comments by Executive Committee members and/or staff and to identify matters for future Executive Committee business.

A. Executive Committee
B. Staff

9. ADJOURNMENT

NOTICES:

- The next Board of Directors Meeting will be held on June 12, 2019, at 9:30 a.m. at the San Francisco Airport Waterfront Marriott, 1800 Old Bayshore Hwy, Burlingame, CA 94010.

* Reference materials attached with staff report.

Agenda Item 5.A.-D.

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND HISTORY:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If a Committee member would like to discuss any item listed, it may be pulled from the Consent Calendar.

RECOMMENDATION:

Staff recommends the Executive Committee approve the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

A. Minutes from the April 18, 2019, Executive Committee Meeting
B. Warrant List April 1, 2019 – April 30, 2019
C. Treasurer's Report as of March 31, 2019
D. York Contract Amendment Regarding Name Change from Bickmore

POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY (PLAN JPA)

MINUTES OF THE EXECUTIVE COMMITTEE MEETING OF APRIL 18, 2019

A regular meeting of the Executive Committee was held on April 18, 2019, at San Bruno City Hall, 567 El Camino Real, San Bruno, CA 94066.

MEMBERS PRESENT: Marc Zafferano, Chairman, San Bruno
Kathleen Kane, Burlingame
George Rodericks, Atherton
Kevin Bryant, Woodside
Robert Schultz, Los Gatos

OTHERS PRESENT: Jon Paulsen, General Manager, York
(Recused from Agenda Item 8.B)
Katie Sullivan, Analyst, York
Ritesh Sharma, Finance Manager, York
(Recused from Agenda Item 8.B)
Terrie Norris, Risk Control Manager, York
(Recused from Agenda Item 8.B)
Greg Rubens, Legal Counsel, Aaronson, Dickerson, Cohn & Lanzone

1. **CALL TO ORDER:**

   The April 18, 2019, Executive Committee meeting was called to order at 10:05 a.m. by Chair Marc Zafferano.

2. **INTRODUCTIONS:**

   Those present introduced themselves.

3. **APPROVAL OF AGENDA AS POSTED (OR AMENDED):**

   The agenda was approved as posted.

4. PUBLIC COMMENTS:

None.

5. CONSENT CALENDAR:

Kathleen Kane, Vice President, City of Burlingame, requested to pull Consent Item F) City of Gilroy Equity Distribution from the Consent Calendar for review.

Kathleen Kane moved to approve the following items: A) Minutes from the October 26, 2018, Executive Committee Meeting; B) Warrant List for November 15, 2018, through March 31, 2019; C) Treasurer's Report as of December 31, 2018; D) Business Account Credit Card Use Policy; and E) 2018/19 Risk Control Plan Update. Kevin Bryant seconded the motion. The motion passed unanimously.

Ritesh Sharma, Finance Manager, reviewed with the Committee the withdrawal agreement with the City of Gilroy and the requirements for their equity distribution. In accordance with the Agreement, $420,130 is now payable to the City of Gilroy.

Robert Schultz moved to approved item F) City of Gilroy Equity Distribution. George Rodericks seconded the motion. The motion passed unanimously.

6. GENERAL MANAGER'S REPORT

A. Report from PLAN JPA's General Manager

1. Employment Practices Liability

Staff presented employment practices liability (EPL) coverage options at the February 28, 2019, Strategic Planning Session. The current PLAN JPA Liability Memorandum of Coverage (MOC) does not include coverage for EPL. Currently, three PLAN JPA members purchase standalone EPL insurance and several others expressed interest in reviewing options from the Employment Risk Management Authority (ERMA).

Jon Paulsen, General Manager, reminded the Committee that PLAN JPA would likely be accepted for membership into ERMA and basic cost indications were presented to the entire membership at the Strategic Planning Session. Mr. Paulsen stated the

ERMA program would be available as an elective option for PLAN JPA members on a case by case basis.

A brief discussion ensued around if and how PLAN JPA would be affected if individual members joined ERMA, not the pool as a whole. Mr. Paulsen explained that individual PLAN JPA members would apply to ERMA and be responsible for their own retentions and PLAN JPA would not participate in any risk sharing of EPL exposure and would not have any additional obligations.

Staff agreed to send Greg Rubens, Legal Counsel, a copy of the ERMA agreement and their MOC for review before being presented to the full Board in June.

2. Staffing Update

Mr. Paulsen informed the Committee that Craig Wheaton, Litigation Manager, resigned from York, with his last day being March 25, 2019. Will Portello, York's Director of Litigation Management, will replace Mr. Wheaton and serve as PLAN JPA's Litigation Manager going forward.

Additionally, the Committee was reminded of the departure of Gail Zeigler, former Risk Control Consultant, as of March 8, 2019. Terrie Norris, Risk Control Manager, assumed Ms. Zeigler's role with PLAN JPA and has been fully engaged with the membership.

3. Strategic Planning Deliverables

During the Strategic Planning Session, held on February 28 – March 1, 2019, staff was directed to move several deliverables and initiatives forward for future Executive Committee and/or Board consideration. Mr. Paulsen reviewed a few key items and their estimated deliverable date. These items included:

- Send sample drone policy and MOC draft section to interested members;
- Develop EPL coverage options and roadmap for 2020/21 program year implementation;
- Civil rights claims handling;
- Propose updated target equity policy; and
- Propose alternative(s) to current experience modification calculation methodology.

7. FINANCIAL MATTERS

A. PLAN JPA Preliminary 2019/20 Budget

Mr. Sharma discussed the Preliminary Operating Budget for PLAN JPA for the 2019/20 fiscal year. The funding model is similar to what PLAN JPA has approved in the past and funding rates were compiled by PLAN JPA's actuary.

- For the Liability Program, member contributions are presented at the 60% confidence level (CL) with a 3% discount factor. PLAN's self-insured retention (SIR) is up to $2.5 million including each individual member's SIR. Reinsurance of $2.5 million is purchased above the pool's SIR and excess coverage is purchased from $5 million to $30 million. These coverage layers are the same as the prior year.
- For the Property Program, member contributions are presented at the 70% CL with a 3% discount factor. The coverage is pooled from members SIR up to $225,000 and excess coverage is purchased to $1 Billion. The CL funding and coverages are similar to prior year.

The budgeted contributions are projected to increase from $10.9 million to $12 million; an increase of 9% over the prior year. Contributing factors include an increase in estimated payroll of 2.7%, an increase in estimated funding rates, and an increase in estimated reinsurance and excess premiums. Mr. Sharma discussed the following highlights:

- The Liability Program is projecting a 9% increase in contributions over the 2018/19 Approved Budget, with an additional increase of 4-8% in the excess layer.
- The Property Program is projecting a 12.6% increase over the 2018/19 Approved Budget.
- Total claims expenses for program year 2019/20 are budgeted at the expected confidence level and projected to increase 12% for the Liability Program due to increased claims activity and an increase of 14% for the Property Program due increased insured values.
- Total insurance expense is projected to increase by 14% over prior year. The Liability Program is projected to increase 15%, while the Property Program is projected to increase 12% over the prior year.
- Risk Management Grants, funded out of equity, are budgeted at $500,000, similar to prior year budget.

- Administrative expenses are projected to increase by 3.6%, over the prior year.

During the PLAN JPA Strategic Planning Sessions held on February 28th and March 1st, one of the discussion items was funding losses at the appropriate confidence level with PLAN JPA currently funding at 60%. Recommendation from PLAN JPA's actuary puts funding at the 80% confidence level; however, the Executive Committee could consider funding at the 70% confidence level.

A brief discussion ensued around the increase to the excess layer and how to fund it in addition to increasing the confidence level. The Executive Committee directed staff to increase funding by an additional 8% to cover the increase to the excess coverage and funding an additional $50,000 to increase the confidence level. If the excess coverage increase should come in under 8%, the difference would be applied to increasing the confidence level.

B. Report from PLAN JPA's Finance Manager

Mr. Sharma provided an update on the following financial matters:

- ABAG Dissolution/Audit:
  ABAG PLAN, a non-profit organization, was going through an annual financial audit as of June 30, 2018. The financial audit report will contain a subsequent event footnote describing ABAG PLAN closing down and transferring its Assets, Liabilities and Net Position to PLAN JPA effective July 1, 2018.

  Staff received the final draft financials from the auditor and is in the process of reviewing footnote and disclosures. Subsequent to the completion of the financial audit, a final tax return will be prepared. Submission of the final tax return shall help facilitate the dissolution of ABAG PLAN.

- Unaudited Financial Statements as of December 31, 2018
  Enclosed in the agenda were the unaudited Statement of Net Position (Balance Sheet) and Statement of Revenues, Expenses and Changes in Net Position (Income Statement) as of December 31, 2018, and June 30, 2018. In the

future, the quarterly financial statements will be added as part of the Consent Calendar.

Kathleen Kane moved to approve the unaudited financial statements as of December 31, 2018. Kevin Bryant seconded the motion. The motion passed unanimously.

C. Financial Audit Contract

Maze & Associates (Maze) has provided independent financial auditing services to PLAN JPA since 2009. ABAG PLAN went out for bid for audit services in 2015 and Maze won the contract. The current partner has been on the engagement since 2016. At the Executive Committee Meeting on June 6, 2018, the Committee discussed going out to Request for Proposal (RFP) after approving one-year extension of Maze to conduct audit ending June 30, 2018.

The Executive Committee reviewed the sample RFP for financial audit services ending June 30, 2019. The RFP will be issued to the auditing firms qualified to audit risk sharing pools. Staff will compile the results of the RFP and provide recommendations at the next Executive Committee meeting.

Robert Schultz moved to approve the Draft Request for Proposal for Financial Auditing Services. Kevin Bryant seconded the motion. The motion passed unanimously.

8. <u>RISK CONTROL MATTERS</u>

A. Update from Risk Management Committee Meeting

The Risk Management Committee (RMC) met on March 25, 2019, and Terrie Norris, Risk Control Manager, provided the following updates and information:

- Updates on the 2018/19 Risk Control Plan which included an overview of services, status of the Grant Fund Program, and status of the Sewer Summit.
- Key items of focus for the 2019/20 Risk Control Plan which included focused risk assessments, defensive driver training, regional trainings, member-directed services, access to risk control and management consultation, and a flexible risk service plan.
- Approval of the proposed amendments to the Grant Fund Guidelines in regards to direct reimbursement. All grant fund reimbursements will be addressed and issued to the member agency instead of the individual employee.

- Direction provided to staff to explore fixed contract pricing options for American's with Disabilities Act (ADA) Services.

Additionally, the RMC reviewed all proposals provided in response to the Request for Proposal (RFP) for Risk Control Services. More information on the RFP process and selection is provided in Agenda Item 8.B.

B. Risk Control Services Request for Proposal

Due to the financial interest in the potential outcome of the selection, Mr. Paulsen, Mr. Sharma, and Ms. Norris recused themselves from the discussion of this item.

At their June 6, 2018, the Executive Committee approved a one-year contract with Bickmore (now York Pooling) for Risk Control Services. To conduct its due diligence, the Executive Committee agreed they wished to issue a Request for Proposal (RFP) for risk control services for the upcoming 2019/20 program year.

George Rodericks, Risk Management Committee Chairperson, Town of Atherton, and Katie Sullivan, Analyst, York, informed the Executive Committee the RFP was issued to Du-All Safety, DKF Solutions, and made available on the PLAN JPA, California Association of Joint Powers Authorities (CAJPA), and the Public Agency Risk Management Association (PARMA) websites. The only proposal received was from York Pooling. Mr. Rodericks noted the Risk Management Committee felt the proposal was thorough and cost appropriate and were recommending approval to the Executive Committee.

Robert Schultz moved to recommend approval of the proposal for Risk Management and Loss Control Services from York Pooling to the Board of Directors. George Rodericks seconded the motion. The motion passed unanimously.

9. CLOSING COMMENTS

A. Executive Committee

None.

B. Staff

Mr. Paulsen inquired about availability for the next Executive Committee meeting. After a brief discussion, the June 6, 2019, Executive Committee meeting would be rescheduled from 10:00am to 9:00am and be held via teleconference.

10. ADJOURNMENT

The Regular Meeting of the PLAN JPA Executive Committee was adjourned at 1:02 p.m.

_____

Katie Sullivan, Assistant Board Secretary

PLAN JPA
Warrant List
04/1/19 - 04/30/19

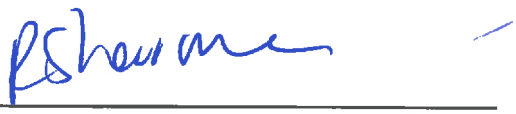
Document Number	Vendor ID	Vendor Name	Document Date	Checkbook ID	Document Amount	Voided	TRX Source	Transaction Description
EFT000052	AAR100	Aaronson, Dickerson, Cohn & Lanzone	4/24/2019	CB&T	$2,182.30	No	PMCHK00000039	Mar 19 Legal Fees
EFT000053	BIC100	Bickmore	4/24/2019	CB&T	$32,007.08	No	PMCHK00000039	General Liab Equity 6.30.18 , Risk Control Services 4/19
EFT000054	GIB001	Gibbons & Conley	4/24/2019	CB&T	$21.00	No	PMCHK00000039	Mar 19 Legal Fees
EFT000055	GIL100	City of Gilroy	4/24/2019	CB&T	$420,130.00	No	PMCHK00000039	Equity/Assesment 17/18
EFT	CBT100	CB&T-Credit Card	4/11/2019	CB&T	$7,052.68	No	EFT	Hilton Garden Inn, Fattoria E Mare , Specialty's Cake & Bakery - PLAN Strategic Planning Session

Pooled Liability Assurance Network
Treasurer's Report
As of March 31, 2019

	Book Value	Market Value	% of Total	Effective Yield
California Bank & Trust - General Operating	932,306	932,306	2.03%	0.00%
State of California - Local Agency Investment Fund	39,323	39,329	0.09%	2.55%
CA Asset Mgmt. Program - Liquidity Account	11,082,219	11,082,219	24.19%	2.61%
CA Asset Mgmt. Program - Money Market	80,332	80,332	0.18%	2.61%
CA Asset Mgmt. Program - Investment Account	33,061,228	33,255,240	72.59%	2.37%
Umpqua Bank - York Trust Account	424,555	424,555	0.93%	0.00%
Total Cash and Investments	**$ 45,619,963**	**$ 45,813,981**	**100.00%**	**2.43%**

Attached are the Local Agency Investment Fund (LAIF) and PFM Asset Management statements detailing all investment holdings and transactions for the quarter ended. Market prices are derived from closing bid prices as of the last business day of the month from either Interactive Data Corporation, Bloomberg, TRACE, and other widely-used third-party pricing vendors.

We certify that this report reflects all cash and investments and is in conformance with the Pool's Investment Policy. The investment program herein shown provides sufficient cash flow liquidity to meet the Pool's expenditures for the next six months.



Ritesh Sharma
Finance Manager

CALIFORNIA BANK TRUST
P.O. Box 489, Lawndale, CA 90260-0489

Statement of Accounts

This Statement: March 29, 2019
Last Statement: February 28, 2019

Account 5795358638

DIRECT INQUIRIES TO:
Customer Service 1 (800) 400-6080

0048713 4089-06-0000-CBT-PG0023-00010

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY
BICKMORE, ADMINISTRATOR
1750 CREEKSIDE OAKS DR STE 200
SACRAMENTO CA 95833-3648

Sacramento Main
520 Capitol Mall Suite 100
Sacramento, CA 95814-4714
(916) 341-4800

SUMMARY OF ACCOUNT BALANCE

Account Type	*Account Number*	*Checking/Savings Ending Balance*	*Outstanding Balances Owed*
PF Business Analyzed Account	5795358638	$932,306.34	

PF BUSINESS ANALYZED ACCOUNT 5795358638

129 10

Previous Balance	*Deposits/Credits*	*Charges/Debits*	*Checks Processed*	*Ending Balance*
970,883.00	1,077,961.20	1,098,950.40	17,587.46	932,306.34

10 DEPOSITS/CREDITS

Date	*Amount*	*Description*
03/01	199.93	SHARP PAYABLES PLAN100 REF # 019059006042984 1108245917
03/01	1,877.09	CITY OF SAN CARL PAYABL **** REF # 019060006471693 1108264764
03/01	9,305.41	REMOTE DEPOSIT 5353014886
03/04	2,125.88	CITY OF MORGAN H AP PAY ****** REF # 019063007431213 1109331008
03/08	2,817.88	REMOTE DEPOSIT 5353012113
03/11	1,000,000.00	CAMP ACH REDEMPTION 2813831 REF # 019070002592363 1108619639
03/15	17,733.36	REMOTE DEPOSIT 5353013659
03/22	5,983.80	REMOTE DEPOSIT 5353030936
03/25	126.50	CITY OF MORGAN H AP PAY ****** REF # 019084001070037 1108720550
03/29	37,791.35	REMOTE DEPOSIT 5353031477

6 CHARGES/DEBITS

Date	*Amount*	*Description*
03/08	150,000.00	ACH OFFSET Pooled Liab 6996 190308 REF # 019067002260011 1108147302
03/08	90,000.00	ACH OFFSET Pooled Liab 6996 190308 REF # 019067002370735 1108147256
03/08	369,744.22	ACH OFFSET Pooled Liab PAYABLES 190308 REF # 019067002370736 1108147257
03/21	45.66	ANALYSIS SERVICE FEE
03/22	231,347.33	ACH OFFSET Pooled Liab 6996 190322 REF # 019081000802221 1107845154
03/28	257,813.19	ACH OFFSET Pooled Liab PAYABLES 190328 REF # 019087004038556 1107336776

5 CHECKS PROCESSED

Number	*Date*	*Amount*	*Number*	*Date*	*Amount*	*Number*	*Date*	*Amount*
3035	03/29	9,305.41	3037	03/20	7,019.67	3039	03/19	647.18
3036	03/18	226.98	3038	03/14	388.22			

CALIFORNIA STATE TREASURER
FIONA MA, CPA

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
03/18/19	2.44	2.39	179
03/19/19	2.44	2.39	178
03/20/19	2.44	2.39	177
03/21/19	2.44	2.39	178
03/22/19	2.44	2.39	177
03/23/19	2.44	2.39	177
03/24/19	2.44	2.39	177
03/25/19	2.44	2.39	175
03/26/19	2.44	2.39	174
03/27/19	2.44	2.39	175
03/28/19	2.44	2.39	176
03/29/19	2.44	2.39	181
03/30/19	2.44	2.39	181
03/31/19	2.44	2.39	179
04/01/19	2.44	2.44	179
04/02/19	2.44	2.44	184
04/03/19	2.44	2.44	182
04/04/19	2.44	2.44	179
04/05/19	2.44	2.44	179
04/06/19	2.44	2.44	179
04/07/19	2.44	2.44	179
04/08/19	2.44	2.44	181
04/09/19	2.45	2.43	182
04/10/19	2.45	2.43	181
04/11/19	2.45	2.43	181
04/12/19	2.45	2.43	182
04/13/19	2.45	2.44	182
04/14/19	2.45	2.44	182
04/15/19	2.45	2.44	182
04/16/19	2.45	2.44	182
04/17/19	2.45	2.44	181

*Daily yield does not reflect capital gains or losses

View Prior Month Daily Rates

LAIF Performance Report

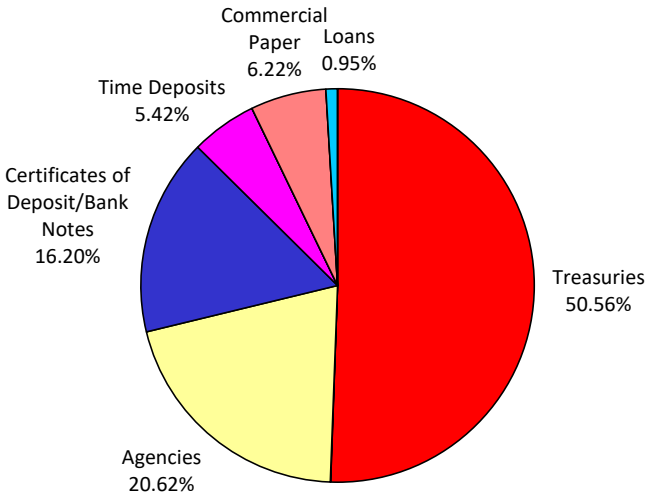
Quarter Ending 03/31/19

Apportionment Rate:	2.55
Earnings Ratio:	0.00006976322349099
Fair Value Factor:	1.000146954
Daily:	2.44%
Quarter to Date:	2.39%
Average Life:	179

PMIA Average Monthly Effective Yields

Mar 2019	**2.436**
Feb 2019	2.392
Jan 2019	2.355

Pooled Money Investment Account
Portfolio Composition
03/31/19
$86.9 billion



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 04/17/2019

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
April 02, 2019

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY
FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number:
40-01-003

Tran Type Definitions

March 2019 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	39,322.89
Total Withdrawal:	0.00	Ending Balance:	39,322.89

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
March 01, 2019

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY
FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number:
40-01-003

Tran Type Definitions

February 2019 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	39,322.89
Total Withdrawal:	0.00	Ending Balance:	39,322.89

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
February 20, 2019

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY
FINANCE MANAGER
1750 CREEKSIDE OAKS DRIVE, SUITE 200
SACRAMENTO, CA 95833

PMIA Average Monthly Yields

Account Number:
40-01-003

Tran Type Definitions

January 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/15/2019	1/14/2019	QRD	1595349	SYSTEM	220.62

Account Summary

Total Deposit:	220.62	Beginning Balance:	39,102.27
Total Withdrawal:	0.00	Ending Balance:	39,322.89

Account Statement - Transaction Summary

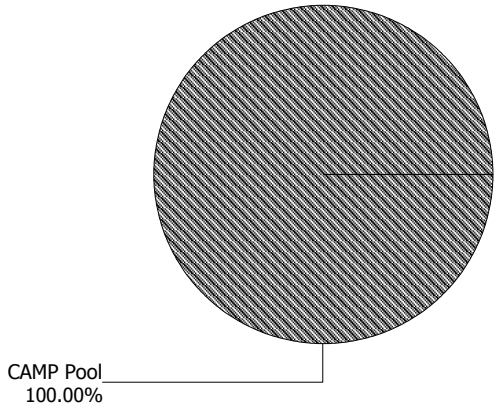
For the Month Ending **March 31, 2019**

Pooled Liability Assurance Network JPA - PLAN - Liquidity Account - 4011-001

CAMP Pool	
Opening Market Value	12,057,010.28
Purchases	25,208.27
Redemptions	(1,000,000.00)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$11,082,218.55**
Cash Dividends and Income	25,208.27

Asset Summary		
	March 31, 2019	**February 28, 2019**
CAMP Pool	11,082,218.55	12,057,010.28
Total	**$11,082,218.55**	**$12,057,010.28**

Asset Allocation



CAMP

Account Statement

For the Month Ending **March 31, 2019**

Pooled Liability Assurance Network JPA - PLAN - Liquidity Account - 4011-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**12,057,010.28**
03/11/19	03/11/19	Redemption - ACH Redemption	1.00	(1,000,000.00)	11,057,010.28
03/29/19	04/01/19	Accrual Income Div Reinvestment - Distributions	1.00	25,208.27	11,082,218.55
Closing Balance					**11,082,218.55**

	Month of March	Fiscal YTD July-March
Opening Balance	12,057,010.28	0.00
Purchases	25,208.27	18,782,218.55
Redemptions (Excl. Checks)	(1,000,000.00)	(7,700,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**11,082,218.55**	**11,082,218.55**
Cash Dividends and Income	25,208.27	182,218.55

Closing Balance	11,082,218.55
Average Monthly Balance	11,382,030.44
Monthly Distribution Yield	2.61%

Account Statement

For the Month Ending **February 28, 2019**

Pooled Liability Assurance Network JPA - PLAN - Liquidity Account - 4011-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**12,732,469.75**
02/05/19	02/05/19	Redemption - ACH Redemption	1.00	(700,000.00)	12,032,469.75
02/28/19	03/01/19	Accrual Income Div Reinvestment - Distributions	1.00	24,540.53	12,057,010.28
Closing Balance					**12,057,010.28**

	Month of February	Fiscal YTD July-February
Opening Balance	12,732,469.75	0.00
Purchases	24,540.53	18,757,010.28
Redemptions (Excl. Checks)	(700,000.00)	(6,700,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**12,057,010.28**	**12,057,010.28**
Cash Dividends and Income	24,540.53	157,010.28

Closing Balance	12,057,010.28
Average Monthly Balance	12,133,346.20
Monthly Distribution Yield	2.64%

Account Statement

For the Month Ending **January 31, 2019**

Pooled Liability Assurance Network JPA - PLAN - Liquidity Account - 4011-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**12,704,175.12**
01/31/19	02/01/19	Accrual Income Div Reinvestment - Distributions	1.00	28,294.63	12,732,469.75
Closing Balance					**12,732,469.75**

	Month of January	Fiscal YTD July-January
Opening Balance	12,704,175.12	0.00
Purchases	28,294.63	18,732,469.75
Redemptions (Excl. Checks)	0.00	(6,000,000.00)
Check Disbursements	0.00	0.00
Closing Balance	**12,732,469.75**	**12,732,469.75**
Cash Dividends and Income	28,294.63	132,469.75

Closing Balance	12,732,469.75
Average Monthly Balance	12,705,087.85
Monthly Distribution Yield	2.62%

Account Statement - Transaction Summary

For the Month Ending **March 31, 2019**

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002

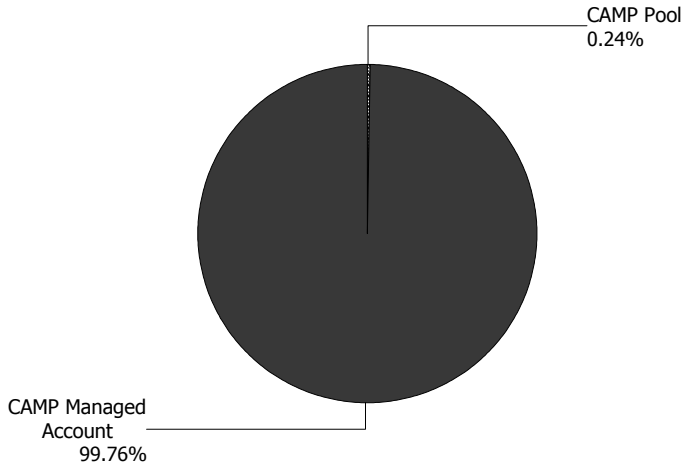
CAMP Pool	
Opening Market Value	87,405.92
Purchases	1,065,382.14
Redemptions	(1,072,456.15)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$80,331.91**
Cash Dividends and Income	166.71

CAMP Managed Account	
Opening Market Value	32,951,289.12
Purchases	1,060,623.05
Redemptions	(1,010,821.51)
Unsettled Trades	0.00
Change in Value	254,149.17
Closing Market Value	**$33,255,239.83**
Cash Dividends and Income	50,460.51

Asset Summary

	March 31, 2019	February 28, 2019
CAMP Pool	80,331.91	87,405.92
CAMP Managed Account	33,255,239.83	32,951,289.12
Total	**$33,335,571.74**	**$33,038,695.04**

Asset Allocation



Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	135,000.00	AA+	Aaa	10/04/18	10/09/18	132,009.96	2.84	779.42	132,916.90	133,518.11
US TREASURY NOTES DTD 12/01/2014 1.875% 11/30/2021	912828G53	1,000,000.00	AA+	Aaa	08/21/18	08/23/18	974,492.19	2.69	6,284.34	979,067.42	990,195.00
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	1,000,000.00	AA+	Aaa	08/21/18	08/23/18	965,859.38	2.71	5,865.38	971,131.52	985,195.00
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	1,400,000.00	AA+	Aaa	08/30/18	09/04/18	1,350,507.81	2.75	8,211.54	1,357,796.71	1,379,273.00
US TREASURY NOTES DTD 06/30/2017 1.750% 06/30/2022	912828XW5	500,000.00	AA+	Aaa	09/07/18	09/10/18	481,269.53	2.79	2,199.59	483,894.18	492,461.00
US TREASURY NOTES DTD 11/15/2012 1.625% 11/15/2022	912828TY6	1,400,000.00	AA+	Aaa	08/30/18	09/04/18	1,337,710.94	2.75	8,609.81	1,345,842.88	1,370,577.60
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	500,000.00	AA+	Aaa	09/07/18	09/10/18	486,152.34	2.81	2,670.93	487,858.45	497,949.00
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,000,000.00	AA+	Aaa	08/21/18	08/23/18	975,585.94	2.72	5,341.85	978,824.91	995,898.00
US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	125,000.00	AA+	Aaa	10/01/18	10/03/18	118,945.31	2.95	362.57	119,598.36	122,768.50
US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	500,000.00	AA+	Aaa	11/01/18	11/06/18	476,152.34	2.96	1,450.28	478,289.51	491,074.00
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	380,000.00	AA+	Aaa	02/08/19	02/12/19	366,002.34	2.44	15.57	366,431.24	369,282.86
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	1,000,000.00	AA+	Aaa	12/04/18	12/06/18	945,546.88	2.85	40.98	949,355.72	971,797.00
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	365,000.00	AA+	Aaa	02/08/19	02/12/19	346,735.74	2.44	756.22	347,252.22	350,114.94
US TREASURY NOTES DTD 11/15/2013 2.750% 11/15/2023	912828WE6	1,050,000.00	AA+	Aaa	03/06/19	03/08/19	1,060,623.05	2.52	10,927.83	1,060,488.32	1,072,927.80

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	65,000.00	AA+	Aaa	01/30/19	01/31/19	65,192.97	2.56	428.92	65,187.11	66,104.48
Security Type Sub-Total		**10,420,000.00**					**10,082,786.72**	**2.72**	**53,945.23**	**10,123,935.45**	**10,289,136.29**
Federal Agency Collateralized Mortgage Obligation											
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	160,728.97	AA+	Aaa	12/07/18	12/17/18	160,728.49	3.11	429.01	160,728.49	162,231.53
Security Type Sub-Total		**160,728.97**					**160,728.49**	**3.11**	**429.01**	**160,728.49**	**162,231.53**
Federal Agency Bond / Note											
FNMA NOTES (EX-CALLABLE) DTD 03/06/2013 1.750% 03/06/2020	3135G0UU5	1,600,000.00	AA+	Aaa	06/03/13	06/03/13	1,595,840.00	1.79	1,944.44	1,599,399.46	1,594,910.40
FNMA NOTES (CALLABLE) DTD 05/25/2016 1.550% 08/25/2020	3136G3QF5	2,000,000.00	AA+	Aaa	05/25/16	05/25/16	2,000,000.00	1.55	3,100.00	2,000,000.00	1,977,520.00
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	330,000.00	AA+	Aaa	12/04/18	12/06/18	329,818.50	2.90	3,953.13	329,851.63	332,786.19
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	525,000.00	AA+	Aaa	12/04/18	12/06/18	520,112.25	2.91	6,125.00	520,764.46	526,946.18
FHLMC NOTES (CALLABLE, STEP RATE) DTD 06/30/2016 1.750% 06/30/2021	3134G9XG7	2,000,000.00	AA+	Aaa	06/30/16	06/30/16	2,000,000.00	1.67	8,847.22	2,000,000.00	1,992,096.00
FNMA NOTES (CALLABLE, STEP RATE) DTD 07/19/2016 1.500% 07/19/2021	3136G3ZZ1	3,000,000.00	AA+	Aaa	07/19/16	07/19/16	3,000,000.00	1.44	9,000.00	3,000,000.00	2,972,451.00
FNMA NOTES (CALLABLE) DTD 08/25/2016 1.500% 08/25/2021	3136G3Y25	4,775,000.00	AA+	Aaa	08/25/16	08/25/16	4,775,000.00	1.50	7,162.50	4,775,000.00	4,687,751.20
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	135,000.00	AA+	Aaa	01/09/19	01/11/19	134,902.80	2.65	787.50	134,909.76	136,221.89
FEDERAL HOME LOAN BANK NOTES DTD 08/26/2013 3.375% 09/08/2023	313383YJ4	195,000.00	AA+	Aaa	01/07/19	01/09/19	201,023.55	2.67	420.47	200,750.46	203,979.95

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FEDERAL HOME LOAN BANKS NOTES DTD 12/09/2013 3.375% 12/08/2023	3130A0F70	475,000.00	AA+	Aaa	01/30/19	01/31/19	489,000.10	2.72	5,032.03	488,549.02	496,604.43
FANNIE MAE NOTES DTD 02/08/2019 2.500% 02/05/2024	3135G0V34	375,000.00	AA+	Aaa	02/07/19	02/08/19	373,605.00	2.58	1,380.21	373,643.68	378,521.25
FHLB BONDS DTD 02/15/2019 2.500% 02/13/2024	3130AFW94	100,000.00	AA+	Aaa	02/14/19	02/15/19	99,646.00	2.58	319.44	99,654.52	100,936.30
Security Type Sub-Total		**15,510,000.00**					**15,518,948.20**	**1.73**	**48,071.94**	**15,522,522.99**	**15,400,724.79**
Corporate Note											
BRANCH BANKING & TRUST CORP NOTES DTD 06/05/2018 3.200% 09/03/2021	05531FBD4	320,000.00	A-	A2	08/21/18	08/23/18	320,566.40	3.13	796.44	320,488.27	323,537.28
CATERPILLAR FINANCIAL SERVICES CORP CORP DTD 09/07/2018 3.150% 09/07/2021	14913Q2N8	200,000.00	A	A3	09/04/18	09/07/18	199,846.00	3.18	420.00	199,874.01	202,304.20
JOHN DEERE CAPITAL CORP CORP NOTES DTD 09/10/2018 3.125% 09/10/2021	24422EUK3	375,000.00	A	A2	09/05/18	09/10/18	374,883.75	3.14	683.59	374,904.59	379,275.00
AMERICAN HONDA FINANCE CORP NOTES DTD 10/10/2018 3.375% 12/10/2021	02665WCP4	375,000.00	A	A2	10/03/18	10/10/18	374,820.00	3.39	3,902.34	374,835.79	381,579.38
GOLDMAN SACHS GROUP INC CORP NOTE DTD 01/24/2012 5.750% 01/24/2022	38141GGS7	300,000.00	BBB+	A3	08/21/18	08/23/18	321,645.00	3.49	3,210.42	317,998.35	321,743.40
JPMORGAN CHASE & CO CORP NOTES DTD 01/23/2012 4.500% 01/24/2022	46625HJD3	310,000.00	A-	A2	08/21/18	08/23/18	321,755.20	3.32	2,596.25	319,771.87	324,273.95
HOME DEPOT INC DTD 12/06/2018 3.250% 03/01/2022	437076BV3	200,000.00	A	A2	11/27/18	12/06/18	199,452.00	3.34	541.67	199,497.58	204,540.00
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 03/03/2017 2.700% 03/03/2022	0258M0EG0	325,000.00	A-	A2	08/21/18	08/23/18	318,383.00	3.32	682.50	319,467.52	325,324.03
UNILEVER CAPITAL CORP DTD 09/07/2018 3.000% 03/07/2022	904764BF3	210,000.00	A+	A1	09/04/18	09/07/18	208,983.60	3.15	420.00	209,140.84	212,065.98

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
MORGAN STANLEY CORP NOTES DTD 05/19/2017 2.750% 05/19/2022	61744YAH1	325,000.00	BBB+	A3	08/21/18	08/23/18	317,564.00	3.41	3,277.08	318,715.07	323,035.70
CITIGROUP INC CORP NOTES DTD 10/27/2017 2.700% 10/27/2022	172967LQ2	325,000.00	BBB+	A3	08/21/18	08/23/18	314,314.00	3.55	3,753.75	315,776.15	321,975.55
INTEL CORP CORP NOTES DTD 12/11/2012 2.700% 12/15/2022	458140AM2	375,000.00	A+	A1	12/26/18	12/28/18	367,672.50	3.23	2,981.25	368,125.06	377,215.13
BANK OF AMERICA CORP BANK NOTE DTD 01/20/2017 3.124% 01/20/2023	06051GGE3	550,000.00	A-	A2	08/21/18	08/23/18	544,043.50	3.39	3,388.67	544,821.06	551,595.55
BANK OF NY MELLON CORP DTD 04/30/2018 3.500% 04/28/2023	06406RAG2	550,000.00	A	A1	08/21/18	08/23/18	553,553.00	3.35	8,181.25	553,139.11	563,989.25
STATE STREET BANK & TR CORP NOTES DTD 05/15/2017 2.653% 05/15/2023	857477AZ6	325,000.00	A	A1	08/30/18	09/04/18	316,855.50	3.23	3,257.29	317,796.39	323,123.13
BOEING CO CORP NOTES DTD 05/18/2016 1.875% 06/15/2023	097023BQ7	150,000.00	A	A2	01/02/19	01/04/19	142,564.50	3.08	828.13	142,944.83	144,166.05
Security Type Sub-Total		**5,215,000.00**					**5,196,901.95**	**3.31**	**38,920.63**	**5,197,296.49**	**5,279,743.58**
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 11/05/2018 0.000% 05/07/2019	62479MS79	340,000.00	A-1	P-1	11/08/18	11/09/18	335,198.82	2.88	0.00	339,034.40	339,093.56
Security Type Sub-Total		**340,000.00**					**335,198.82**	**2.88**	**0.00**	**339,034.40**	**339,093.56**
Certificate of Deposit - FDIC Insured											
HSBC CD (EX-CALLABLE) DTD 11/17/2015 3.100% 11/17/2020	40434AC72	250,000.00	NR	NR	11/17/15	11/17/15	250,000.00	1.60	2,866.44	250,000.00	252,177.00
Security Type Sub-Total		**250,000.00**					**250,000.00**	**1.60**	**2,866.44**	**250,000.00**	**252,177.00**
Asset-Backed Security											
GMALT 2018-3 A3 DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	120,000.00	AAA	Aaa	09/18/18	09/26/18	119,990.52	3.19	116.60	119,992.24	120,836.14

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
FORDL 2018-B A3 DTD 09/21/2018 3.190% 12/15/2021	34531LAD2	160,000.00	NR	Aaa	09/18/18	09/21/18	159,986.48	3.41	226.84	159,988.62	161,210.38
BMWLT 2018-1 A4 DTD 10/17/2018 3.360% 03/20/2022	05586CAD6	165,000.00	AAA	Aaa	10/10/18	10/17/18	164,998.53	3.36	169.40	164,998.77	167,157.56
CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	750,000.00	NR	Aaa	08/21/18	08/23/18	741,708.98	2.97	3,683.13	742,585.55	748,915.28
CARMAX AUTO OWNER TRUST DTD 10/24/2018 3.360% 09/15/2023	14315EAC4	155,000.00	AAA	NR	10/17/18	10/24/18	154,998.57	3.36	231.47	154,998.81	157,608.36
GMCAR 2019-1 A3 DTD 01/16/2019 2.970% 11/16/2023	36256XAD4	175,000.00	NR	Aaa	01/08/19	01/16/19	174,980.63	2.97	216.56	174,981.43	176,405.36
Security Type Sub-Total		**1,525,000.00**					**1,516,663.71**	**3.11**	**4,644.00**	**1,517,545.42**	**1,532,133.08**
Managed Account Sub-Total		**33,420,728.97**					**33,061,227.89**	**2.37**	**148,877.25**	**33,111,063.24**	**33,255,239.83**
Money Market Mutual Fund											
CAMP Pool		80,331.91	AAAm	NR			80,331.91		0.00	80,331.91	80,331.91
Money Market Sub-Total		**80,331.91**					**80,331.91**		**0.00**	**80,331.91**	**80,331.91**
Securities Sub-Total		**$33,501,060.88**					**$33,141,559.80**	**2.37%**	**$148,877.25**	**$33,191,395.15**	**$33,335,571.74**
Accrued Interest											**$148,877.25**
Total Investments											**$33,484,448.99**

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Transaction Type / Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
03/06/19	03/08/19	US TREASURY NOTES DTD 11/15/2013 2.750% 11/15/2023	912828WE6	1,050,000.00	(1,060,623.05)	(9,013.47)	(1,069,636.52)			
Transaction Type Sub-Total				**1,050,000.00**	**(1,060,623.05)**	**(9,013.47)**	**(1,069,636.52)**			
INTEREST										
03/01/19	03/01/19	HOME DEPOT INC DTD 12/06/2018 3.250% 03/01/2022	437076BV3	200,000.00	0.00	1,534.72	1,534.72			
03/01/19	03/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	179,420.48	0.00	478.90	478.90			
03/03/19	03/03/19	BRANCH BANKING & TRUST CORP NOTES DTD 06/05/2018 3.200% 09/03/2021	05531FBD4	320,000.00	0.00	7,623.11	7,623.11			
03/03/19	03/03/19	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 03/03/2017 2.700% 03/03/2022	0258M0EG0	325,000.00	0.00	4,387.50	4,387.50			
03/06/19	03/06/19	FNMA NOTES (EX-CALLABLE) DTD 03/06/2013 1.750% 03/06/2020	3135G0UU5	2,600,000.00	0.00	22,750.00	22,750.00			
03/07/19	03/07/19	UNILEVER CAPITAL CORP DTD 09/07/2018 3.000% 03/07/2022	904764BF3	210,000.00	0.00	3,150.00	3,150.00			
03/07/19	03/07/19	CATERPILLAR FINANCIAL SERVICES CORP CORP DTD 09/07/2018 3.150% 09/07/2021	14913Q2N8	200,000.00	0.00	3,150.00	3,150.00			
03/08/19	03/08/19	FEDERAL HOME LOAN BANK NOTES DTD 08/26/2013 3.375% 09/08/2023	313383YJ4	195,000.00	0.00	3,290.63	3,290.63			
03/10/19	03/10/19	JOHN DEERE CAPITAL CORP CORP NOTES DTD 09/10/2018 3.125% 09/10/2021	24422EUK3	375,000.00	0.00	5,859.38	5,859.38			
03/15/19	03/15/19	FORDL 2018-B A3 DTD 09/21/2018 3.190% 12/15/2021	34531LAD2	160,000.00	0.00	425.33	425.33			
03/15/19	03/15/19	CARMAX AUTO OWNER TRUST DTD 10/24/2018 3.360% 09/15/2023	14315EAC4	155,000.00	0.00	434.00	434.00			
03/16/19	03/16/19	GMCAR 2019-1 A3 DTD 01/16/2019 2.970% 11/16/2023	36256XAD4	175,000.00	0.00	433.13	433.13			

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST											
	03/20/19	03/20/19	GMALT 2018-3 A3 DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	120,000.00	0.00	318.00	318.00			
	03/20/19	03/20/19	BMWLT 2018-1 A4 DTD 10/17/2018 3.360% 03/20/2022	05586CAD6	165,000.00	0.00	462.00	462.00			
	03/31/19	03/31/19	US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	1,000,000.00	0.00	7,500.00	7,500.00			
	03/31/19	03/31/19	US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	380,000.00	0.00	2,850.00	2,850.00			
Transaction Type Sub-Total					**6,759,420.48**	**0.00**	**64,646.70**	**64,646.70**			
PAYDOWNS											
	03/01/19	03/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	18,691.51	18,691.51	0.00	18,691.51	0.06	0.00	
Transaction Type Sub-Total					**18,691.51**	**18,691.51**	**0.00**	**18,691.51**	**0.06**	**0.00**	
SELL											
	03/06/19	03/08/19	FNMA NOTES (EX-CALLABLE) DTD 03/06/2013 1.750% 03/06/2020	3135G0UU5	1,000,000.00	992,130.00	97.22	992,227.22	(5,270.00)	(7,469.01)	FIFO
Transaction Type Sub-Total					**1,000,000.00**	**992,130.00**	**97.22**	**992,227.22**	**(5,270.00)**	**(7,469.01)**	
Managed Account Sub-Total						**(49,801.54)**	**55,730.45**	**5,928.91**	**(5,269.94)**	**(7,469.01)**	
Total Security Transactions						**($49,801.54)**	**$55,730.45**	**$5,928.91**	**($5,269.94)**	**($7,469.01)**	

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Transaction Type	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
02/07/19	02/08/19	FANNIE MAE NOTES DTD 02/08/2019 2.500% 02/05/2024	3135G0V34	375,000.00	(373,605.00)	0.00	(373,605.00)			
02/08/19	02/12/19	US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	365,000.00	(346,735.74)	(151.24)	(346,886.98)			
02/08/19	02/12/19	US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	380,000.00	(366,002.34)	(2,114.01)	(368,116.35)			
02/14/19	02/15/19	FHLB BONDS DTD 02/15/2019 2.500% 02/13/2024	3130AFW94	100,000.00	(99,646.00)	0.00	(99,646.00)			
Transaction Type Sub-Total				**1,220,000.00**	**(1,185,989.08)**	**(2,265.25)**	**(1,188,254.33)**			
INTEREST										
02/01/19	02/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	179,710.98	0.00	479.68	479.68			
02/15/19	02/15/19	CARMAX AUTO OWNER TRUST DTD 10/24/2018 3.360% 09/15/2023	14315EAC4	155,000.00	0.00	434.00	434.00			
02/15/19	02/15/19	FORDL 2018-B A3 DTD 09/21/2018 3.190% 12/15/2021	34531LAD2	160,000.00	0.00	425.33	425.33			
02/16/19	02/16/19	GMCAR 2019-1 A3 DTD 01/16/2019 2.970% 11/16/2023	36256XAD4	175,000.00	0.00	476.44	476.44			
02/20/19	02/20/19	BMWLT 2018-1 A4 DTD 10/17/2018 3.360% 03/20/2022	05586CAD6	165,000.00	0.00	462.00	462.00			
02/20/19	02/20/19	GMALT 2018-3 A3 DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	120,000.00	0.00	318.00	318.00			
02/25/19	02/25/19	FNMA NOTES (CALLABLE) DTD 08/25/2016 1.500% 08/25/2021	3136G3Y25	4,775,000.00	0.00	35,812.50	35,812.50			
02/25/19	02/25/19	FNMA NOTES (CALLABLE) DTD 05/25/2016 1.550% 08/25/2020	3136G3QF5	2,000,000.00	0.00	15,500.00	15,500.00			
Transaction Type Sub-Total				**7,729,710.98**	**0.00**	**53,907.95**	**53,907.95**			
PAYDOWNS										
02/01/19	02/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	290.50	290.50	0.00	290.50	0.00	0.00	

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Transaction Type					Principal	Accrued		Realized G/L	Realized G/L	Sale
Trade	Settle	Security Description	CUSIP	Par	Proceeds	Interest	Total	Cost	Amort Cost	Method
Transaction Type Sub-Total				**290.50**	**290.50**	**0.00**	**290.50**	**0.00**	**0.00**	
SELL										
02/07/19	02/08/19	US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	375,000.00	377,563.48	1,060.51	378,623.99	1,450.20	1,454.71	FIFO
02/08/19	02/12/19	FNMA NOTES (EX-CALLABLE) DTD 03/06/2013 1.750% 03/06/2020	3135G0UU5	400,000.00	396,712.00	3,033.33	399,745.33	(2,248.00)	(3,116.10)	FIFO
02/08/19	02/12/19	US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	315,000.00	313,092.77	1,120.67	314,213.44	1,156.64	20.97	FIFO
02/14/19	02/15/19	US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	100,000.00	100,695.31	333.56	101,028.87	398.43	400.69	FIFO
Transaction Type Sub-Total				**1,190,000.00**	**1,188,063.56**	**5,548.07**	**1,193,611.63**	**757.27**	**(1,239.73)**	
Managed Account Sub-Total					**2,364.98**	**57,190.77**	**59,555.75**	**757.27**	**(1,239.73)**	
Total Security Transactions					**$2,364.98**	**$57,190.77**	**$59,555.75**	**$757.27**	**($1,239.73)**	

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Transaction Type										
Trade	**Settle**	**Security Description**	**CUSIP**	**Par**	**Principal Proceeds**	**Accrued Interest**	**Total**	**Realized G/L Cost**	**Realized G/L Amort Cost**	**Sale Method**
BUY										
01/02/19	01/04/19	BOEING CO CORP NOTES DTD 05/18/2016 1.875% 06/15/2023	097023BQ7	150,000.00	(142,564.50)	(148.44)	(142,712.94)			
01/07/19	01/09/19	FEDERAL HOME LOAN BANK NOTES DTD 08/26/2013 3.375% 09/08/2023	313383YJ4	195,000.00	(201,023.55)	(2,212.03)	(203,235.58)			
01/08/19	01/16/19	GMCAR 2019-1 A3 DTD 01/16/2019 2.970% 11/16/2023	36256XAD4	175,000.00	(174,980.63)	0.00	(174,980.63)			
01/09/19	01/11/19	FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	135,000.00	(134,902.80)	0.00	(134,902.80)			
01/30/19	01/31/19	US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	540,000.00	(541,603.13)	(1,213.88)	(542,817.01)			
01/30/19	01/31/19	FEDERAL HOME LOAN BANKS NOTES DTD 12/09/2013 3.375% 12/08/2023	3130A0F70	475,000.00	(489,000.10)	(2,360.16)	(491,360.26)			
Transaction Type Sub-Total				**1,670,000.00**	**(1,684,074.71)**	**(5,934.51)**	**(1,690,009.22)**			
INTEREST										
01/01/19	01/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	180,000.00	0.00	480.45	480.45			
01/15/19	01/15/19	FORDL 2018-B A3 DTD 09/21/2018 3.190% 12/15/2021	34531LAD2	160,000.00	0.00	425.33	425.33			
01/15/19	01/15/19	CARMAX AUTO OWNER TRUST DTD 10/24/2018 3.360% 09/15/2023	14315EAC4	155,000.00	0.00	434.00	434.00			
01/19/19	01/19/19	FNMA NOTES (CALLABLE, STEP RATE) DTD 07/19/2016 1.500% 07/19/2021	3136G3ZZ1	3,000,000.00	0.00	22,500.00	22,500.00			
01/20/19	01/20/19	BANK OF AMERICA CORP BANK NOTE DTD 01/20/2017 3.124% 01/20/2023	06051GGE3	550,000.00	0.00	8,591.00	8,591.00			
01/20/19	01/20/19	CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	750,000.00	0.00	9,337.50	9,337.50			
01/20/19	01/20/19	GMALT 2018-3 A3 DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	120,000.00	0.00	318.00	318.00			
01/20/19	01/20/19	BMWLT 2018-1 A4 DTD 10/17/2018 3.360% 03/20/2022	05586CAD6	165,000.00	0.00	462.00	462.00			
01/24/19	01/24/19	JPMORGAN CHASE & CO CORP NOTES DTD 01/23/2012 4.500% 01/24/2022	46625HJD3	310,000.00	0.00	6,975.00	6,975.00			

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002 - (12517100)

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
01/24/19	01/24/19	GOLDMAN SACHS GROUP INC CORP NOTE DTD 01/24/2012 5.750% 01/24/2022	38141GGS7	300,000.00	0.00	8,625.00	8,625.00			
01/31/19	01/31/19	US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	125,000.00	0.00	1,093.75	1,093.75			
01/31/19	01/31/19	US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	500,000.00	0.00	4,375.00	4,375.00			
Transaction Type Sub-Total				**6,315,000.00**	**0.00**	**63,617.03**	**63,617.03**			
PAYDOWNS										
01/01/19	01/25/19	FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	289.02	289.02	0.00	289.02	0.00	0.00	
Transaction Type Sub-Total				**289.02**	**289.02**	**0.00**	**289.02**	**0.00**	**0.00**	
SELL										
01/07/19	01/09/19	US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	200,000.00	198,515.63	384.62	198,900.25	460.94	(117.72)	FIFO
01/07/19	01/09/19	US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	5,000.00	4,963.09	9.62	4,972.71	11.72	(2.74)	FIFO
01/08/19	01/15/19	US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	180,000.00	178,657.03	398.08	179,055.11	407.81	(135.60)	FIFO
01/09/19	01/11/19	US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	135,000.00	132,848.44	369.20	133,217.64	838.48	349.47	FIFO
01/30/19	01/31/19	US TREASURY NOTES DTD 11/30/2017 1.750% 11/30/2019	9128283H1	1,000,000.00	993,125.00	2,980.77	996,105.77	2,851.57	(502.45)	FIFO
Transaction Type Sub-Total				**1,520,000.00**	**1,508,109.19**	**4,142.29**	**1,512,251.48**	**4,570.52**	**(409.04)**	
Managed Account Sub-Total					**(175,676.50)**	**61,824.81**	**(113,851.69)**	**4,570.52**	**(409.04)**	
Total Security Transactions					**($175,676.50)**	**$61,824.81**	**($113,851.69)**	**$4,570.52**	**($409.04)**	

UMPQUA BANK

Customer Service:
1-866-486-7782

YORK RISK SERVICES GROUP INC
CLIENT ESCROW ACCOUNT OBO
POOLED LIABILITY ASSURANCE NETWORK PLAN
PO BOX 820
ROSEVILLE CA 95661-0820

Last statement: February 28, 2019
This statement: March 31, 2019

Improve cash flow, streamline accounts payable and simplify bookkeeping with Umpqua card solutions for businesses. Features include company spending reports and online reporting tools to easily track and monitor employee spending. Contact your Umpqua Bank Relationship Manager for details.

ANALYZED BUSINESS CHECKING

Account number	993034743	Beginning balance	$386,037.01
Low balance	$288,974.71	Deposits/Additions	$475,625.32
Average balance	$388,048.19	Withdrawals/Subtractions	$437,106.91
Interest earned	$0.00	Ending balance	$424,555.42

Other Deposits/ Additions

Date	Description	Additions
03-05	Remote Capture Dep	111.11
03-12	Remote Capture Dep	2,549.78
03-15	Remote Capture Dep	1,117.10
03-27	Remote Capture Dep	500.00
Total Other Deposits/ Additions		**$4,277.99**

ACH and Electronic Deposits/Additions

Date	Description	Additions
03-11	ACH Credit Pooled Liability 6996 6996 20190311	150,000.00
03-11	ACH Credit Pooled Liability 6996 6996 20190311	90,000.00
03-25	ACH Credit Pooled Liability 6996 6996 20190325	231,347.33
Total ACH and Electronic Deposits/Additions		**$471,347.33**

Other Withdrawals/Subtractions

Date	Description	Subtractions
03-20	Maintenance Fee Analysis Activity For 02/19	14.73
Total Other Withdrawals/Subtractions		**$14.73**

Daily Balances

Date	Amount	Date	Amount	Date	Amount
02-28	386,037.01	03-12	542,355.85	03-21	301,803.17
03-01	351,155.87	03-13	511,372.64	03-22	288,974.71
03-04	320,023.97	03-14	469,689.27	03-25	518,862.44
03-05	318,774.12	03-15	408,719.05	03-26	497,491.77
03-07	314,738.62	03-18	404,109.27	03-27	491,133.29
03-08	312,827.34	03-19	313,595.84	03-29	424,555.42
03-11	544,232.51	03-20	312,706.62	03-31	424,555.42

Overdraft Fee Summary

	Total For This Period	**Total Year-to-Date**
Total Overdraft Fees	$0.00	$0.00
Total Returned Item Fees	$0.00	$0.00

Checks

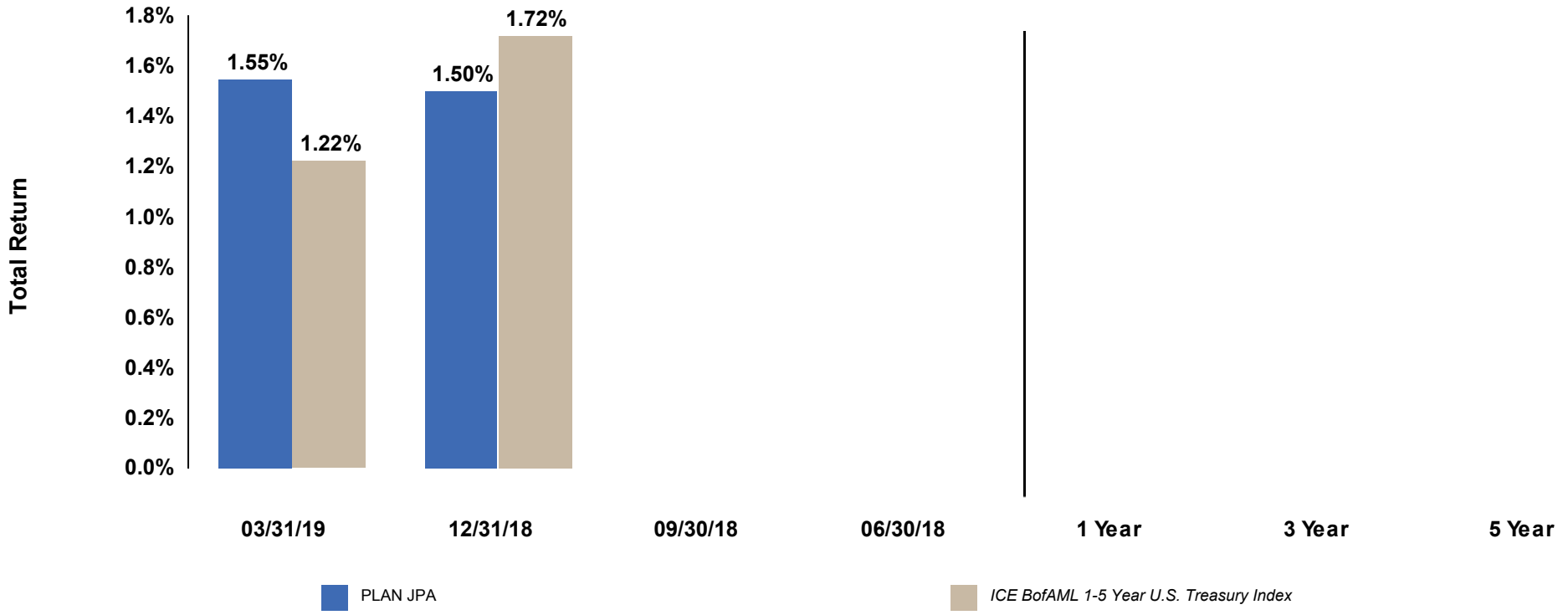
Check #	Amount	Date	Check #	Amount	Date
5253	$3,016.98	03-01	5307	$26,001.74	03-14
5254	$4,525.21	03-22	5308	$9,533.95	03-15
*5257	$1,360.96	03-05	5309	$1,857.65	03-14
*5273	$10,055.49	03-01	5310	$6,500.00	03-27
5274	$13,455.47	03-01	5311	$1,501.11	03-14
5275	$127.00	03-11	5312	$3,749.05	03-14
5276	$1,244.16	03-01	5313	$1,139.48	03-29
5277	$7,109.04	03-01	5314	$30,120.31	03-13
5278	$4,377.80	03-04	5315	$108.71	03-19
5279	$26,754.10	03-04	*5318	$90,000.00	03-19
5280	$4,035.50	03-07	5319	$129.72	03-19
5281	$712.50	03-08	5320	$14,480.00	03-26
5282	$1,198.78	03-08	5321	$1,334.60	03-25
5283	$6,188.00	03-15	5322	$1,250.00	03-26
5284	$860.00	03-11	5323	$358.48	03-27
5285	$49.95	03-13	5324	$10,000.00	03-21
5286	$955.00	03-11	5325	$275.00	03-19
5287	$1,974.00	03-11	5326	$717.99	03-20
5288	$3,880.83	03-11	5327	$125.00	03-22
5289	$4,609.78	03-18	5328	$903.45	03-21
5290	$798.00	03-11	5329	$731.55	03-22
5291	$156.50	03-20	5330	$496.58	03-22
5292	$331.50	03-12	5331	$1,100.12	03-22
5293	$1,238.00	03-14	*5333	$1,500.00	03-22
5294	$3,983.17	03-12	5334	$4,350.00	03-22
5295	$46,365.37	03-15	5335	$125.00	03-25
5296	$111.77	03-12	5336	$25,000.00	03-29
5297	$29.85	03-13	5337	$125.00	03-26
5298	$305.03	03-29	*5339	$108.92	03-26
*5300	$366.80	03-14	*5341	$5,406.75	03-26
5301	$783.10	03-13	*5343	$313.86	03-29
5302	$898.77	03-14	*5346	$444.08	03-29
*5304	$1,443.75	03-14	*5349	$25,258.07	03-29
5305	$4,500.00	03-14	5350	$14,117.35	03-29
5306	$126.50	03-14			

(* Skip in check sequence, R-Check has been returned, + Electronified check))

Total Checks paid: 69 for **-$437,092.18**

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended 03/31/19	12/31/18	09/30/18	06/30/18	1 Year	Annualized Return 3 Year	5 Year
PLAN JPA	2.51	1.55%	1.50%	-	-	-	-	-
ICE BofAML 1-5 Year U.S. Treasury Index	*2.56*	*1.22%*	*1.72%*	-	-	-	-	-
Difference		0.33%	-0.22%	-	-	-	-	-



Portfolio performance is gross of fees unless otherwise indicated.

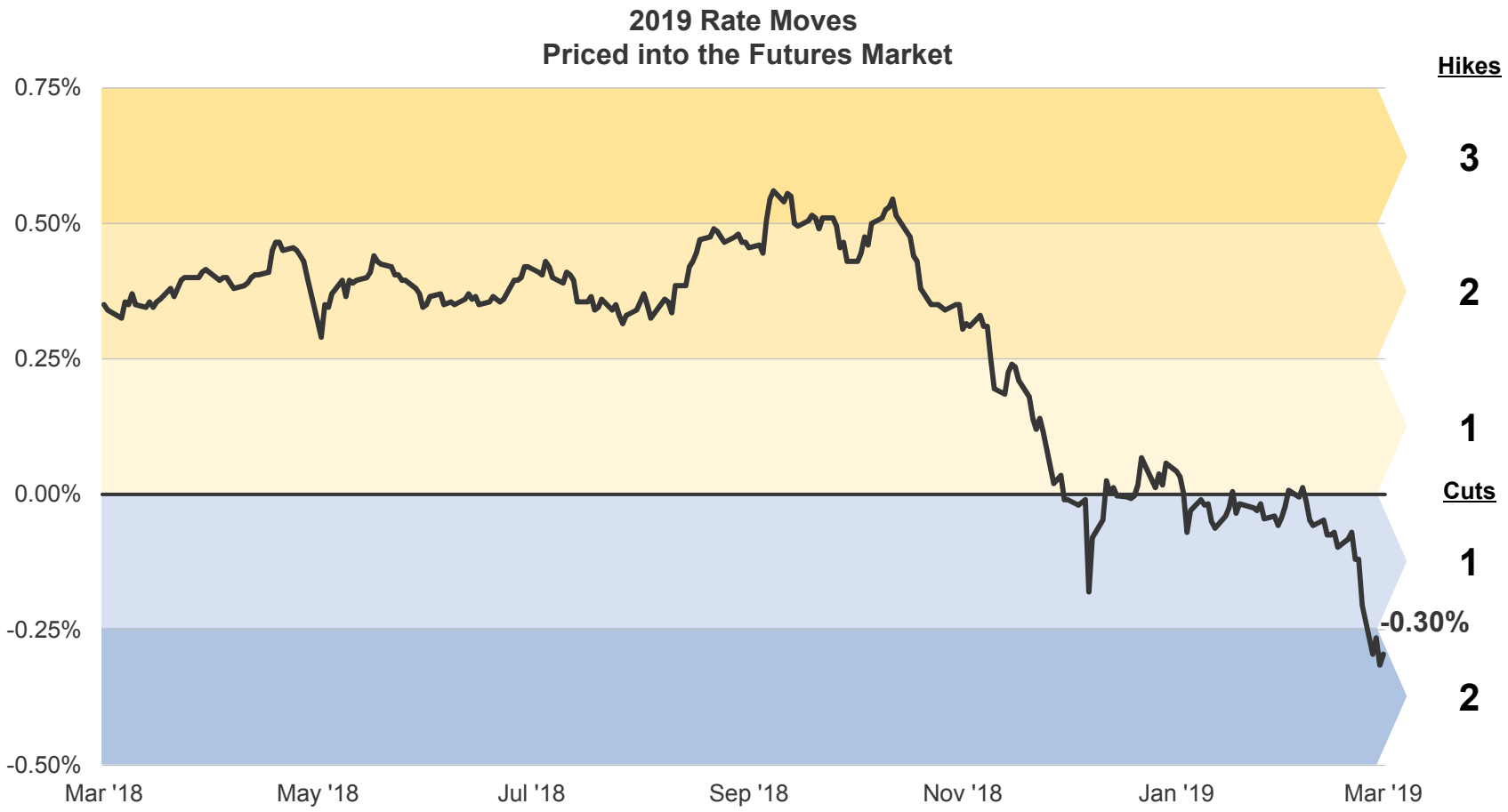
Earnings Analysis

Portfolio Earnings Analysis
As of March 31, 2019

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Since Inception
Interest Earned		-	160,440	169,578	330,018
+ Change in Value	-	-	328,281	343,037	671,318
= Portfolio Earnings	-	-	488,721	512,615	1,001,336
Total Return %	**-**	**-**	***1.50%***	***1.55%***	***3.08%***
Quarter-over-Quarter Change in 2-Year U.S. Treasury Yield	***+0.26%***	***+0.29%***	***-0.33%***	***-0.23%***	***-0.01%***

Outlook

Will the Fed's Next Move Be a Rate Cut?



Source: Bloomberg as of 3/28/2019.

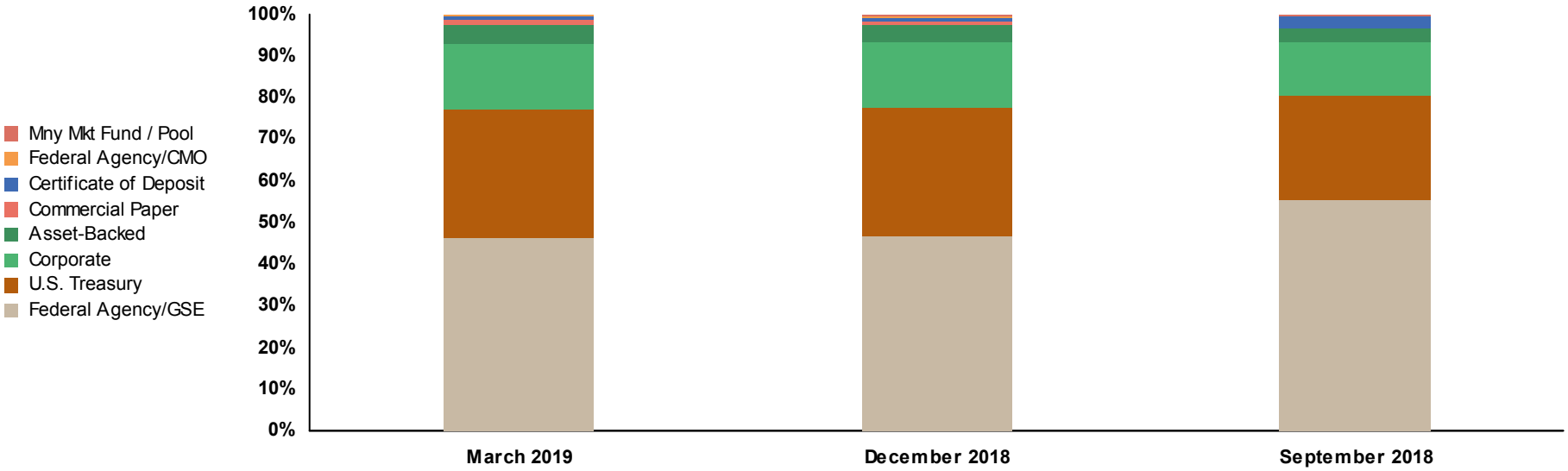
Investment Strategy Outlook

- With the Fed on hold and the market's current outlook for lower future interest rates, we will look to maintain a **neutral duration** posture relative to the portfolio's benchmark.
- As a result of the outlook for slower economic growth, we continue to favor broad diversification across permissible sectors with a tilt toward higher grade corporate bonds given their income-producing potential.
- Our outlook for each of the major investment-grade fixed-income sectors are as follows:
  - As federal agency spreads remain very tight, we expect agency purchases to be minimal, seeking better value in either **Treasuries** or other sectors. Given the inverted-to-flat yield curve, we will also evaluate callable agencies for their incremental yield.
  - **Supranationals** may offer strong value if the expected seasonal spike in issuance comes to fruition.
  - In the **corporate** sector, yield spreads have narrowed, settling in around longer-term, post-recession historical averages. Although the Treasury yield curve is flat, the corporate spread curve remains positively sloped, offering value for extending maturities. But, given international growth concerns, we remain diligent in our issuer and security selection process.
  - Allocations to AAA-rated **asset-backed securities (ABS)** will be maintained. The sector offers an attractive incremental income compared to similar duration government securities and continues to offer a defensive outlet relative to other credit instruments.
  - **Federal agency CMOs** continue to be an alternative to other government sectors due to the incremental income potential. Our analysis focuses on the expected performance of various structures and collateral types to identifying value.
- As always, while we continue to seek opportunities to enhance portfolio earnings, our priority remains to maintain the safety and the liquidity of PLAN's investments.

Portfolio Details

Sector Allocation

Sector	March 31, 2019 MV ($MM)	March 31, 2019 % of Total	December 31, 2018 MV ($MM)	December 31, 2018 % of Total	September 30, 2018 MV ($MM)	September 30, 2018 % of Total	June 30, 2018 MV ($MM)	June 30, 2018 % of Total
Federal Agency/GSE	15.4	46.2%	15.4	46.7%	17.9	55.2%	0.0	0.0%
U.S. Treasury	10.3	30.9%	10.2	30.9%	8.2	25.4%	0.0	0.0%
Corporate	5.3	15.8%	5.0	15.4%	4.1	12.6%	0.0	0.0%
Asset-Backed	1.5	4.6%	1.3	4.1%	1.0	3.2%	0.0	0.0%
Commercial Paper	0.3	1.0%	0.3	1.0%	0.0	0.0%	0.0	0.0%
Certificate of Deposit	0.3	0.8%	0.2	0.8%	1.0	3.1%	0.0	0.0%
Federal Agency/CMO	0.2	0.5%	0.2	0.6%	0.0	0.0%	0.0	0.0%
Mny Mkt Fund / Pool	0.1	0.2%	0.1	0.5%	0.2	0.5%	0.0	0.0%
Total	**$33.3**	**100.0%**	**$32.8**	**100.0%**	**$32.4**	**100.0%**	**$0.0**	**0.0%**

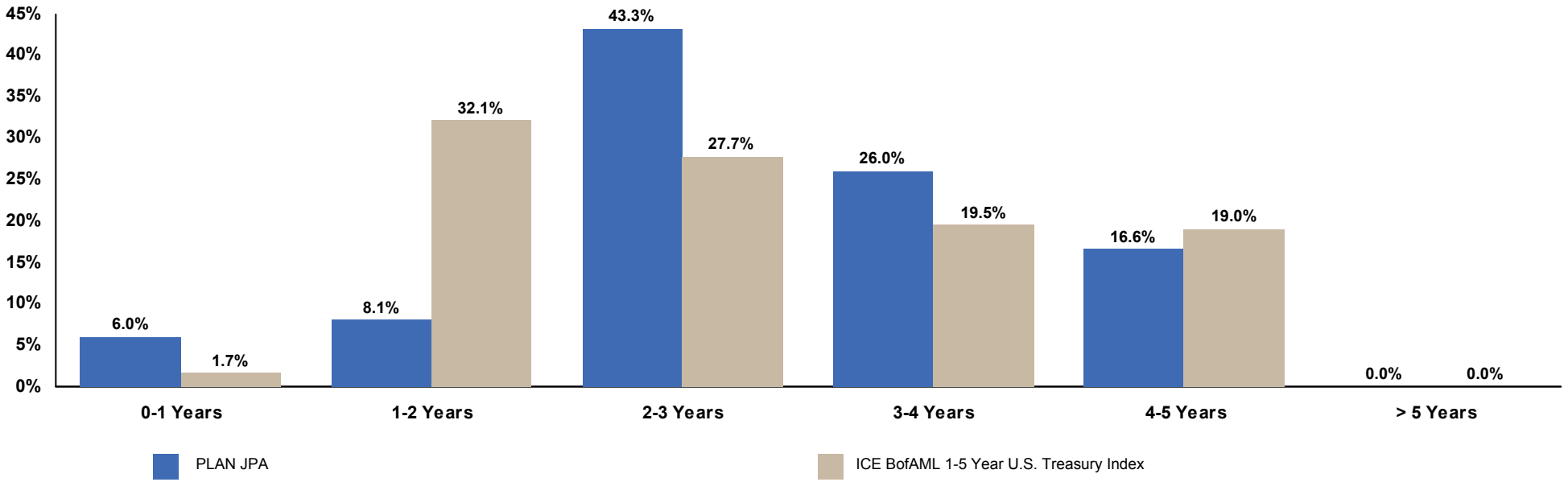


Detail may not add to total due to rounding.

Maturity Distribution

As of March 31, 2019

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
PLAN JPA	2.37%	2.87 yrs	6.0%	8.1%	43.3%	26.0%	16.6%	0.0%
ICE BofAML 1-5 Year U.S. Treasury Index	*2.29%*	*2.75 yrs*	*1.7%*	*32.1%*	*27.7%*	*19.5%*	*19.0%*	*0.0%*



Issuer Distribution

As of March 31, 2019

Issuer	Market Value ($)	% of Portfolio
FANNIE MAE	12,607,108	37.8%
UNITED STATES TREASURY	10,289,136	30.9%
FREDDIE MAC	2,154,328	6.5%
CITIGROUP INC	1,070,891	3.2%
FEDERAL HOME LOAN BANKS	801,521	2.4%
THE BANK OF NEW YORK MELLON CORPORATION	563,989	1.7%
BANK OF AMERICA CO	551,596	1.7%
AMERICAN HONDA FINANCE	381,579	1.1%
DEERE & COMPANY	379,275	1.1%
INTEL CORPORATION	377,215	1.1%
MITSUBISHI UFJ FINANCIAL GROUP INC	339,094	1.0%
AMERICAN EXPRESS CO	325,324	1.0%
JP MORGAN CHASE & CO	324,274	1.0%
BB&T CORPORATION	323,537	1.0%
STATE STREET CORPORATION	323,123	1.0%
MORGAN STANLEY	323,036	1.0%
GOLDMAN SACHS GROUP INC	321,743	1.0%
HSBC HOLDINGS PLC	252,177	0.8%

Top 5 = 80.8%

Top 10 = 87.5%

Issuer	Market Value ($)	% of Portfolio
UNILEVER PLC	212,066	0.6%
HOME DEPOT INC	204,540	0.6%
CATERPILLAR INC	202,304	0.6%
GM FINANCIAL SECURITIZED TERM	176,405	0.5%
BMW FINANCIAL SERVICES NA LLC	167,158	0.5%
FORD CREDIT AUTO LEASE TRUST	161,210	0.5%
CARMAX AUTO OWNER TRUST	157,608	0.5%
BOEING COMPANY	144,166	0.4%
GM FINANCIAL AUTO LEASING TRUST	120,836	0.4%
CAMP POOL	80,332	0.2%
Grand Total:	**33,335,572**	**100.0%**

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
BUY									
1/2/19	1/4/19	150,000	097023BQ7	BOEING CO CORP NOTES	1.87%	6/15/23	142,712.94	3.08%	
1/7/19	1/9/19	195,000	313383YJ4	FEDERAL HOME LOAN BANK NOTES	3.37%	9/8/23	203,235.58	2.67%	
1/8/19	1/16/19	175,000	36256XAD4	GMCAR 2019-1 A3	2.97%	11/16/23	174,980.63	2.97%	
1/9/19	1/11/19	135,000	3135G0U92	FANNIE MAE NOTES	2.62%	1/11/22	134,902.80	2.65%	
1/30/19	1/31/19	540,000	9128285U0	US TREASURY N/B	2.62%	12/31/23	542,817.01	2.56%	
1/30/19	1/31/19	475,000	3130A0F70	FEDERAL HOME LOAN BANKS NOTES	3.37%	12/8/23	491,360.26	2.72%	
2/7/19	2/8/19	375,000	3135G0V34	FANNIE MAE NOTES	2.50%	2/5/24	373,605.00	2.58%	
2/8/19	2/12/19	380,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	368,116.35	2.44%	
2/8/19	2/12/19	365,000	912828S92	US TREASURY NOTES	1.25%	7/31/23	346,886.98	2.44%	
2/14/19	2/15/19	100,000	3130AFW94	FHLB BONDS	2.50%	2/13/24	99,646.00	2.58%	
3/6/19	3/8/19	1,050,000	912828WE6	US TREASURY NOTES	2.75%	11/15/23	1,069,636.52	2.52%	
Total BUY		**3,940,000**					**3,947,900.07**		
INTEREST									
1/1/19	1/25/19	180,000	3137FKK39	FHMS KP05 A	3.20%	7/1/23	480.45		
1/15/19	1/15/19	155,000	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/23	434.00		
1/15/19	1/15/19	160,000	34531LAD2	FORDL 2018-B A3	3.19%	12/15/21	425.33		
1/19/19	1/19/19	3,000,000	3136G3ZZ1	FNMA NOTES (CALLABLE, STEP RATE)	1.50%	7/19/21	22,500.00		
1/20/19	1/20/19	550,000	06051GGE3	BANK OF AMERICA CORP BANK NOTE	3.12%	1/20/23	8,591.00		
1/20/19	1/20/19	120,000	36256GAD1	GMALT 2018-3 A3	3.18%	6/20/21	318.00		
1/20/19	1/20/19	165,000	05586CAD6	BMWLT 2018-1 A4	3.36%	3/20/22	462.00		
1/20/19	1/20/19	750,000	17305EGK5	CCCIT 2018-A1 A1	2.49%	1/20/23	9,337.50		
1/24/19	1/24/19	310,000	46625HJD3	JPMORGAN CHASE & CO CORP NOTES	4.50%	1/24/22	6,975.00		
1/24/19	1/24/19	300,000	38141GGS7	GOLDMAN SACHS GROUP INC CORP NOTE	5.75%	1/24/22	8,625.00		

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
1/31/19	1/31/19	125,000	912828P38	US TREASURY NOTES	1.75%	1/31/23	1,093.75		
1/31/19	1/31/19	500,000	912828P38	US TREASURY NOTES	1.75%	1/31/23	4,375.00		
2/1/19	2/25/19	179,711	3137FKK39	FHMS KP05 A	3.20%	7/1/23	479.68		
2/15/19	2/15/19	155,000	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/23	434.00		
2/15/19	2/15/19	160,000	34531LAD2	FORDL 2018-B A3	3.19%	12/15/21	425.33		
2/16/19	2/16/19	175,000	36256XAD4	GMCAR 2019-1 A3	2.97%	11/16/23	476.44		
2/20/19	2/20/19	120,000	36256GAD1	GMALT 2018-3 A3	3.18%	6/20/21	318.00		
2/20/19	2/20/19	165,000	05586CAD6	BMWLT 2018-1 A4	3.36%	3/20/22	462.00		
2/25/19	2/25/19	2,000,000	3136G3QF5	FNMA NOTES (CALLABLE)	1.55%	8/25/20	15,500.00		
2/25/19	2/25/19	4,775,000	3136G3Y25	FNMA NOTES (CALLABLE)	1.50%	8/25/21	35,812.50		
3/1/19	3/1/19	200,000	437076BV3	HOME DEPOT INC	3.25%	3/1/22	1,534.72		
3/1/19	3/25/19	179,420	3137FKK39	FHMS KP05 A	3.20%	7/1/23	478.90		
3/3/19	3/3/19	325,000	0258M0EG0	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.70%	3/3/22	4,387.50		
3/3/19	3/3/19	320,000	05531FBD4	BRANCH BANKING & TRUST CORP NOTES	3.20%	9/3/21	7,623.11		
3/6/19	3/6/19	2,600,000	3135G0UU5	FNMA NOTES (EX-CALLABLE)	1.75%	3/6/20	22,750.00		
3/7/19	3/7/19	200,000	14913Q2N8	CATERPILLAR FINANCIAL SERVICES CORP CORP	3.15%	9/7/21	3,150.00		
3/7/19	3/7/19	210,000	904764BF3	UNILEVER CAPITAL CORP	3.00%	3/7/22	3,150.00		
3/8/19	3/8/19	195,000	313383YJ4	FEDERAL HOME LOAN BANK NOTES	3.37%	9/8/23	3,290.63		
3/10/19	3/10/19	375,000	24422EUK3	JOHN DEERE CAPITAL CORP CORP NOTES	3.12%	9/10/21	5,859.38		
3/15/19	3/15/19	160,000	34531LAD2	FORDL 2018-B A3	3.19%	12/15/21	425.33		
3/15/19	3/15/19	155,000	14315EAC4	CARMAX AUTO OWNER TRUST	3.36%	9/15/23	434.00		
3/16/19	3/16/19	175,000	36256XAD4	GMCAR 2019-1 A3	2.97%	11/16/23	433.13		
3/20/19	3/20/19	165,000	05586CAD6	BMWLT 2018-1 A4	3.36%	3/20/22	462.00		
3/20/19	3/20/19	120,000	36256GAD1	GMALT 2018-3 A3	3.18%	6/20/21	318.00		
3/31/19	3/31/19	1,000,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	7,500.00		
3/31/19	3/31/19	380,000	912828Q29	US TREASURY NOTES	1.50%	3/31/23	2,850.00		
Total INTEREST		**20,804,131**					**182,171.68**		

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)		Realized G/L (BV)
PAYDOWNS									
1/1/19	1/25/19	289	3137FKK39	FHMS KP05 A	3.20%	7/1/23	289.02		0.00
2/1/19	2/25/19	291	3137FKK39	FHMS KP05 A	3.20%	7/1/23	290.50		0.00
3/1/19	3/25/19	18,692	3137FKK39	FHMS KP05 A	3.20%	7/1/23	18,691.51		0.00
Total PAYDOWNS		**19,271**					**19,271.03**		**0.00**
SELL									
1/7/19	1/9/19	200,000	9128283H1	US TREASURY NOTES	1.75%	11/30/19	198,900.25	2.60%	(117.72)
1/7/19	1/9/19	5,000	9128283H1	US TREASURY NOTES	1.75%	11/30/19	4,972.71	2.59%	(2.74)
1/8/19	1/15/19	180,000	9128283H1	US TREASURY NOTES	1.75%	11/30/19	179,055.11	2.62%	(135.60)
1/9/19	1/11/19	135,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	133,217.64	2.63%	349.47
1/30/19	1/31/19	1,000,000	9128283H1	US TREASURY NOTES	1.75%	11/30/19	996,105.77	2.59%	(502.45)
2/7/19	2/8/19	375,000	9128285U0	US TREASURY N/B	2.62%	12/31/23	378,623.99	2.48%	1,454.71
2/8/19	2/12/19	315,000	9128283H1	US TREASURY NOTES	1.75%	11/30/19	314,213.44	2.52%	20.97
2/8/19	2/12/19	400,000	3135G0UU5	FNMA NOTES (EX-CALLABLE)	1.75%	3/6/20	399,745.33	2.54%	(3,116.10)
2/14/19	2/15/19	100,000	9128285U0	US TREASURY N/B	2.62%	12/31/23	101,028.87	2.47%	400.69
3/6/19	3/8/19	1,000,000	3135G0UU5	FNMA NOTES (EX-CALLABLE)	1.75%	3/6/20	992,227.22	2.56%	(7,469.01)
Total SELL		**3,710,000**					**3,698,090.33**		**-9,117.78**

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	135,000.00	AA+	Aaa	10/4/2018	10/9/2018	132,009.96	2.84	779.42	132,916.90	133,518.11
US TREASURY NOTES DTD 12/01/2014 1.875% 11/30/2021	912828G53	1,000,000.00	AA+	Aaa	8/21/2018	8/23/2018	974,492.19	2.69	6,284.34	979,067.42	990,195.00
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	1,400,000.00	AA+	Aaa	8/30/2018	9/4/2018	1,350,507.81	2.75	8,211.54	1,357,796.71	1,379,273.00
US TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	912828XR6	1,000,000.00	AA+	Aaa	8/21/2018	8/23/2018	965,859.38	2.71	5,865.38	971,131.52	985,195.00
US TREASURY NOTES DTD 06/30/2017 1.750% 06/30/2022	912828XW5	500,000.00	AA+	Aaa	9/7/2018	9/10/2018	481,269.53	2.79	2,199.59	483,894.18	492,461.00
US TREASURY NOTES DTD 11/15/2012 1.625% 11/15/2022	912828TY6	1,400,000.00	AA+	Aaa	8/30/2018	9/4/2018	1,337,710.94	2.75	8,609.81	1,345,842.88	1,370,577.60
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	500,000.00	AA+	Aaa	9/7/2018	9/10/2018	486,152.34	2.81	2,670.93	487,858.45	497,949.00
US TREASURY NOTES DTD 12/31/2015 2.125% 12/31/2022	912828N30	1,000,000.00	AA+	Aaa	8/21/2018	8/23/2018	975,585.94	2.72	5,341.85	978,824.91	995,898.00
US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	500,000.00	AA+	Aaa	11/1/2018	11/6/2018	476,152.34	2.96	1,450.28	478,289.51	491,074.00
US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	125,000.00	AA+	Aaa	10/1/2018	10/3/2018	118,945.31	2.95	362.57	119,598.36	122,768.50
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	380,000.00	AA+	Aaa	2/8/2019	2/12/2019	366,002.34	2.44	15.57	366,431.24	369,282.86
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	1,000,000.00	AA+	Aaa	12/4/2018	12/6/2018	945,546.88	2.85	40.98	949,355.72	971,797.00
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	365,000.00	AA+	Aaa	2/8/2019	2/12/2019	346,735.74	2.44	756.22	347,252.22	350,114.94
US TREASURY NOTES DTD 11/15/2013 2.750% 11/15/2023	912828WE6	1,050,000.00	AA+	Aaa	3/6/2019	3/8/2019	1,060,623.05	2.52	10,927.83	1,060,488.32	1,072,927.80
US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	65,000.00	AA+	Aaa	1/30/2019	1/31/2019	65,192.97	2.56	428.92	65,187.11	66,104.48

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Security Type Sub-Total		**10,420,000.00**					**10,082,786.72**	**2.72**	**53,945.23**	**10,123,935.45**	**10,289,136.29**
Federal Agency Collateralized Mortgage Obligation											
FHMS KP05 A DTD 12/01/2018 3.203% 07/01/2023	3137FKK39	160,728.97	AA+	Aaa	12/7/2018	12/17/2018	160,728.49	3.11	429.01	160,728.49	162,231.53
Security Type Sub-Total		**160,728.97**					**160,728.49**	**3.11**	**429.01**	**160,728.49**	**162,231.53**
Federal Agency Bond / Note											
FNMA NOTES (EX-CALLABLE) DTD 03/06/2013 1.750% 03/06/2020	3135G0UU5	1,600,000.00	AA+	Aaa	6/3/2013	6/3/2013	1,595,840.00	1.79	1,944.44	1,599,399.46	1,594,910.40
FNMA NOTES (CALLABLE) DTD 05/25/2016 1.550% 08/25/2020	3136G3QF5	2,000,000.00	AA+	Aaa	5/25/2016	5/25/2016	2,000,000.00	1.55	3,100.00	2,000,000.00	1,977,520.00
FANNIE MAE NOTES DTD 11/01/2018 2.875% 10/30/2020	3135G0U84	330,000.00	AA+	Aaa	12/4/2018	12/6/2018	329,818.50	2.90	3,953.13	329,851.63	332,786.19
FANNIE MAE NOTES DTD 04/13/2018 2.500% 04/13/2021	3135G0U27	525,000.00	AA+	Aaa	12/4/2018	12/6/2018	520,112.25	2.91	6,125.00	520,764.46	526,946.18
FHLMC NOTES (CALLABLE, STEP RATE) DTD 06/30/2016 1.750% 06/30/2021	3134G9XG7	2,000,000.00	AA+	Aaa	6/30/2016	6/30/2016	2,000,000.00	1.67	8,847.22	2,000,000.00	1,992,096.00
FNMA NOTES (CALLABLE, STEP RATE) DTD 07/19/2016 1.500% 07/19/2021	3136G3ZZ1	3,000,000.00	AA+	Aaa	7/19/2016	7/19/2016	3,000,000.00	1.44	9,000.00	3,000,000.00	2,972,451.00
FNMA NOTES (CALLABLE) DTD 08/25/2016 1.500% 08/25/2021	3136G3Y25	4,775,000.00	AA+	Aaa	8/25/2016	8/25/2016	4,775,000.00	1.50	7,162.50	4,775,000.00	4,687,751.20
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	135,000.00	AA+	Aaa	1/9/2019	1/11/2019	134,902.80	2.65	787.50	134,909.76	136,221.89
FEDERAL HOME LOAN BANK NOTES DTD 08/26/2013 3.375% 09/08/2023	313383YJ4	195,000.00	AA+	Aaa	1/7/2019	1/9/2019	201,023.55	2.67	420.47	200,750.46	203,979.95
FEDERAL HOME LOAN BANKS NOTES DTD 12/09/2013 3.375% 12/08/2023	3130A0F70	475,000.00	AA+	Aaa	1/30/2019	1/31/2019	489,000.10	2.72	5,032.03	488,549.02	496,604.43

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FANNIE MAE NOTES DTD 02/08/2019 2.500% 02/05/2024	3135G0V34	375,000.00	AA+	Aaa	2/7/2019	2/8/2019	373,605.00	2.58	1,380.21	373,643.68	378,521.25
FHLB BONDS DTD 02/15/2019 2.500% 02/13/2024	3130AFW94	100,000.00	AA+	Aaa	2/14/2019	2/15/2019	99,646.00	2.58	319.44	99,654.52	100,936.30
Security Type Sub-Total		**15,510,000.00**					**15,518,948.20**	**1.73**	**48,071.94**	**15,522,522.99**	**15,400,724.79**
Corporate Note											
BRANCH BANKING & TRUST CORP NOTES DTD 06/05/2018 3.200% 09/03/2021	05531FBD4	320,000.00	A-	A2	8/21/2018	8/23/2018	320,566.40	3.13	796.44	320,488.27	323,537.28
CATERPILLAR FINANCIAL SERVICES CORP CORP DTD 09/07/2018 3.150% 09/07/2021	14913Q2N8	200,000.00	A	A3	9/4/2018	9/7/2018	199,846.00	3.18	420.00	199,874.01	202,304.20
JOHN DEERE CAPITAL CORP CORP NOTES DTD 09/10/2018 3.125% 09/10/2021	24422EUK3	375,000.00	A	A2	9/5/2018	9/10/2018	374,883.75	3.14	683.59	374,904.59	379,275.00
AMERICAN HONDA FINANCE CORP NOTES DTD 10/10/2018 3.375% 12/10/2021	02665WCP4	375,000.00	A	A2	10/3/2018	10/10/2018	374,820.00	3.39	3,902.34	374,835.79	381,579.38
GOLDMAN SACHS GROUP INC CORP NOTE DTD 01/24/2012 5.750% 01/24/2022	38141GGS7	300,000.00	BBB+	A3	8/21/2018	8/23/2018	321,645.00	3.49	3,210.42	317,998.35	321,743.40
JPMORGAN CHASE & CO CORP NOTES DTD 01/23/2012 4.500% 01/24/2022	46625HJD3	310,000.00	A-	A2	8/21/2018	8/23/2018	321,755.20	3.32	2,596.25	319,771.87	324,273.95
HOME DEPOT INC DTD 12/06/2018 3.250% 03/01/2022	437076BV3	200,000.00	A	A2	11/27/2018	12/6/2018	199,452.00	3.34	541.67	199,497.58	204,540.00
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 03/03/2017 2.700% 03/03/2022	0258M0EG0	325,000.00	A-	A2	8/21/2018	8/23/2018	318,383.00	3.32	682.50	319,467.52	325,324.03

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
UNILEVER CAPITAL CORP DTD 09/07/2018 3.000% 03/07/2022	904764BF3	210,000.00	A+	A1	9/4/2018	9/7/2018	208,983.60	3.15	420.00	209,140.84	212,065.98
MORGAN STANLEY CORP NOTES DTD 05/19/2017 2.750% 05/19/2022	61744YAH1	325,000.00	BBB+	A3	8/21/2018	8/23/2018	317,564.00	3.41	3,277.08	318,715.07	323,035.70
CITIGROUP INC CORP NOTES DTD 10/27/2017 2.700% 10/27/2022	172967LQ2	325,000.00	BBB+	A3	8/21/2018	8/23/2018	314,314.00	3.55	3,753.75	315,776.15	321,975.55
INTEL CORP CORP NOTES DTD 12/11/2012 2.700% 12/15/2022	458140AM2	375,000.00	A+	A1	12/26/2018	12/28/2018	367,672.50	3.23	2,981.25	368,125.06	377,215.13
BANK OF AMERICA CORP BANK NOTE DTD 01/20/2017 3.124% 01/20/2023	06051GGE3	550,000.00	A-	A2	8/21/2018	8/23/2018	544,043.50	3.39	3,388.67	544,821.06	551,595.55
BANK OF NY MELLON CORP DTD 04/30/2018 3.500% 04/28/2023	06406RAG2	550,000.00	A	A1	8/21/2018	8/23/2018	553,553.00	3.35	8,181.25	553,139.11	563,989.25
STATE STREET BANK & TR CORP NOTES DTD 05/15/2017 2.653% 05/15/2023	857477AZ6	325,000.00	A	A1	8/30/2018	9/4/2018	316,855.50	3.23	3,257.29	317,796.39	323,123.13
BOEING CO CORP NOTES DTD 05/18/2016 1.875% 06/15/2023	097023BQ7	150,000.00	A	A2	1/2/2019	1/4/2019	142,564.50	3.08	828.13	142,944.83	144,166.05
Security Type Sub-Total		**5,215,000.00**					**5,196,901.95**	**3.31**	**38,920.63**	**5,197,296.49**	**5,279,743.58**
Commercial Paper											
MUFG BANK LTD/NY COMM PAPER DTD 11/05/2018 0.000% 05/07/2019	62479MS79	340,000.00	A-1	P-1	11/8/2018	11/9/2018	335,198.82	2.88	0.00	339,034.40	339,093.56
Security Type Sub-Total		**340,000.00**					**335,198.82**	**2.88**	**0.00**	**339,034.40**	**339,093.56**
Certificate of Deposit - FDIC Insured											
HSBC CD (EX-CALLABLE) DTD 11/17/2015 3.100% 11/17/2020	40434AC72	250,000.00	NR	NR	11/17/2015	11/17/2015	250,000.00	1.60	2,866.44	250,000.00	252,177.00
Security Type Sub-Total		**250,000.00**					**250,000.00**	**1.60**	**2,866.44**	**250,000.00**	**252,177.00**

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
GMALT 2018-3 A3 DTD 09/26/2018 3.180% 06/20/2021	36256GAD1	120,000.00	AAA	Aaa	9/18/2018	9/26/2018	119,990.52	3.19	116.60	119,992.24	120,836.14
FORDL 2018-B A3 DTD 09/21/2018 3.190% 12/15/2021	34531LAD2	160,000.00	NR	Aaa	9/18/2018	9/21/2018	159,986.48	3.41	226.84	159,988.62	161,210.38
BMWLT 2018-1 A4 DTD 10/17/2018 3.360% 03/20/2022	05586CAD6	165,000.00	AAA	Aaa	10/10/2018	10/17/2018	164,998.53	3.36	169.40	164,998.77	167,157.56
CCCIT 2018-A1 A1 DTD 01/31/2018 2.490% 01/20/2023	17305EGK5	750,000.00	NR	Aaa	8/21/2018	8/23/2018	741,708.98	2.97	3,683.13	742,585.55	748,915.28
CARMAX AUTO OWNER TRUST DTD 10/24/2018 3.360% 09/15/2023	14315EAC4	155,000.00	AAA	NR	10/17/2018	10/24/2018	154,998.57	3.36	231.47	154,998.81	157,608.36
GMCAR 2019-1 A3 DTD 01/16/2019 2.970% 11/16/2023	36256XAD4	175,000.00	NR	Aaa	1/8/2019	1/16/2019	174,980.63	2.97	216.56	174,981.43	176,405.36
Security Type Sub-Total		**1,525,000.00**					**1,516,663.71**	**3.11**	**4,644.00**	**1,517,545.42**	**1,532,133.08**
Managed Account Sub Total		**33,420,728.97**					**33,061,227.89**	**2.37**	**148,877.25**	**33,111,063.24**	**33,255,239.83**
Money Market Mutual Fund											
CAMP Pool		80,331.91	AAAm	NR			80,331.91		0.00	80,331.91	80,331.91
Money Market Sub Total		**80,331.91**					**80,331.91**		**0.00**	**80,331.91**	**80,331.91**
Securities Sub-Total		**$33,501,060.88**					**$33,141,559.80**	**2.37%**	**$148,877.25**	**$33,191,395.15**	**$33,335,571.74**
Accrued Interest											**$148,877.25**
Total Investments											**$33,484,448.99**

Bolded items are forward settling trades.

Appendix

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

AMENDMENT ONE TO THE AGREEMENT FOR PROGRAM ADMINISTRATION SERVICES

This Amendment One to that certain Agreement for Program Administration Services dated as of November 2, 2017 (the "Agreement") by and between PLAN Corporation ("PLAN") and York Risk Services Group, Inc. ("York"), as successor in interest to Bickmore.

WITNESSETH

WHEREAS, Bickmore's 100% parent is York; and

WHEREAS, Bickmore desires to assign its business applicable to the Agreement to York, and York is prepared to assume all of Bickmore's rights and obligations under the Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Effective as of the date hereof, Bickmore's rights and obligations under the Agreement are assigned to York and York assumes all of such rights and obligations.

2. All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this amendment and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

{Remainder of the page is intentionally left blank}

In Witness Whereof, the parties have executed this amendment to be effective as of January 1, 2019.

PLAN CORPORATION

By: _____

Name: _____

Title: _____

YORK RISK SERVICES GROUP, INC.

By: _____

Name: _____

Title: _____

BICKMORE

By: _____

Name: _____

Title: _____

Agenda Item 7.A.

FINANCIAL MATTERS

SUBJECT: Investment Policy Update

BACKGROUND AND HISTORY:

An annual review of PLAN JPA's Investment Policy is recommended under California Government Code 53646(a)(2). In addition, annual approval of the policy fulfills the annual delegation of investment authority to the PLAN JPA's Treasurer. PLAN JPA's investment policy was last approved at the June 20, 2018, Board of Directors meeting.

The policy has been updated by PLAN JPA's investment manager, Lesley Murphy, Senior Managing Consultant with PFM Asset Management LLC (PFM). Ms. Murphy is recommending changes to be made to the policy as detailed in her memorandum to Ritesh Sharma, PLAN JPA's Finance Manager. The memorandum and the proposed amended Investment Policy are attached for the Executive Committee's review.

Staff has reviewed the proposed amended policy and is in agreement with Ms. Murphy's suggested changes.

Ms. Murphy will be available to guide the Committee through the suggested changes and answer any questions.

RECOMMENDATION:

Staff recommends the Executive Committee approve the PLAN JPA Investment Policy, as presented.

REFERENCE MATERIALS ATTACHED:

- PLAN Investment Policy Review Memo
- PLAN Investment Policy Review – redline/strikeout
- PLAN Investment Policy Review – clean

May 15, 2019

Memorandum

To: Ritesh Sharma, Finance Manager
Pooled Liability Assurance Network JPA (PLAN)

From: Lesley Murphy, Senior Managing Consultant
PFM Asset Management LLC

Re: Investment Policy Review

We have completed our annual review of the Investment Policy (the "Policy") for the Pooled Liability Assurance Network JPA (PLAN). The Policy remains in compliance with the sections of California Government Code (Code) that govern the investment of public funds. Our recommended changes this year are designed to bring additional clarity and accuracy to the Policy and to reflect recent amendments made to relevant sections of Code. Our recommended changes are detailed below, and we have also provided a redlined copy of the Policy for your review.

9.0 Authorized and Suitable Investments

Asset-backed securities (ABS)

We recommend that PLAN revise the language in this section to reflect a recent clarification to Code language. We also note that this clarification does not necessitate a change to the investment procedures already in place for the management of PLAN's portfolio.

Background: Assembly Bill No. 1770 (AB 1770), effective January 1, 2019, revises California Government Code section 53601(o) to clarify requirements for the purchase of ABS in two respects:

1. First, the maturity limit language was clarified to reflect how many investors already interpret this section: that they may purchase securities with a maximum *remaining* maturity of five years or less.

2. Second, the bill eliminates the requirement that the issuer of these securities be rated "A" (or its equivalent) or better, as provided by a nationally recognized statistical rating organization (NRSRO). The Code still requires that the specific security be rated "AA" (or its equivalent) or better, as provided by an NRSRO.

Analysis: We see these revisions as a matter of clarification for ABS investors. We believe the removal of the *issuer* rating criteria is appropriate since this requirement generally has no relevance to the issuers of ABS, which are organized as trusts and do not have standalone ratings.

Further, we note that PLAN's Policy is more restrictive than Code, as PLAN's Policy requires an "AAA" rating for ABS, while Code requires an "AA" rating. We believe that the "AAA" rating requirement is a prudent one, and we recommend that PLAN continues to require an "AAA" rating for ABS holdings.

14.0 Reporting

We recommended adjusting the language related to the Treasurer's responsibility to submit investment reports to PLAN's governing body. California Government Code Section 53646 no longer requires that the Treasurer submit a quarterly investment report to the agency's governing body. Thus, the 30 day deadline for submission is no longer a Code requirement. Therefore, we recommend adjusting this language to better reflect current industry standard practices and PLAN's current procedures.

We are looking forward to discussing our recommendations with you further. Please feel free to contact us at your convenience.

Pooled Liability Assurance Network JPA (PLAN)

Investment Policy

Adopted:	**September, 1987**
Revised:	**May 6, 1997**
Revised:	**May 22, 2002**
Revised:	**May 25, 2005**
Reaffirmed:	**June 11, 2009**
Revised:	**January 24, 2017**
Revised:	**June 20, 2018**
Revised:	**June 12, 2019**

1.0 Policy

It is the policy of the Pooled Liability Assurance Network JPA (PLAN) to invest its financial assets in a manner which will provide maximum security with a market rate of return, while meeting its cash flow demands and conforming to all applicable laws governing the investment of public funds.

2.0 Scope

This Investment Policy (the "Policy") shall apply to all funds and investment activities under the direct control of PLAN.

3.0 Prudence

Pursuant to California Government Code Section 53600.3, all persons authorized to make investment decisions on behalf of PLAN are trustees and therefore fiduciaries subject to the prudent investor standard: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

4.0 Objectives

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The primary objectives, in order of priority, of PLAN's investment activities shall be:

1) Safety. Safety of principal is the foremost objective of the investment program. PLAN's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.

2) Liquidity. PLAN's investment portfolio will remain sufficiently liquid to enable PLAN to meet its reasonably anticipated cash flow requirements.

3) Return on Investment. PLAN seeks to maximize the return on its investments, consistent with constraints imposed by its objectives of safety and liquidity.

5.0 Delegation of Authority

The investment authority will be vested in the Treasurer, as defined and established in PLAN's bylaws. Upon the approval of this Investment Policy on an annual basis, PLAN will be adhering to Government Code Section 53607 which states in pertinent part: "The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires."

The Treasurer may delegate investment decision making and execution authority to an investment advisor. The advisor shall follow the Investment Policy and such other written instructions as are

provided.

The Treasurer and the delegated investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the President any material financial interests in financial institutions that conduct business with PLAN, and they shall further disclose any material financial interest that could be related to the performance of PLAN, particularly with regard to the time of purchases and sales. For purposes of this section "material financial interests" means any interest described in Government Code Sections 87103(a)-(e), as they may be amended from time to time.

7.0 Internal Controls

The Treasurer shall maintain a system of written internal controls to regulate PLAN's investment activities, including the activities of any subordinate officials acting on behalf of PLAN. As part of the annual financial audit, PLAN's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

8.0 Authorized Financial Dealers and Institutions

A competitive bid process shall be used to place all investment transactions; a minimum of three quotes shall be obtained on all purchase and sales of securities, when practical. It shall be PLAN's policy to purchase securities only from those authorized institutions and firms. No deposit of public funds shall be made except in a qualified public depository as established by state laws.

The Treasurer shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes. The purchase by PLAN of any investment other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, which is a member of the Financial Industry Regulatory Authority (FINRA), or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

PLAN requires each firm that will be used for the purchase or sale of securities to be evaluated by the Treasurer prior to any investments. The firms shall submit current financial statements, and annual audited financial statements each year thereafter, which are to be evaluated by the Treasurer. At a minimum, the firm must be financially sound and have been in business a minimum of three years. In addition, the firms must provide: proof of the licensing or membership described above, trading resolutions, proof of state registration or exemption, and certificate of having read PLAN's Investment Policy.

If PLAN has retained the services of an investment advisor, the investment advisor may use its own

list of authorized broker/dealers to conduct transactions on behalf of PLAN.

9.0 Authorized and Suitable Investments

PLAN is governed by Government Code, Sections 53600 et seq. Within the investments permitted by the Government Code, PLAN seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence. The maturity and sector allocation limits are applied at the time of purchase.

Credit criteria listed in this section refers to the credit quality of the issuing organization at the time the security is purchased. In the event of a downgrade below the minimum credit rating requirements listed below, the Treasurer or the investment advisor, if so designated, must notify PLAN of such downgrade within 15 days of the downgrade and will use his/her best professional judgment to determine the appropriate course of action.

The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

1. United States Treasury Issues.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. United States Treasury Issues cannot exceed a maturity of 5 years. There is no limitation as to the percentage of the portfolio that may be invested in this category.

2. Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Federal Agency Obligations cannot exceed a maturity of 5 years. There is no limitation as to the percentage of the portfolio that may be invested in this category. In addition, purchases of Federal Agency mortgage-backed securities issued by or fully guaranteed as to principal and interest by government agencies are limited to a maximum of 20 percent of the portfolio.

3. Medium-term notes.** Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (NRSRO). A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in ~~corporate~~the medium-term notes of any one issuer in combination with any other securities from that issuer shall not exceed 5 percent of the portfolio.

4. Bankers' Acceptances. Bankers' acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchasers are limited to issuers whose short-term debt is rated A-1/P-1 or its equivalent or better by an NRSRO. Bankers' acceptances cannot exceed a maturity of 180 days. A maximum of 25 percent of the portfolio may be invested in this category. The amount invested in bankers' acceptances with any one financial institution in combination with any other securities from that financial institution shall not exceed 5 percent of the portfolio.

5. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (A) or paragraph (B):
   (A) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a nationally recognized statistical-rating organization.
   (B) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

   Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 5 percent of the portfolio.

6. Negotiable Certificates of Deposit.** Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases are limited to NCDs rated in a rating category of "A" or its equivalent or better for long-term obligations, and "A-1" or its equivalent or better for short-term obligations. NCDs may not exceed 5 years in maturity. A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in NCDs with any one financial institution in combination with any other securities from that financial institution shall not exceed 5 percent of the portfolio.

7. Time Certificates of Deposit. Time Certificates of Deposit (TCDs) placed with commercial banks and savings and loans. The purchase of TCDs from out-of-state banks or savings and loans is prohibited. The amount on deposit shall not exceed the shareholder's equity in the financial institution. To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. TCDs are required to be collateralized as specified under Government Code Section 53630 et. seq. The Treasurer, at his discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. PLAN shall have a signed agreement with the depository per Government Code Section 53649. TCDs may not exceed 5 year in maturity. A maximum of 10 percent of the portfolio may be invested in this category. The amount invested in TCDs with any one financial institution in combination with any other securities from that financial institution shall not exceed 10 percent of the portfolio.

8. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following). The company shall have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment

adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000). A maximum of 10 percent of the portfolio may be invested in this category.

9. State of California Local Agency Investment Fund (LAIF). There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF. For due diligence, a copy of LAIF's current investment policy and its requirements for participation, including limitations on deposits or withdrawals shall be maintained on file.

   Under the California Government Code, LAIF is allowed greater investment flexibility than PLAN is permitted. As such, LAIF's investment portfolio may contain investments not otherwise permitted under this policy. For funds invested with LAIF, LAIF's investment policy overrides PLAN's investment policy.

10. Municipal Obligations.** Municipal obligations shall be permissible as described in either paragraph (A), (B), or (C) below:

    (A) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues form a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

    (B) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

    (C) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

    A maximum of 30 percent of the portfolio may be invested in any combination of the municipal obligations as described in paragraphs (A), (B), or (C) above. Purchases are limited to municipal obligations rated in a rating category of "A" or its equivalent or better. Further, the amount invested in any one municipal issuer may not exceed 5 percent of the portfolio.

11. Asset Backed Securities (ABS). A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond ~~of a maximum of five years' maturity~~. Securities eligible for investment under this subdivision shall be ~~issued by an issuer rated in a rating category of "A" or its equivalent or better for the issuer's debt as provided by an NRSRO and~~ rated in a rating category of "AAA" or its equivalent ~~or better~~ by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the portfolio. Further, the amount invested in any one ABS issuer in combination with any other securities from that issuer shall not exceed 5 percent.

12. Local Government Investment Pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent

an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

Further, the shares of beneficial interest shall be rated in a rating category of AAA or its equivalent by an NRSORO.

13. Supranational Obligations.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio.

** The aggregate total of investments in callable notes in is limited to 25.0% of the portfolio.

Please see Appendix A for a summary of authorized and suitable investments.

10.0 Prohibited Investment Practices and Instruments

Any investment in a security not specifically listed in Section 9.0 above, but otherwise permitted by the Government Code, is prohibited without the prior approval of the Board. Section 53601.6 of the Government Code specifically disallows investments in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. In addition to the limitations in Government Code Section 53601.6, this Policy further restricts investments as follows: (1) PLAN shall not engage in leveraged investing, such as in margin accounts or any form of borrowing for the purpose of investment, (2) PLAN shall not invest in securities with floating coupon interest rates, and (3) no investment will be made that has either (a) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (b) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero accrual periods.

11.0 Duration and Maximum Maturity

It is the objective of this Policy to provide a system which will accurately monitor and forecast revenues and expenditures so that PLAN can invest funds to the fullest extent possible. PLAN's funds will be invested in accordance with sound treasury management principles.

Assets in the Operating Fund (projected administration expenses and claim payments for a fiscal year) will be invested in pooled funds, LAIF, or other highly liquid securities.

Assets in the Claims Liability Fund and the Long-Term Fund will be invested in an individual portfolio of securities. Claims Liability Fund (assets needed to fully fund the Pool as determined by the actuary) will be invested to achieve an average duration that closely matches the duration of Claims Liability as calculated by the actuary. Assets in the Long-term Fund represent assets in excess of full funding requirements of the Pool. Assets in this category can be invested in securities with

durations and yields that are higher than those in the Claims Liability Fund.

The maximum maturity of individual investments shall not exceed the limits set forth in Section 9.0. The Board has approved the investment in U.S. Treasury and Federal Agency obligations with a maximum maturity of up to five years. No investment shall exceed a maturity of five years from the date of purchase unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

12.0 Safekeeping and Custody

All security transactions entered into by PLAN shall be conducted on a delivery-versus- payment (DVP) basis. All cash and securities in PLAN's portfolio shall be held in safekeeping in PLAN's name by a third party bank trust department, acting as agent for PLAN under the terms of a custody agreement executed by the bank and PLAN. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by PLAN.

13.0 Performance Benchmark

PLAN seeks to attain market rates of return on its investments throughout economic cycles, consistent with constraints imposed by its safety objectives and cash flow consideration. The Treasurer shall continually monitor and evaluate the portfolio's performance. A comparison of the portfolio's performance against a performance benchmark shall be included in the Treasurer's quarterly report. The Treasurer shall recommend an appropriate, readily available market index to use as a performance benchmark.

14.0 Reporting

The Treasurer shall submit a quarterly investment report to the ~~Finance~~ Executive Committee in advance of the Executive Committee's next scheduled meeting. ~~and the Board.~~ The report shall include the following information for each individual investment: Description of investment instrument, issuer name, maturity date, credit rating, coupon rate, ~~effective~~ yield, purchase price, par value, book value, current market value and the source of the valuation. The quarterly report shall also state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, and include a statement denoting PLAN's ability to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may or may not be available. The report shall also include a list of monthly investment transactions. ~~The quarterly report shall be submitted within 30 days following the end of the quarter covered by the report.~~

15.0 Policy Adoption

The policy shall be reviewed annually by the Finance Committee. The policy shall be adopted annually by the Board at a public meeting. Any change in the policy shall also be reviewed and approved by the Board at a public meeting.

Appendix A
Summary of Authorized and Suitable Investments

This table is for general reference only. Please see the body of the Policy for a listing of all requirements.

Security Type**	**Maturity Limits**	**Maximum Portfolio Percentage Holdings**	**Rating Requirements**
United State Treasury Securities	5 years	100%	None
Federal Agency Obligations	5 years	100% 20% limit on mortgage-backed securities.	None
Medium-Term Corporate Notes	5 years	30% 5% limit per issuer (applies across security types)	A
Bankers' Acceptances	180 days	25% 5% limit per issuer (applies across security types)	Issuers with a short-term rating of A-1/P-1
Commercial Paper	270 days	25% 5% limit per issuer (applies across security types)	A-1/P-1/F-1
Negotiable Certificates of Deposit	5 years	30% 5% limit per issuer (applies across security types)	A / A-1
Time Certificates of Deposit	5 year	10% 10% limit per issuer (applies across security types)	Must have CRA rating "satisfactory"
Money Market Funds	N.A.	10%	AAA rated fund or manager with a minimum 5 years' experience and $500 million under management
State of California Local Agency Investment Fund	N.A.	100% (may not exceed the maximum allowed by LAIF)	None (LAIF is unrated)
Municipal Obligations	5 years	30% 5% limit per issuer (applies across security types)	A / A-1
Asset-Backed Securities	5 years	20% 5% limit per issuer (applies across security types)	AAA
Local Government Investment Pools	N.A.	100%	AAA
Supranational Obligations	5 years	30%	AA

** The aggregate total of investments in callable notes is limited to 25.0% of the portfolio.

Pooled Liability Assurance Network JPA (PLAN)

Investment Policy

Adopted:	**September, 1987**
Revised:	**May 6, 1997**
Revised:	**May 22, 2002**
Revised:	**May 25, 2005**
Reaffirmed:	**June 11, 2009**
Revised:	**January 24, 2017**
Revised:	**June 20, 2018**
Revised:	**June 12, 2019**

1.0 Policy

It is the policy of the Pooled Liability Assurance Network JPA (PLAN) to invest its financial assets in a manner which will provide maximum security with a market rate of return, while meeting its cash flow demands and conforming to all applicable laws governing the investment of public funds.

2.0 Scope

This Investment Policy (the "Policy") shall apply to all funds and investment activities under the direct control of PLAN.

3.0 Prudence

Pursuant to California Government Code Section 53600.3, all persons authorized to make investment decisions on behalf of PLAN are trustees and therefore fiduciaries subject to the prudent investor standard: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

4.0 Objectives

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The primary objectives, in order of priority, of PLAN's investment activities shall be:

1) Safety. Safety of principal is the foremost objective of the investment program. PLAN's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.

2) Liquidity. PLAN's investment portfolio will remain sufficiently liquid to enable PLAN to meet its reasonably anticipated cash flow requirements.

3) Return on Investment. PLAN seeks to maximize the return on its investments, consistent with constraints imposed by its objectives of safety and liquidity.

5.0 Delegation of Authority

The investment authority will be vested in the Treasurer, as defined and established in PLAN's bylaws. Upon the approval of this Investment Policy on an annual basis, PLAN will be adhering to Government Code Section 53607 which states in pertinent part: "The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires."

The Treasurer may delegate investment decision making and execution authority to an investment advisor. The advisor shall follow the Investment Policy and such other written instructions as are

provided.

The Treasurer and the delegated investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the President any material financial interests in financial institutions that conduct business with PLAN, and they shall further disclose any material financial interest that could be related to the performance of PLAN, particularly with regard to the time of purchases and sales. For purposes of this section "material financial interests" means any interest described in Government Code Sections 87103(a)-(e), as they may be amended from time to time.

7.0 Internal Controls

The Treasurer shall maintain a system of written internal controls to regulate PLAN's investment activities, including the activities of any subordinate officials acting on behalf of PLAN. As part of the annual financial audit, PLAN's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

8.0 Authorized Financial Dealers and Institutions

A competitive bid process shall be used to place all investment transactions; a minimum of three quotes shall be obtained on all purchase and sales of securities, when practical. It shall be PLAN's policy to purchase securities only from those authorized institutions and firms. No deposit of public funds shall be made except in a qualified public depository as established by state laws.

The Treasurer shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes. The purchase by PLAN of any investment other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, which is a member of the Financial Industry Regulatory Authority (FINRA), or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

PLAN requires each firm that will be used for the purchase or sale of securities to be evaluated by the Treasurer prior to any investments. The firms shall submit current financial statements, and annual audited financial statements each year thereafter, which are to be evaluated by the Treasurer. At a minimum, the firm must be financially sound and have been in business a minimum of three years. In addition, the firms must provide: proof of the licensing or membership described above, trading resolutions, proof of state registration or exemption, and certificate of having read PLAN's Investment Policy.

If PLAN has retained the services of an investment advisor, the investment advisor may use its own

list of authorized broker/dealers to conduct transactions on behalf of PLAN.

9.0 Authorized and Suitable Investments

PLAN is governed by Government Code, Sections 53600 et seq. Within the investments permitted by the Government Code, PLAN seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence. The maturity and sector allocation limits are applied at the time of purchase.

Credit criteria listed in this section refers to the credit quality of the issuing organization at the time the security is purchased. In the event of a downgrade below the minimum credit rating requirements listed below, the Treasurer or the investment advisor, if so designated, must notify PLAN of such downgrade within 15 days of the downgrade and will use his/her best professional judgment to determine the appropriate course of action.

The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

1. United States Treasury Issues.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. United States Treasury Issues cannot exceed a maturity of 5 years. There is no limitation as to the percentage of the portfolio that may be invested in this category.

2. Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Federal Agency Obligations cannot exceed a maturity of 5 years. There is no limitation as to the percentage of the portfolio that may be invested in this category. In addition, purchases of Federal Agency mortgage-backed securities issued by or fully guaranteed as to principal and interest by government agencies are limited to a maximum of 20 percent of the portfolio.

3. Medium-term notes.** Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (NRSRO). A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in the medium-term notes of any one issuer in combination with any other securities from that issuer shall not exceed 5 percent of the portfolio.

4. Bankers' Acceptances. Bankers' acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchasers are limited to issuers whose short-term debt is rated A-1/P-1 or its equivalent or better by an NRSRO. Bankers' acceptances cannot exceed a maturity of 180 days. A maximum of 25 percent of the portfolio may be invested in this category. The amount invested in bankers' acceptances with any one financial institution in combination with any other securities from that financial institution shall not exceed 5 percent of the portfolio.

5. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (A) or paragraph (B):
   (A) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a nationally recognized statistical-rating organization.
   (B) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

   Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 5 percent of the portfolio.

6. Negotiable Certificates of Deposit.** Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases are limited to NCDs rated in a rating category of "A" or its equivalent or better for long-term obligations, and "A-1" or its equivalent or better for short-term obligations. NCDs may not exceed 5 years in maturity. A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in NCDs with any one financial institution in combination with any other securities from that financial institution shall not exceed 5 percent of the portfolio.

7. Time Certificates of Deposit. Time Certificates of Deposit (TCDs) placed with commercial banks and savings and loans. The purchase of TCDs from out-of-state banks or savings and loans is prohibited. The amount on deposit shall not exceed the shareholder's equity in the financial institution. To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. TCDs are required to be collateralized as specified under Government Code Section 53630 et. seq. The Treasurer, at his discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. PLAN shall have a signed agreement with the depository per Government Code Section 53649. TCDs may not exceed 5 year in maturity. A maximum of 10 percent of the portfolio may be invested in this category. The amount invested in TCDs with any one financial institution in combination with any other securities from that financial institution shall not exceed 10 percent of the portfolio.

8. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following). The company shall have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment

adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000). A maximum of 10 percent of the portfolio may be invested in this category.

9. State of California Local Agency Investment Fund (LAIF). There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF. For due diligence, a copy of LAIF's current investment policy and its requirements for participation, including limitations on deposits or withdrawals shall be maintained on file.

   Under the California Government Code, LAIF is allowed greater investment flexibility than PLAN is permitted. As such, LAIF's investment portfolio may contain investments not otherwise permitted under this policy. For funds invested with LAIF, LAIF's investment policy overrides PLAN's investment policy.

10. Municipal Obligations.** Municipal obligations shall be permissible as described in either paragraph (A), (B), or (C) below:

    (A) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues form a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

    (B) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

    (C) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

    A maximum of 30 percent of the portfolio may be invested in any combination of the municipal obligations as described in paragraphs (A), (B), or (C) above. Purchases are limited to municipal obligations rated in a rating category of "A" or its equivalent or better. Further, the amount invested in any one municipal issuer may not exceed 5 percent of the portfolio.

11. Asset Backed Securities (ABS). A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AAA" or its equivalent by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the portfolio. Further, the amount invested in any one ABS issuer in combination with any other securities from that issuer shall not exceed 5 percent.

12. Local Government Investment Pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have

retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

Further, the shares of beneficial interest shall be rated in a rating category of AAA or its equivalent by an NRSORO.

13. Supranational Obligations.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio.

** The aggregate total of investments in callable notes in is limited to 25.0% of the portfolio.

Please see Appendix A for a summary of authorized and suitable investments.

10.0 Prohibited Investment Practices and Instruments

Any investment in a security not specifically listed in Section 9.0 above, but otherwise permitted by the Government Code, is prohibited without the prior approval of the Board. Section 53601.6 of the Government Code specifically disallows investments in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. In addition to the limitations in Government Code Section 53601.6, this Policy further restricts investments as follows: (1) PLAN shall not engage in leveraged investing, such as in margin accounts or any form of borrowing for the purpose of investment, (2) PLAN shall not invest in securities with floating coupon interest rates, and (3) no investment will be made that has either (a) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (b) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero accrual periods.

11.0 Duration and Maximum Maturity

It is the objective of this Policy to provide a system which will accurately monitor and forecast revenues and expenditures so that PLAN can invest funds to the fullest extent possible. PLAN's funds will be invested in accordance with sound treasury management principles.

Assets in the Operating Fund (projected administration expenses and claim payments for a fiscal year) will be invested in pooled funds, LAIF, or other highly liquid securities.

Assets in the Claims Liability Fund and the Long-Term Fund will be invested in an individual portfolio of securities. Claims Liability Fund (assets needed to fully fund the Pool as determined by the actuary) will be invested to achieve an average duration that closely matches the duration of Claims Liability as calculated by the actuary. Assets in the Long-term Fund represent assets in excess of full funding requirements of the Pool. Assets in this category can be invested in securities with durations and yields that are higher than those in the Claims Liability Fund.

The maximum maturity of individual investments shall not exceed the limits set forth in Section 9.0. The Board has approved the investment in U.S. Treasury and Federal Agency obligations with a maximum maturity of up to five years. No investment shall exceed a maturity of five years from the date of purchase unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

12.0 Safekeeping and Custody

All security transactions entered into by PLAN shall be conducted on a delivery-versus- payment (DVP) basis. All cash and securities in PLAN's portfolio shall be held in safekeeping in PLAN's name by a third party bank trust department, acting as agent for PLAN under the terms of a custody agreement executed by the bank and PLAN. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by PLAN.

13.0 Performance Benchmark

PLAN seeks to attain market rates of return on its investments throughout economic cycles, consistent with constraints imposed by its safety objectives and cash flow consideration. The Treasurer shall continually monitor and evaluate the portfolio's performance. A comparison of the portfolio's performance against a performance benchmark shall be included in the Treasurer's quarterly report. The Treasurer shall recommend an appropriate, readily available market index to use as a performance benchmark.

14.0 Reporting

The Treasurer shall submit a quarterly investment report to the Executive Committee in advance of the Executive Committee's next scheduled meeting. The report shall include the following information for each individual investment: Description of investment instrument, issuer name, maturity date, credit rating, coupon rate, yield, purchase price, par value, book value, current market value and the source of the valuation. The quarterly report shall also state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, and include a statement denoting PLAN's ability to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may or may not be available. The report shall also include a list of monthly investment transactions.

15.0 Policy Adoption

The policy shall be reviewed annually by the Finance Committee. The policy shall be adopted annually by the Board at a public meeting. Any change in the policy shall also be reviewed and approved by the Board at a public meeting.

Appendix A
Summary of Authorized and Suitable Investments

This table is for general reference only. Please see the body of the Policy for a listing of all requirements.

Security Type**	**Maturity Limits**	**Maximum Portfolio Percentage Holdings**	**Rating Requirements**
United State Treasury Securities	5 years	100%	None
Federal Agency Obligations	5 years	100% 20% limit on mortgage-backed securities.	None
Medium-Term Corporate Notes	5 years	30% 5% limit per issuer (applies across security types)	A
Bankers' Acceptances	180 days	25% 5% limit per issuer (applies across security types)	Issuers with a short-term rating of A-1/P-1
Commercial Paper	270 days	25% 5% limit per issuer (applies across security types)	A-1/P-1/F-1
Negotiable Certificates of Deposit	5 years	30% 5% limit per issuer (applies across security types)	A / A-1
Time Certificates of Deposit	5 year	10% 10% limit per issuer (applies across security types)	Must have CRA rating "satisfactory"
Money Market Funds	N.A.	10%	AAA rated fund or manager with a minimum 5 years' experience and $500 million under management
State of California Local Agency Investment Fund	N.A.	100% (may not exceed the maximum allowed by LAIF)	None (LAIF is unrated)
Municipal Obligations	5 years	30% 5% limit per issuer (applies across security types)	A / A-1
Asset-Backed Securities	5 years	20% 5% limit per issuer (applies across security types)	AAA
Local Government Investment Pools	N.A.	100%	AAA
Supranational Obligations	5 years	30%	AA

** The aggregate total of investments in callable notes is limited to 25.0% of the portfolio.

Agenda Item 7.B.

FINANCIAL MATTERS

SUBJECT: Review and Consideration of the Financial Audit

BACKGROUND AND HISTORY:

The financial audit for the year ending June 30, 2018, prepared by Maze & Associates, is attached for the Executive Committee's review. There are four sections within the audit report:

- Section One: contains the independent auditor's report which states the auditor's opinion. The opinion on the financial audit report is unqualified, which means that the financial statements are presented fairly.

- Section Two: contains the Management Discussion and Analysis (MD&A) which is written by your management team. MD&A is a very informative section as it provides analysis and discussion about what transpired during the year.

- Section Three: contains the Basic Financial Statements comprised of Statement of Net Position, Statement of Activities, Statement of Cash Flows and Notes to the Financial Statements.

- Section Four: contains required supplementary information such as the ten-year claims development information.

In addition, the Required Communication and Memorandum on Internal Control are included for review.

Ms. Vikki Rodriquez of Maze & Associates will be available to discuss the audit and answer any questions from the Executive Committee.

RECOMMENDATION:

Staff recommends the Executive Committee accept and file the June 30, 2018, financial audit.

REFERENCE MATERIALS ATTACHED:

- ABAG PLAN Audit Report 06.30.18
- ABAG PLAN Required Communication 06.30.18
- ABAG PLAN Memorandum on Internal Control 06.30.18

ABAG POOLED LIABILITY ASSURANCE NETWORK CORPORATION (PLAN)

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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ABAG POOLED LIABILITY ASSURANCE NETWORK CORPORATION (PLAN)
BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2018

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MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors
ABAG PLAN Corporation
Sacramento, California

We have audited the accompanying financial statements of the business-type activities and each major fund of the ABAG Pooled Liability Assurance Network Corporation (PLAN), California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise PLAN's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the PLAN's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PLAN's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of PLAN as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pleasant Hill, California
May 22, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The ABAG PLAN Corporation (PLAN) has issued the financial reports for fiscal year ending June 30, 2018 based on the provisions of the Government Accounting Standards Board Statement 34, "Basic Financial Statement and Management's Discussion & Analysis—for State and Local Governments," (GASB 34). This discussion and analysis provides an overview of financial activities for the fiscal year, and it should be read in conjunction with the accompanying financial statements.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Basic Financial Statements required under GASB 34 include:

(1) Statement of Net Position—provides information about the financial position of PLAN, including assets, liabilities and net position. The difference between this statement and the traditional Balance Sheet is that net position (fund equity) is shown as the difference between total assets and total liabilities.

(2) Statement of Activities—presents revenues, expenses and changes in net position for the fiscal year. It differs with the traditional Statement of Revenues and Expenses in that revenues and expenses directly attributable to operating programs are presented separately from investment income and financing costs.

(3) Statement of Cash Flows—provides itemized categories of cash flows. This statement differs from the traditional Statement of Cash Flows in that it presents itemized categories of cash in flows and out flows instead of computing the net cash flows from operation by backing out non-cash revenues and expenses from net operating income. In addition, cash flows related to investments and financing activities are presented separately.

FISCAL YEAR 2018 FINANCIAL HIGHLIGHTS

PLAN's financial highlights for the fiscal year include the following:

- Total assets at June 30, 2018 were $43.9 million. At June 30, 2017, total assets were $46.6 million.
- Total liabilities at June 30, 2018 were $20.5 million. At June 30, 2017, total liabilities were $17.9 million
- Total net position decreased to $23.5 million as June 30, 2018.
- Total revenues, including program and general revenues, were $9.95 million in FY 2018, total expenses were also $15.2 million, yielding a net loss $5.3 million.

Condensed financial statements for June 30, 2018 and June 30, 2017 fiscal years appear below:

PLAN CORPORATION

STATEMENT OF NET POSITION

	6/30/2018	6/30/2017	Change	% Change
Cash and Investments	$ 40,375,091	$ 45,875,485	$ (5,500,394)	-12%
Receivables	3,526,682	718,057	2,808,625	391%
Total Assets	43,901,773	46,593,542	(2,691,769)	-6%
Accounts Payable	818,831	871,563	(52,732)	-6%
Claims Liabilities	19,633,000	17,012,000	2,621,000	15%
Total Liabilities	20,451,831	17,883,563	2,568,268	14%
Net Position - Unrestricted	$ 23,449,942	$ 28,709,979	$ (5,260,037)	-18%

ASSETS

Overall, Total Assets decreased by $2.7 million from FY 2017 with majority of the decrease in cash and investments ($5.5 million) which was used to pay ongoing claims. The decrease was offset by Receivables, which increased by $2.8 million, mainly due to increase in excess receivables of $2.5 million. Excess Receivables are payment made above the PLAN's retention owed by reinsurance.

LIABILITIES

Total Liabilities increased $2.6 million from FY 2017. Claims Reserves increased by $2.5 million while Claims Incurred But Not Reported (IBNR) decreased by $100 thousand. Liability of Unallocated Loss Adjustment Expense (ULAE) increased $230 thousand.

General Liability claims paid totaled $7.5 million in FY 2018 compared to $6.8 million during FY 2017. The claims liabilities increased to $18.7 million in FY 2018 from $16.6 million in FY 2017. The increase in claims liabilities is due to unfavorable claims development.

Property claims liabilities increased to $900 thousand in FY 2018 from $350 thousand in FY 2017. The increase in liabilities is result of couple of factors including claims development, and more claims being open at the end of the year.

CONDENSED STATEMENT OF ACTIVITIES

	FY 2017/18	FY 2016/17	Change	% Change
Contributions	$ 9,721,603	$ 9,229,360	$ 492,243	5%
Other Income	8,100	30	8,070	26900%
Total Program Revenues	9,729,703	9,229,390	500,313	5%
Claims Expense	10,250,641	3,935,252	6,315,389	160%
Insurance Expenses	2,636,832	2,316,967	319,865	14%
Loss Prevention Programs	960,789	905,274	55,515	6%
Contracted Services	160,377	120,322	40,055	33%
Management and Administration	1,210,358	1,919,777	(709,419)	-37%
Total Expenses	15,218,997	9,197,592	6,021,405	65%
Net Program Operating Income (Loss)	(5,489,294)	31,798	(5,521,092)	-17363%
Investment Income	229,257	2,045	227,212	11111%
Change in Net Position	(5,260,037)	33,843	(5,293,880)	-15642%
Net Position - Beginning	28,709,979	28,676,136	33,843	0%
Net Position - Ending	$ 23,449,942	$ 28,709,979	$ (5,260,037)	-18%

REVENUES

Total Program Revenues increased $500 thousand from FY 2017. Member contributions for the Liability program increased by $324 thousand or 5.8% from FY 2017 due to increase in payroll and excess insurance. Property contributions increased $549 thousand or 44% from FY 2017 due to program deductible increasing from $100 thousand to $225 thousand, which added more exposure. Administration contributions decreased $381 thousand or 16% from FY 2017.

EXPENSES

Total Expenses increased by $6 million from FY 2017. Majority of increases were related to claims expense and insurance expenses offset by decrease in management and administration expenses.

Claims expense increased by $6.3 million from FY 2017. The Liability program claims expense increased by $6 million from FY 2017. The actuary increased FY 2018 ultimate loss by $1.6 million from FY 2017. The ultimate losses for prior years were also increased an additional $2.7 million in FY 2018. In comparison to FY 2017, the actuary lowered prior year ultimate losses by $1.7 million. This resulted in a swing of $4.4 million between the two fiscal years. The Property program claims expense increased by $330 thousand from FY 2017.

Insurance expense increased by $320 thousand from FY 2017. The Liability program insurance expense, which insures above PLAN's retention of $2.5 million to $30 million

through multiple carriers, increased by $100 thousand or 7% from FY 2017 due to increased rates. The Property program insurance, which is insured from $225 thousand to $1 billion, increased by $225 thousand or 23% from FY 2017 due to increased total insured values and increased property rates.

Management and Administration expenses decreased by $710 thousand or 37% from FY 2017. Effective January 1, 2018, PLAN entered into an agreement with Bickmore Risk Services to provide program administration services saving $300 thousand from FY 2017. Additionally, the payout to the withdrawn members decreased by $400 thousand from FY 2017.

INVESTMENT ACTIVITIES

As of June 30, 2018, total fair (market at 6/30/2018) value of the portfolio was $39.4 million, comprised of cash invested in Local Agency Investment Fund (LAIF) $12 million, certificates of deposit $1 million, and federal agency securities $26.4 million.

Overall, investment income earned in FY 2018 was $229 thousand which increased by 99% from FY 2017. The big change in the earnings is a result of recognizing investments at fair market value. Interest income earned during FY 2018 was $838 thousand, increasing $332 thousand from FY 2017.

CONTACTING PLAN'S FINANCIAL MANAGEMENT

The Basic Financial Statements are intended to provide PLAN members, citizens, creditors and other interested parties a general overview of PLAN's finances. Questions about these statements should be directed to ABAG PLAN Corporation, 1750 Creekside, Oak Drive, Suite 200, Sacramento, CA 95833.

ABAG PLAN CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2018

	General Liability Fund	Property Liability Fund	Administration Fund	Total
ASSETS				
Cash and Cash Equivalents (Note 2)	$9,312,979	$1,318,824	$2,337,462	$12,969,265
Investments, at Fair Value (Note 2)	27,405,826			27,405,826
Receivables:				
Due from Members	670,318			670,318
Reinsurance	2,500,000			2,500,000
Interest	98,141			98,141
Prepaid Expenses			258,223	258,223
Total Assets	39,987,264	1,318,824	2,595,685	43,901,773
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	471,706		347,125	818,831
Reserves for Claims and Claim Adjustment Expenses (Note 3)	2,314,000	900,000		3,214,000
Total Current Liabilities	2,785,706	900,000	347,125	4,032,831
Noncurrent Liabilities (Note 3):				
Reserves for Claims and Claim Adjustment Expenses	14,337,618			14,337,618
Reserves for Unallocated Loss Adjustment Expenses	2,081,382			2,081,382
Total Noncurrent Liabilities	16,419,000			16,419,000
Total Liabilities	19,204,706	900,000	347,125	20,451,831
NET POSITION (Note 4)				
Unrestricted	20,782,558	418,824	2,248,560	23,449,942
Total Net Position	$20,782,558	$418,824	$2,248,560	$23,449,942

See accompanying notes to basic financial statements

ABAG PLAN CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	General Liability Fund	Property Liability Fund	Administration Fund	Total
PROGRAM REVENUES				
Premiums from Members:				
General Liability	$5,909,853			$5,909,853
Administration			$2,017,070	2,017,070
Property Insurance		$1,794,680		1,794,680
Total Program Revenues	5,909,853	1,794,680	2,017,070	9,721,603
PROGRAM EXPENSES				
Provision for Claims and Claim Adjustments (Note 3)	9,536,854	713,787		10,250,641
Property Insurance Coverage		1,209,066		1,209,066
Excess Insurance Coverage	1,427,766			1,427,766
Management and Administration			430,484	430,484
Loss Prevention Programs	960,789			960,789
Contract Services			160,377	160,377
Other Expenses	248,076		531,798	779,874
Total Program Expenses	12,173,485	1,922,853	1,122,659	15,218,997
Net Program Operating Income (Loss)	(6,263,632)	(128,173)	894,411	(5,497,394)
GENERAL REVENUE (EXPENSES)				
Other Income			8,100	8,100
Unrealized (Loss) on Investments	229,257			229,257
Total General Revenue	229,257		8,100	237,357
CHANGE IN NET POSITION	(6,034,375)	(128,173)	902,511	(5,260,037)
NET POSITION - BEGINNING	26,816,933	546,997	1,346,049	28,709,979
NET POSITION - ENDING	$20,782,558	$418,824	$2,248,560	$23,449,942

See accompanying notes to basic financial statements

ABAG PLAN CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	General Liability Fund	Property Liability Fund	Administration Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Members	$5,825,461	$1,799,272	$2,017,070	$9,641,803
Payments for Insurance and Contract Services	(2,534,755)	(1,212,896)	(418,600)	(4,166,251)
Payments to ABAG			(333,186)	(333,186)
Claims Paid	(7,465,854)	(163,787)		(7,629,641)
Claims covered by reinsurance	(2,500,000)			(2,500,000)
Other Payments	(248,076)		(531,798)	(779,874)
Net Cash Flows from (used by) Operating Activities	(6,923,224)	422,589	733,486	(5,767,149)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Investments, net	758,159			758,159
Interest and other	258,655		8,100	266,755
Net Cash Flows from (used by) Investing Activities	1,016,814		8,100	1,024,914
Net Cash Flows	(5,906,410)	422,589	741,586	(4,742,235)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,219,389	896,235	1,595,876	17,711,500
CASH AND CASH EQUIVALENTS AT END OF YEAR	$9,312,979	$1,318,824	$2,337,462	$12,969,265
RECONCILIATION OF NET PROGRAM OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Program Operating Income (loss)	($6,263,632)	($128,173)	$894,411	($5,497,394)
Adjustments to Reconcile Net Program Operating Income (Loss) to Cash Flows from Operating Activities				
Changes in Assets and Liabilities:				
Receivable from Members	(84,392)	4,592		(79,800)
Receivable from Reinsurance	(2,500,000)			(2,500,000)
Prepaid Expenses			(258,223)	(258,223)
Payables	(146,200)	(3,830)	97,298	(52,732)
Reserves for Claims and Claim Adjustment Expenses	1,964,618	550,000		2,514,618
Reserves for Unallocated Loss Adjustment Expenses	106,382			106,382
Net Cash Flows from (used by) Operating Activities	($6,923,224)	$422,589	$733,486	($5,767,149)

See accompanying notes to basic financial statements

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description and Programs

The ABAG Pooled Liability Assurance Network Corporation (PLAN) is a non-profit public benefit corporation created by the Association of Bay Area Governments (ABAG) to provide a pooled approach for liability coverage for a number of Bay Area cities as allowed under the California Government Code. The purpose of PLAN is to operate and maintain a joint program for liability and property damage protection for the member agencies. PLAN is governed by a Board of Directors comprising officials appointed by each member agency. The activities of PLAN include setting and collecting premiums, administering and paying claims and related expenses, investing PLAN's assets, and offering loss prevention programs.

The members of PLAN must be members of ABAG, but not all ABAG members are members of PLAN. For that reason, PLAN is not a component unit of ABAG.

B. Basis of Presentation

PLAN's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

The Statement of Net Position and the Statement of Activities display the overall financial activities of PLAN's programs. These statements display the *business-type activities* of PLAN that are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between program expenses and program revenues for each function of PLAN's business-type activities. Program expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that may be received and are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that may be received and are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenses equal to at least ten percent of their fund-type total and five percent of the grand total.

PLAN reported all its enterprise funds as major funds in the accompanying financial statements:

General Liability Fund – this fund accounts for revenues and expenses for the general liability program for its participating members.

Property Liability Fund – this fund accounts for revenues and expenses for the property liability program for its participating members.

Administration Fund – this fund accounts for revenues and expenses for management and administration activities of PLAN.

D. Basis of Accounting

PLAN accounts for all transactions in enterprise funds, which are separate sets of self-balancing accounts that comprise assets, liabilities, net position, revenues and expenses. All transactions are accounted for on the accrual basis, which means that expenses are recorded when the liability is incurred and revenues are recorded when earned, rather than when cash changes hands.

Premiums from Members - Each member is assessed a premium which is intended to cover PLAN's claims, operating costs and claims settlement expenses. Premiums are based on an actuarially determined estimate of the probable losses and expenses attributable to a policy year. Additional cash contributions may be assessed on the basis of adverse loss experience. Refunds to members may be made if funds are determined to be in excess of the desired confidence level. All premiums are recognized as revenues when earned, based on the period covered by the premium.

Losses and Claims - PLAN establishes claim liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, and based on estimates of claims that have been incurred but not reported (IBNR). Because actual claim costs can be affected by such complex factors as inflation, changes in legal costs and damage awards, claim liabilities are recommitted periodically using a variety of actuarial and statistical techniques to produce current estimates. The calculation of estimated future claims costs is based on actual historical data that reflect past inflation and other factors that are considered to be appropriate modifiers of past experience. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PLAN has a multi-level risk sharing arrangement. Each member assumes its own losses up to its retention level. Losses in excess of the self-insured retention are paid out of a central pool maintained by PLAN for the pooled layers of coverage. This central pool is funded by premiums from all members.

PLAN purchases excess insurance policies to provide coverage for its members' exposure to losses in excess of the liability pool's $5 million limit and the property pool's $100,000 limit. Excess liability insurance provides a total of $25 million (above the $5 million PLAN layer) in liability coverage and excess property insurance pays claims up to the replacement cost of damaged property, subject to the terms of the policies. Premiums paid for excess insurance during the year ended June 30, 2018, amounted to $1,427,766.

Risk Sharing - PLAN is a "risk sharing" program which pools risks and funds and shares in the cost of losses. Losses and expenses are paid from the liability and property pools up to the limit of coverage subject to the self-insured retention.

Each year, PLAN evaluates the pools' financial risk position, defined as contributions less expenses, claim reserves and incurred-but-not-reported (IBNR) claims. If the events of the year result in a negative risk position, the members' annual assessments may be increased in subsequent years.

E. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. PLAN categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Estimates

PLAN's management has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses and the disclosure of contingent liabilities to prepare these financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments consist of the following at June 30, 2018:

	Cash and Cash Equivalents	Investments	Total
Cash in Banks	$931,880		$931,880
Local Agency Investment Fund	12,037,385		12,037,385
U.S. Agency Securities:			
Federal Home Loan Bank		$4,940,200	4,940,200
Federal Home Loan Mortgage Corporation		3,941,060	3,941,060
Federal National Mortgage Association		17,525,077	17,525,077
Certificates of Deposit		999,489	999,489
Total Cash and Investments	$12,969,265	$27,405,826	$40,375,091

A. Authorized Investments by PLAN

PLAN's Investment Policy and the California Government Code allow PLAN to invest in the following, provided the credit ratings of the issuers are acceptable to PLAN.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Securities	5 years	N/A	None, (A)	None
Bankers Acceptances	180 days	A1/P1	25%	10%
Commercial Paper	270 days	A1/P1/F1	10%	10%
Medium Term/Corporate Notes	5 years	AA	10%	10%
Negotiable Certificates of Deposit	2 years	AA/A-1	30%	10%
Time Certificates of Deposit	5 years	(D)	10%	10%
Money Market Mutual Funds	N/A	AAA or (B)	10%	10%
California Local Agency Investment Fund	N/A	N/A	None, (C)	None

(A) Maximum limit of 20% of the investment portfolio in mortgage-backed securities.
(B) ABAG PLAN can also purchase money market funds managed by a manager with a minimum 5 year history and $500 million under management.
(C) LAIF has a limit of $65 million per account.
(D) Financial institution must have received a minimum overall satisfactory rating for meeting the credit needs for California Communities in its most recent evaluation.

B. Fair Value Hierarchy

PLAN categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 2 - CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of PLAN as of June 30, 2018:

Investment Type	Level 2	Exempt	Total
California Local Agency Investment Fund		$12,037,385	$12,037,385
U.S. Agency Securities:			
Federal Home Loan Bank	$4,940,200		4,940,200
Federal Home Loan Mortgage Corporation	3,941,060		3,941,060
Federal National Mortgage Association	17,525,077		17,525,077
Certificates of Deposit - Negotiable	999,489		999,489
Total Investments	$27,405,826	$12,037,385	39,443,211
Cash in banks and on hand			931,880
Total Cash and investments			$40,375,091

U.S. Agency Securities classified in Level 2 of the fair market hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Negotiable certificates of deposit classified in Level 2 of the fair value hierarchy, are valued using quoted prices for similar assets in markets that are either active or not active and through model-based techniques in which all significant inputs are observable for the asset, either directly or indirectly, for substantially the full term of the financial statement.

C. Interest Rate Risk

Interest rate risk is the potential adverse effect resulting from changes in market interest rates on the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates.

NOTE 2 - CASH AND INVESTMENTS (Continued)

The sensitivity of the fair values of PLAN's investments to market interest rate fluctuations can be analyzed by the following distribution of PLAN's cash and investments by maturity which has been prepared using the earlier of stated maturity date or callable dates, if applicable:

Cash and Investments	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Agency Securities:				
Federal Home Loan Bank	4,940,200			$4,940,200
Federal Home Loan Mortgage Corporation	$1,968,160	1,972,900		3,941,060
Federal National Mortgage Association	14,563,867	2,961,210		17,525,077
Certificates of Deposit	748,774		250,715	999,489
Subtotal Investments	22,221,001	4,934,110	250,715	27,405,826
Cash and Cash Equivalents:				
Cash in Banks	931,880			931,880
Local Agency Investment Fund	12,037,385			12,037,385
Subtotal Cash and Cash Equivalents	12,969,265			12,969,265
Total Cash and Investments	$35,190,266	$4,934,110	$250,715	$40,375,091

As of year end, the weighted average maturity of the investments in the LAIF investment pool is approximately 193 days.

D. Credit Risk

Credit risk is the risk of failure of an issuer of an investment in fulfilling its obligation to the holder of the investment. Presented below is the actual rating by Moody's investment rating service as of June 30, 2018:

	Aaa	Not Rated	Total
U.S. Agency Securities:			
Federal Home Loan Bank	$4,940,200		$4,940,200
Federal Home Loan Mortgage Corporation	3,941,060		3,941,060
Federal National Mortgage Association	17,525,077		17,525,077
Certificates of Deposit		$999,489	999,489
Total Investments	$26,406,337	$999,489	$27,405,826

NOTE 2 - CASH AND INVESTMENTS (Continued)

E. Concentration of Credit Risk

PLAN's investment policy contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, as listed in Section A of this note. No investments exceeded these limits at June 30, 2018. Included in the table at C above are investments held by the General Liability Fund.

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, PLAN may not be able to recover its deposits or collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its agent having a fair value of 105% to 150% of the public agency's deposit. All of PLAN's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in PLAN's name.

In addition, the custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, PLAN may not be able to recover the value of its investment or collateral securities that are in the possession of another party. PLAN's Investment Policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by PLAN, be conducted on a delivery-versus-payment basis. Securities are to be held by a third party custodian.

G. Local Agency Investment Fund

PLAN is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. PLAN reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporate notes.

H. Statement of Cash Flows

For purposes of the statement of cash flows, PLAN considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 3 - RESERVES FOR CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Reserves for claims and claim adjustment expenses changed as follows:

	General Liability Pool		Property Liability Pool	
	2018	2017	2018	2017
Unpaid claims and claim adjustment expenses at beginning of year	$16,662,000	$19,937,000	$350,000	$350,000
Incurred claims and claim adjustment expenses:				
Provision for insured events of the current fiscal year	6,183,000	4,572,900	673,608	350,000
Increases (decreases) in provision for insured events of prior fiscal years	2,757,585	(1,659,999)	40,179	31,385
Claims administration	596,269	640,966		
Total incurred claims and claim settlement expenses	9,536,854	3,553,867	713,787	381,385
Payments:				
Claims and claim adjustment expense attributable to insured events of the current fiscal year		900	392,395	311,350
Claims and claim adjustment expense attributable to insured events of prior fiscal years	6,869,585	6,187,001	(228,608)	70,035
Claims administration	596,269	640,966		
Total payments	7,465,854	6,828,867	163,787	381,385
Total unpaid claims and claim adjustment expenses at end of fiscal year	$18,733,000	$16,662,000	$900,000	$350,000
Components of unpaid claims liabilities:				
Claims payable	$5,757,293	$3,805,273	$900,000	$350,000
Claims incurred but not reported (IBNR)	10,894,325	11,005,449		
Liability for unallocated loss adjustment expense (ULAE)	2,081,382	1,851,278		
Total claims liabilities	$18,733,000	$16,662,000	$900,000	$350,000
Current portion	$2,314,000	$2,106,000	$900,000	$350,000

NOTE 4 – NET POSITION

Net Position is the excess of a fund's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. All of PLAN's net position is classified as unrestricted, and may be used for any PLAN purpose.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

On July 1, 2017, certain members of the ABAG staff, including all members providing services to PLAN, were merged into the staff of the Metropolitan Transportation Commission (MTC) and the responsibility for services performed for PLAN by ABAG staff became the responsibility of MTC management and staff. PLAN has entered into an agreement with Bickmore Services for administrative services effective January 1, 2018. Following the transition to Bickmore, ABAG/MTC will no longer provide administrative or financial services to PLAN.

PLAN is subject to litigation arising in the normal course of business. In the opinion of the PLAN's Legal Counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of PLAN.

NOTE 6 – SUBSEQUENT EVENT

Effective July 1, 2018, all the assets and liabilities of PLAN were transferred to a newly formed public agency known as Pooled Assurance Liability Network Joint Powers Authority (PLAN JPA). PLAN JPA was organized pursuant to Article 1, Chapter 5, Division 7, Title 1 of the California Government code. PLAN JPA was established to provide Liability and Property insurance coverage to its members and to pay for the administration as well as the cost of excess insurance and related risk management cost. All the members from PLAN joined PLAN JPA.

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REQUIRED SUPPLEMENTARY INFORMATION

ABAG PLAN CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION - GENERAL LIABILITY POOL - (in Thousands)
YEARS ENDED JUNE 30,

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(1)	Earned premiums	$8,262	$8,326	$7,753	$7,562	$7,685	$9,218	$8,499	$8,019	$7,983	$7,935
	Excess insurance premiums	764	776	738	634	652	673	629	1,282	1,308	1,428
	Net Earned	7,498	7,550	7,015	6,928	7,033	8,545	7,870	6,737	6,675	6,507
(2)	Investment income allocation	144	359	202	195	156	203	128	75	7	229
(3)	Net earned premiums and investment revenues	7,642	7,909	7,217	7,123	7,189	8,748	7,998	6,812	6,682	6,736
(4)	Unallocated expenses	5,013	3,673	4,422	3,579	3,909	4,143	3,101	2,788	2,969	2,928
(5)	Funds available for claims	2,629	4,236	2,795	3,544	3,280	4,605	4,897	4,024	3,713	3,808
(6)	Paid (cumulative) as of:										
	End of program year	24	305	23	71	430	0	325	17	1	0
	One year later	405	363	359	198	662	648	1,777	175	266	
	Two years later	2,064	1,474	1,004	2,569	1,689	812	2,214	2,983		
	Three years later	2,595	2,350	1,354	3,006	1,815	6,234	4,276			
	Four years later	2,918	2,353	2,060	3,573	1,910	6,731				
	Five years later	3,473	2,402	2,069	3,644	2,057					
	Six years later	3,526	2,438	2,069	3,781						
	Seven years later	3,529	2,441	2,047							
	Eight years later	3,529	2,441								
	Nine years later	3,529									
(7)	Estimated reserves for claims and claims adjustment expenses										
	End of policy year	5,029	4,199	4,789	4,918	6,063	5,534	5,342	4,366	4,572	6,183
	One year later	3,995	6,944	7,353	8,977	8,299	5,505	4,578	4,364	6,423	
	Two years later	3,660	4,643	11,270	6,830	4,033	7,218	3,533	2,509		
	Three years later	2,871	3,029	6,164	3,830	1,827	1,976	1,497			
	Four years later	3,139	1,592	1,230	1,330	1,056	1,040				
	Five years later	219	1,359	336	815	843					
	Six years later	266	248	182	237						
	Seven years later	0	124	0							
	Eight years later	0	0								
	Nine years later	0									
(8)	Re-estimated incurred claims and claims adjustment expenses:										
	End of policy year	5,053	4,504	4,812	4,989	6,493	5,534	5,667	4,383	4,573	6,183
	One year later	4,400	7,307	7,712	9,175	8,961	6,153	6,355	4,539	6,689	
	Two years later	5,724	6,117	12,274	9,399	5,722	8,030	5,747	5,492		
	Three years later	5,466	5,379	7,518	6,836	3,642	8,210	5,773			
	Four years later	6,057	3,945	3,290	4,903	2,966	7,771				
	Five years later	3,692	3,761	2,405	4,459	2,900					
	Six years later	3,792	2,686	2,251	4,018						
	Seven years later	3,529	2,565	2,047							
	Eight years later	3,529	2,441								
	Nine years later	3,529									
(9)	Change in estimated net incurred claims from end of policy year	(1,524)	(2,063)	(2,765)	(971)	(3,593)	2,237	106	1,109	2,116	6,183

ABAG PLAN CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION - PROPERTY LIABILITY POOL - (in Thousands)
YEARS ENDED JUNE 30,

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(1)	Earned premiums	$918	$1,086	$1,080	$992	$1,151	$1,357	$1,392	$1,224	$1,246	$1,795
	Excess insurance premiums	726	885	880	802	961	1,165	1,147	986	983	1,209
	Net Earned	192	201	200	190	190	192	245	238	263	586
(2)	Investment income allocation	(29)	(3)	(24)	(25)	(7)	0	0	0	0	0
(3)	Net earned premiums and investment revenues	163	198	176	165	183	192	245	238	263	586
(4)	Unallocated expenses	1	0	0	0	0	0	0	0	0	0
(5)	Funds available for claims	162	198	176	165	183	192	245	238	263	586
(6)	Paid (cumulative) as of:										
	End of program year	379	148	318	252	103	117	227	48	311	392
	One year later	407	242	409	555	388	286	580	195	667	
	Two years later	374	236	486	556	367	397	567	278		
	Three years later	371	224	477	532	289	381	590			
	Four years later	371	227	412	532	276	415				
	Five years later	371	227	412	498	491					
	Six years later	319	227	412	455						
	Seven years later	319	227	425							
	Eight years later	319	324								
	Nine years later	490									
(7)	Estimated reserves for claims and claims adjustment expenses										
	End of policy year	158	158	158	250	250	350	350	350	350	281
	One year later	0	0	0	0	0	0	0	0	33	
	Two years later	0	0	0	0	0	0	0	813		
	Three years later	0	0	0	0	0	0	356			
	Four years later	0	0	0	0	0	628				
	Five years later	0	0	0	0	1,252					
	Six years later	0	0	0	824						
	Seven years later	0	0	729							
	Eight years later	0	347								
	Nine years later	898									
(8)	Re-estimated incurred claims and claims adjustment expenses:										
	End of policy year	537	306	476	502	353	467	577	398	661	674
	One year later	407	242	409	555	388	286	580	195	700	
	Two years later	374	236	486	556	367	397	567	1,091		
	Three years later	371	224	477	532	289	381	946			
	Four years later	371	227	412	532	276	1,043				
	Five years later	371	227	412	498	1,743					
	Six years later	319	227	412	1,279						
	Seven years later	319	227	1,154							
	Eight years later	319	671								
	Nine years later	1,388									
(9)	Change in estimated net incurred claims from end of policy year	851	365	678	777	1,390	576	369	693	39	674

The preceding tables illustrate how PLAN's earned revenue (net of excess insurance) and investment income compare to related costs of loss and other expenses assumed by PLAN as of the end of each of the past ten years. The rows of table are defined as follows:

(1) This line shows the total of each fiscal year's gross earned premium revenue, premium revenue ceded to excess insurers and net earned premium revenues.

(2) This line shows investment income allocation to fiscal year from investment income earned during each of the past ten fiscal years.

(3) This line shows the total of net earned premiums and investment revenues.

(4) This line shows each fiscal year's other operating costs of PLAN not allocable to individual claims.

(5) This line shows the net funds available for claims, after payments for excess insurance and unallocated expenses.

(6) This section of ten rows shows the cumulative net claims paid at the end of successive years for each policy year.

(7) This section of ten rows shows the estimated outstanding reserves as of the end of the current year for each policy year. This annual reestimation results from new information received on reported claims not previously reported.

(8) This section of ten rows is the total of (6) and (7) and shows how each policy year's net incurred claims has changed as of the end of successive years.

(9) This line compares the latest reestimated net incurred claims amount to the amount for each policy year originally established (first row of line 8) and shows the difference between the current and original amounts. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years.

ABAG POOLED LIABILITY ASSURANCE NETWORK CORPORATION (PLAN)

REQUIRED COMMUNICATIONS

FOR THE YEAR ENDED JUNE 30, 2018

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ABAG POOLED LIABILITY ASSURANCE NETWORK CORPORATION (PLAN)

REQUIRED COMMUNICATIONS

For The Year Ended June 30, 2018

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MAZE & ASSOCIATES

REQUIRED COMMUNICATIONS

To the Board of Directors of the
ABAG Pooled Liability Assurance Network Corporation
Sacramento, California

We have audited the basic financial statements of the ABAG Pooled Liability Assurance Network Corporation (PLAN) for the year ended June 30, 2018. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the PLAN are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the PLAN during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the PLAN's financial statements were:

> *Estimated Fair Value of Investments:* As of June 30, 2018, the PLAN held approximately $39.4 million of cash and investments as measured by fair value as disclosed in Note 2B to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2018. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2018.
>
> *Estimated Reserve for Claims:* Management's estimate of the reserve for claims and claims adjustment expenses is disclosed in Note 3 to the financial statements and is based on an actuarial study determined by a consultant, which is based on the claims experience of PLAN.

We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

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Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter May 22, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the PLAN's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the PLAN's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

******

This information is intended solely for the use of Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
May 22, 2019

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ABAG POOLED LIABILITY ASSURANCE NETWORK CORPORATION (PLAN)

MEMORANDUM ON INTERNAL CONTROL

FOR THE YEAR ENDED JUNE 30, 2018

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ABAG POOLED LIABILITY ASSURANCE NETWORK CORPORATION (PLAN)

MEMORANDUM ON INTERNAL CONTROL

For The Year Ended June 30, 2018

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Memorandum on Internal Control 1

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MAZE & ASSOCIATES

MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors of the
ABAG Pooled Liability Assurance Network Corporation
Sacramento, California

In planning and performing our audit of the basic financial statements of the ABAG Pooled Liability Assurance Network Corporation (PLAN) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the PLAN's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PLAN's internal control. Accordingly, we do not express an opinion on the effectiveness of the PLAN's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the PLAN's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

Pleasant Hill, California
May 22, 2019

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Agenda Item 7.C.

FINANCIAL MATTERS

SUBJECT: PLAN JPA Reinsurance/Excess Insurance Update

BACKGROUND AND HISTORY:

At the April 18th PLAN JPA Executive Committee meeting, the rising cost of reinsurance and excess insurance were discussed as part of the upcoming 2019/20 budget. Seth Cole, Alliant Insurance Services, and staff will provide an update on PLAN JPA's expiring contract with discussion on alternative options.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

None

FINANCIAL MATTERS

SUBJECT: Consideration of Contract for Actuarial Services

BACKGROUND AND HISTORY:

In prior years, PLAN JPA has received actuarial services from Bickmore. The current letter of engagement is dated June 1, 2018, for the 2018 analysis.

Effective April 1, 2019, the actuarial team at Bickmore formed a separate company, Prime Actuarial Consulting LLC dba Bickmore Actuarial, while the rest of Bickmore transitioned to York. Attached is a proposed agreement between PLAN JPA and Bickmore Actuarial that outlines the following terms:

Term of contract: April 1, 2019 to June 30, 2024.
Fee:

- 2019-20 program year: $32,220
- 2020-21 program year: $27,220
- Subsequent years fees: 0% increase

RECOMMENDATION:

Staff recommends the Executive Committee approve the actuarial services contract as presented.

REFERENCE MATERIALS ATTACHED:

- PLAN JPA Actuarial Contract

AGREEMENT BETWEEN THE
POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY
AND
PRIME ACTUARIAL CONSULTING, LLC
FOR ACTUARIAL SERVICES

This Agreement is made and entered into the 1st day of July 2019, by and between the POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY, a California joint powers authority (hereinafter "PLAN"), and PRIME ACTUARIAL CONSULTING, LLC, a California limited liability company, dba Bickmore Actuarial (hereafter "Consultant").

RECITALS

WHEREAS, PLAN desires to retain a consulting firm to perform actuarial services; and

WHEREAS, Consultant has the necessary professional expertise and skill to perform such services.

NOW, THEREFORE, the purpose of this Agreement is to retain Consultant to perform those services as specified in this Agreement.

THE PARTIES AGREE AS FOLLOWS:

SECTION 1. SCOPE OF SERVICES

A. Consultant shall perform those services described in the attached Exhibit A. All services shall be performed consistent with the Joint Exercise of Powers Law, the PLAN Joint Exercise of Powers Agreement, PLAN Bylaws, PLAN Master Plan Documents, and applicable PLAN memoranda of coverage, resolutions, and policies, as the same may be amended from time to time.

B. Consultant will also perform such additional services and tasks as may be described on a service-, project,- or task-specific Agreement addendum approved in writing from time to time by Consultant and PLAN. Approval of an addendum by PLAN requires approval by its Board of Directors. Each addendum must set forth the scope of services and work, duration of the work or expiration date, deliverables (if any), schedule (if applicable), and not-to-exceed price or other billing and fee arrangement. The additional services shall be compensated at the hourly rates set forth on Exhibit B or as otherwise agreed to by the parties. Services performed under an approved addendum will be considered work performed under this Agreement.

SECTION 2. TERM OF AGREEMENT. The term of this Agreement shall be from July 1, 2019, to June 30, 2024, subject to the provisions of section 9, Termination, of this Agreement.

SECTION 3. COMPENSATION. The compensation to be paid to Consultant, including payments for professional services and reimbursable expenses, are incorporated into the rate and schedule of payments set out in Exhibit B, which is attached hereto and incorporated herein.

SECTION 4. INDEPENDENT CONTRACTOR. It is understood and agreed that Consultant (including Consultant's employees), in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent contractor and not an employee of PLAN;

and, as an independent contractor, neither Consultant nor Consultant's employees shall have any rights to benefits that could accrue to PLAN's employees, if any, and Consultant hereby expressly waives any claim it or its employees may have to any such benefits or rights. Neither PLAN nor any of its agents shall have control over the conduct of Consultant's employees or associates.

SECTION 5. ASSIGNABILITY. The parties agree that the expertise and experience of Consultant are material considerations for this Agreement. Consultant shall not assign or transfer any interest in this Agreement nor the performance of any of Consultant's obligations hereunder, without the prior written consent of PLAN. Any attempt by Consultant to so assign or transfer this Agreement or any rights, duties or obligations arising hereunder without prior consent from the PLAN Board of Directors shall be void and of no effect.

SECTION 6. INDEMNIFICATION

A. Consultant shall indemnify, protect, defend, and hold harmless PLAN, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation attorneys' fees, expert and consultant fees, and other costs and fees of litigation) of every nature arising out of or in connection with Consultant's negligent performance of work hereunder or its negligent failure to comply with any of its obligations contained in this Agreement, provided, however, that Consultant shall not be liable to indemnify PLAN for any injury to persons or property which may result solely or primarily from the action or non-action of PLAN, or its directors, officers, agents, or employees (but not including Consultant or its employees). Consultant shall also hold PLAN harmless against any liability which PLAN may incur toward Consultant's employees, specifically including liability for the payment of workers' compensation benefits.

B. Acceptance of insurance certificates or endorsements required under Exhibit C of this Agreement does not relieve Consultant from liability under this section 6 and shall apply to all damages and claims of every kind suffered, or alleged to have been suffered, by reason of any of Consultant's negligence, misconduct, or other legal fault regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

SECTION 7. INSURANCE REQUIREMENTS. Consultant agrees to have and maintain the policies of insurance set forth in Exhibit C, entitled "INSURANCE", which is attached hereto and incorporated herein. All policies, endorsements, certificates and/or binders shall be subject to approval by PLAN's Executive Committee as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by PLAN's Board of Directors. Consultant agrees to provide PLAN with a copy of said policies, endorsements, certificates and/or binders before work commences under this Agreement and annually thereafter.

SECTION 8. NONDISCRIMINATION. Consultant shall not discriminate in any way against any person on the basis of age, sex, race, color, creed, national origin, or any status or class as protected by federal or state laws in connection with or related to the performance of this Agreement. In compliance with the Americans with Disabilities Act, disability-related modifications or accommodations will be provided at meeting locations when requested. Requests must be made as early as possible and at least one full business day before the start of the meeting.

SECTION 9. TERMINATION

A. Either party shall have the right to terminate this Agreement or an Agreement addendum, without cause, by giving not less than 180 days' prior written notice of termination to the other party. In the event of such termination, Consultant shall be fairly compensated for all work performed to the date of termination as calculated based on Section 3 and Exhibit B.

B. If Consultant fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, PLAN may terminate this Agreement upon written notice to Consultant. However, prior to terminating the Agreement, PLAN will provide written notice of default to Consultant and a reasonable period of time, not to exceed 60 days, for Consultant to cure the default.

C. This Agreement may also be terminated by mutual Agreement of both parties expressed in writing.

D. PLAN's Board of Directors is empowered to terminate this Agreement on behalf of PLAN.

E. Upon termination of this Agreement (whether by expiration of its term or earlier termination), Consultant shall cooperate in good faith and work with PLAN and its new actuary, as designated by PLAN, in transferring such documents and files as appropriate to implement the transition and transfer of the actuarial services functions from one actuary to another. For any services provided by Consultant under this paragraph after the date of termination of this Agreement, PLAN shall compensate Consultant based on the hourly rates set forth in Exhibit B.

SECTION 10. OWNERSHIP OF DOCUMENTS. All data, information, documents, books, records, reports, spreadsheets, photographs, computer disks, magnetic tapes, and any other document or thing prepared by Consultant pursuant to this Agreement and provided to PLAN ("Work Product") shall be the property of PLAN, and PLAN shall have the right to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Consultant or any other party. A Work Product shall be considered "provided to PLAN" if it is provided to the PLAN Board, PLAN Executive Committee, a PLAN Board member, or PLAN contract staff. Consultant may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product. If any Work Product is copyrightable, Consultant may copyright the same, except that, as to any Work Product that is copyrighted by Consultant, PLAN reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If PLAN reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then PLAN shall hold Consultant harmless against all claims, damages, losses and expenses arising from such reuse or modification. For Work Product provided to PLAN in paper format, upon request by PLAN, Consultant agrees to provide the Work Product to PLAN in an appropriate and usable electronic format (e.g., Word document, Excel spreadsheet).

SECTION 11. CONSULTANT'S BOOKS AND RECORDS. Consultant shall maintain any and all electronic ledgers, accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to PLAN for

a minimum period of three years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement. PLAN may inspect and audit such books and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement. In accordance with California Government Code Section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the State Auditor General for three years following final payment under the Agreement.

SECTION 12. GOVERNING LAW. PLAN and Consultant agree that the law governing this Agreement shall be that of the State of California.

SECTION 13. COMPLIANCE WITH LAWS. PLAN and Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. Consultant also shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the services under this Agreement. In accordance with California Code of Regulations Title 13, Section 2022.1, Consultant shall comply with all federal, state and local air pollution control laws and regulations applicable to the Consultant and its services.

SECTION 14. WAIVER. Consultant agrees that waiver by PLAN of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by PLAN of the performance of any work or services by Consultant shall not be deemed to be a waiver of any term or condition of this Agreement.

SECTION 15. NOTICES. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be personally served or mailed, postage prepaid and addressed to the respective parties as follows:

TO PLAN:
President, PLAN Board of Directors
c/o York Risk Services Group
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

TO Consultant:
President, Prime Actuarial Consulting LLC
dba Bickmore Actuarial
180 Promenade Circle, Suite 300
Sacramento, CA 95834

Notice shall be deemed effective on the date personally delivered or, if mailed, three (3) days after deposit in the U.S. mail.

SECTION 17. SETTLEMENT OF DISPUTES

A. If any dispute, controversy, or claim arises out of or relates to the enforcement and/or interpretation of this Agreement or any part hereof, the parties hereby agree first to attempt to resolve the dispute informally through their selected representatives and/or by mediation. If such informal efforts do not resolve the dispute, the parties agree to submit the dispute, controversy, or claim to binding arbitration. Either party may request arbitration. The arbitration shall be conducted pursuant to the California Code of Civil Procedure part 3, title 9 (commencing with section 1280). Unless the parties mutually agree to arbitration by a single arbitrator and mutually select that arbitrator,

the arbitration shall be conducted by a three-person arbitration panel with Consultant and PLAN each selecting one arbitrator, and those two arbitrators selecting the third arbitrator. No arbitrator shall be employed by or affiliated with Consultant or PLAN. The third arbitrator shall be either a retired judge, a member of an arbitration and/or mediation association such as JAMS or the American Arbitration Association, or a lawyer with experience in contract interpretation.

B. The selection of arbitrator(s) shall take place within twenty (20) calendar days from the receipt of the request for arbitration. Unless mutually agreed otherwise, the arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrator(s).

C. Each party shall pay the cost of its selected arbitrator and one-half the cost of the third selected arbitrator. If the arbitration proceeds before a single arbitrator, each party shall pay one-half the cost of that arbitrator. In addition, each party shall be responsible for its own costs, expenses and legal fees of arbitration. The arbitrator(s) may award fees and costs to the prevailing party. The decision of the arbitrator(s) shall be final and binding, and shall not be subject to appeal.

SECTION 18. SIGNATOR'S WARRANTY. Each party warrants the other party that he or she is fully authorized and competent to enter into this Agreement in the capacity indicated by his or her signature and agrees to be bound by this Agreement.

SECTION 19. PRIOR AGREEMENTS AND AMENDMENTS. This Agreement, including all exhibits attached hereto, represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by a written amendment duly executed by the parties to this Agreement.

PLAN	Prime Actuarial Consulting
By:_____	By: _____
_____	Mike Harrington
President, PLAN Board of Directors	President, Principal

EXHIBIT A

SCOPE OF SERVICES

PLAN is seeking professional actuarial advice with regard to its self-insured property and liability program. The objectives of the study are to provide an estimate of outstanding liabilities and a projection of loss costs, cash flow and investment income. The reports must include the following information:

PLAN JPA PROPERTY PROGRAM

Reserve and Funding Analysis

- Estimate outstanding loss and allocated loss adjustment expense (ALAE) liabilities as of June 30, based on losses evaluated as of December 31. Estimates should be provided on a discounted basis and at various confidence levels to be specified by the PLAN.
- Project funding amounts for losses and allocated loss adjustment expenses for the next fiscal year.
- Determine the confidence level of the program assets as of June 30 relative to the outstanding liabilities.

PLAN JPA LIABILITY PROGRAM

Reserve and Funding Analysis

- Estimate outstanding loss and allocated loss adjustment expense (ALAE) liabilities as of June 30, based on losses evaluated as of December 31. Estimates should be provided on a discounted basis and at various confidence levels to be specified by the PLAN.
- Project funding amounts for losses and allocated loss adjustment expenses for the next fiscal year.
- Provide funding options for at least three different self-insured retentions (typically $5M, $10M and $15M) and at various confidence levels.
- Determine the confidence level of the program assets as of June 30 relative to the outstanding liabilities.

Deposit Schedule and Ex-Mods

- Develop a deposit schedule by Member Jurisdiction based on the actuarial report's projection of losses and ALAE, experience modification factors for each Member Jurisdiction, projected administrative and claims expenses, and projected payroll for each Member Jurisdiction.
- Produce experience modification factors for each Member Jurisdiction based on the PLAN's established formula.

Ex-Mod Report

- Develop alternative experience modification factors for each Member

Premium Calculation Summary

- Prepare exhibits summarizing the premium calculation for each member for the next fiscal year, including a comparison with the premium calculation for the prior fiscal year.

Fund Balance Calculation

- Determine the allocated fund balance attributed to each Member Jurisdiction based upon the PLAN's established formula. We will also calculate the annual payable/receivable for former PLAN members.

June 30 Update

- Update the estimated outstanding loss and ALAE liabilities as of June 30 using actual loss information evaluated as of June 30.

EXHIBIT B

COMPENSATION

PLAN agrees to pay Consultant the annual fees as shown in the following table. The annual fee shall be paid upon completion and delivery of the actuarial report for the year.

We will agree to complete the scope of work discussed above for the following fees:

Project Component	2019-20[1]	2020-21[2]
GL Study	$7,210	$7,210
GL Premium Calculations	$1,290	$1,290
GL X-Mods/Deposits	$3,490	$3,490
GL X-Mods Study	$5,000	NA
GL Update	$2,360	$2,360
GL Equity Allocation	$6,750	$6,750
PR Study	$6,120	$6,120
Total	**$32,220**	**$27,220**

[1] 2019-20 Study will be done after December 31, 2018 and include outstanding liabilities as of June 30, 2019 and rates for 2019-20.

[2] 2020-21 Study will be done after December 31, 2019 and include outstanding liabilities as of June 30, 2020 and rates for 2020-21.

PLAN shall be entitled to one personal visit as part of these fees. Additional visits will be billed for time at the rates shown below, plus reasonable travel expenses.

Studies for future years can be added for no annual increase in fees.

Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates below.

Consultant	Hourly Rate
Fellow	$250
Associate	200
Actuarial Staff	100
Administrative Staff	50

EXHIBIT C

INSURANCE REQUIREMENTS

Consultant shall procure and maintain for the duration of this Agreement the following insurance:

Minimum Scope of Insurance:

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, codes 8 and 9 (hired and non-owned automobiles);
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.
4. Errors & Omissions.

Minimum Limits of Insurance:

Consultant shall maintain limits no less than:

1. General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage and $4,000,000 annual aggregate policy limit.
2. Automobile Liability on hired and non-owned vehicles: $1,000,000 per accident for bodily injury and property damage, combined single limit.
3. Employer's Liability: $1,000,000 per accident for bodily injury or disease, and in the aggregate.
4. Errors & Omissions: $1,000,000 per claim.

Deductibles and Self-Insurance Retentions:

Any deductibles or self-insured retentions exceeding $50,000 must be declared to and approved by PLAN. At the option of PLAN, either: Consultant shall procure insurance with reduced or eliminated deductibles or self-insured retentions as respects PLAN, its officers, officials, employees, and volunteers.

Other Insurance Provisions:

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. PLAN, its officers, officials, employees, and volunteers are to be covered as insureds with respect to the liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the Consultant, and with respect to liability arising out of work or operations by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be

provided in the form of an endorsement (CG 20 10 and CG 20 37 or equivalent) to the Consultant's insurance or as a separate owner's policy.

2. For any claims related to this Agreement, the Consultant's insurance coverage shall be primary insurance as respects PLAN, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by PLAN, it officers, officials, employees, and volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to PLAN. Continuation of coverage placed with a different carrier, provided there is no lapse in coverage, shall not apply.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to PLAN.

Verification of Coverage:

Consultant shall furnish PLAN with original certificate and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by PLAN or on other than PLAN's forms, provided those endorsements or policies conform to the requirements stated in this clause. PLAN reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting coverage required by these specifications at any time. All insurance documents are to be sent to the PLAN Executive Director prior to July 1 of each fiscal year this contract is in force.

Agenda Item 7.E.

FINANCIAL MATTERS

SUBJECT: Review of the Financial Audit Request for Proposal (RFP) Responses

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BACKGROUND AND HISTORY:

Maze & Associates (Maze) has provided independent financial auditing services to PLAN JPA since 2009. ABAG PLAN went out for bid for audit services in 2015 and Maze won the contract. The current partner has been on the engagement since 2016. At the April 18th, 2019, Executive Committee meeting, the Committee approved to issue a Request for Proposal (RFP) for audit services. The RFP was issued on April 30, 2019, with a due date of May 22, 2019. The RFP was issued to firms qualified to audit risk sharing pools.

Those firms were:

1) Crowe Horwath, LLP – did not respond.
2) Gilbert Accountancy Corporation – declined to respond due to staffing constraints.
3) James Marta & Company, LLP – submitted a proposal.
4) Sampson, Sampson and Patterson LLP – submitted a proposal.

In addition, the incumbent auditor, Maze & Associates provided an engagement letter with a three year extension. Fee breakdown are as follows:

Year	James Marta & Company, LLP	Maze & Associates	Sampson, Sampson, & Patterson, LLP
2019	$20,800	$15,000	$18,100
2020	21,300	15,450	18,550
2021	21,800	15,915	19,000
Total	$63,900	$46,365	$55,650

A response matrix has been included in the agenda for the Executive Committee's review.

RECOMMENDATION:

Staff recommends the Executive Committee provide direction.

REFERENCE MATERIALS ATTACHED:

- Financial Audit RFP Matrix

Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA)
Summary of Proposals for Financial Audit Services
May-19

Audit Firm	**Sampson & Sampson** 3148 Willow Avenue, Ste. 102 Clovis, CA 93612 Phone: 559-291-0277 Fax: 559-291-6411	**James P. Marta & Co.** 5921 Landis Ave., Ste. 1 Carmichael, CA 95608 Phone: 916-482-0778 Fax: 916-482-1529	**Maze Associates*** 3478 Buskirk Avenue, Ste 215 Pleasant Hill, CA 94523 Phone: 925-930-0902 Fax: 925-930-0135
Audit Team **Years of Experience**	Bill Patterson (35yrs) Engagement Partner Katy Sampson (40 yrs) Review Partner Allison Greg (10yrs) Senior Auditor Max Leung Staff Accountant	Jesse Deol (11+ yrs) Engagement Partner David Becker (30+ yrs) Technical Review Partner Michael Manduca (11 yrs) Supervisor Drew Sakauye (6 yrs) Senior Jefferson Gamir (3 yrs) Staff	*Provided extension letter only
Clients Listed			*Provided extension letter only
JPA's	6	30+	
Public Entities	8	None listed	
References Provided			*Provided extension letter only
JPA's	4	6	
Public Entities	2	None listed	
Professional Fees	Rate / Hours / Fee	Rate / Hours / Fee	*Provided extension letter only
Partner	$135 / 60 / $8,100	$275 / 15 / $4,125	
Manager			
Supervisor		165 / 20 / 3,300	
Senior		135 / 65 / 8,775	
Staff	80 / 100 / 8,000	110 / 60 / 6,600	
Clerical	50 / 30 / 1,500		
Out-of-Pocket	500		
Discounts		(multi year) (2,000)	
Total	190 / $18,100	160 / $20,800	
Three Year Fees			
2018/19	$ 18,100.00	$ 20,800.00	$ 15,000.00
2019/20	$ 18,550.00	$ 21,300.00	$ 15,450.00
2020/21	$ 19,000.00	$ 21,800.00	$ 15,915.00
Total	$ 55,650.00	$ 63,900.00	$ 46,365.00

Agenda Item 8.A.

ADMINISTRATIVE MATTERS

SUBJECT: Review of Governing Document Amendments

BACKGROUND AND HISTORY:

Memorandum of Coverage (MOC) - Clarifications

At the June 6, 2018, Executive Committee meeting, staff presented minor updates to the PLAN JPA MOC to correspond with the transition from ABAG PLAN to PLAN JPA at July 1, 2018. Additional recommendations for updates were delayed for further consideration.

Staff is recommending revisions to several sections of the PLAN JPA MOC as attached. It is not the intent of staff to change liability coverage, rather to update and clarify language.

Jon Paulsen, General Manager, will be in attendance at the meeting to provide an overview of the recommended changes. Board Counsel and Coverage Counsel are reviewing the proposed changes concurrently.

The MOC can be approved by the PLAN JPA Executive Committee; however, staff recommends that the Executive Committee recommend the Board formally consider this document as it impacts all members.

Bylaws – Updates to Committee Structure

At the Strategic Planning meeting on February 28, 2019 and March 1, 2019, the Board directed staff to draft changes to the PLAN JPA governing documents consolidating the Finance and Actuarial Committees, as well as clarifying language stating who is allowed to participate on all PLAN JPA committees. Those changes are drafted as attached.

RECOMMENDATION:

Staff recommends the Executive Committee recommend approval of the PLAN JPA Memorandum of Coverage and the PLAN JPA Bylaws, as amended, to the Board of Directors.

REFERENCE MATERIALS ATTACHED:

- PLAN JPA Memorandum of Coverage – redline/strikeout
- PLAN JPA Memorandum of Coverage – clean
- PLAN JPA Bylaws – redline/strikeout
- PLAN JPA Bylaws - clean

MEMORANDUM OF COVERAGE – LIABILITY

Issue Date: July 1, 2019~~98~~

MEMORANDUM OF COVERAGE -- LIABILITY

DECLARATIONS

ENTITY COVERED: Pooled Liability Assurance Network Joint Powers Authority as per Endorsement No. 1

MAILING ADDRESS: 1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

COVERAGE PERIOD: FROM: 7/1/2019~~98~~ 12:01 A.M., Pacific Time
TO: 7/1/2020~~19~~ 12:01 A.M., Pacific Time

LIMIT OF COVERAGE: $5,000,000 per Occurrence less Covered Party's Retained Limit Listed in Endorsement No. 2. With respect to Employee Benefit Plan Administration Liability, the LIMIT OF COVERAGE is $250,000 per Occurrence.

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In consideration for the payment of the premium, **PLAN JPA** and the ENTITIES COVERED which are designated in ENDORSEMENT No 1 to this **Memorandum** agree as follows:

SECTION I - DEFINITIONS

Words and phrases in bold print within this **Memorandum** (including any and all endorsements hereto and forming a part hereof) have special meanings, as defined below:

A. **PLAN JPA ("PLAN")** means the Pooled Liability Assurance Network Joint Powers Authority.

B. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.

C. **Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

D. **Covered Party** means any person, entity, or other organization constituting a Covered Party under SECTION II - WHO IS A COVERED PARTY.

E. **Coverage Period** means the COVERAGE PERIOD that is designated in the DECLARATIONS to this **Memorandum**.

F. **Cyber Liability** means any liability arising out of or related to the acquisition, storage, security, use, misuse, disclosure, or transmission of electronic data of any kind including, but not limited to, technology errors and omissions, information security and privacy, privacy notification costs, penalties for regulatory defense or penalties, website media content, disclosure or misuse of confidential information, failure to prevent unauthorized disclosure or misuse of confidential information, improper or inadequate storage or security of personal or confidential information, unauthorized access to computer systems containing confidential information, or transmission or failure to prevent transmission of a computer virus or other damaging material.

F. **Dam** means any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which:

1. Is twenty-five (25) feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier to the maximum possible water storage elevation;

2. Is twenty-five (25) feet or more in height from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or

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watercourse, to the maximum possible water storage elevation; or

3. Has an impounding capacity of fifty (50) acre-feet or more.

However, the following shall not be considered a **Dam**:

1. Any artificial barrier, together with appurtenant works, which does or may impound or divert water, but which is not in excess of six (6) feet in height, regardless of storage capacity;

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2. Any artificial barrier, together with appurtenant works, which does or may impound or divert water, but which has a storage capacity not in excess of fifteen (15) acre-feet, regardless of height;

3. Any obstruction in a canal used to raise or lower water therein or divert water therefrom;

4. Any levee, including but not limited to a levee on the bed of a natural lake, the primary purpose of which levee is to control floodwaters;

5. Any railroad fill or structure;

6. Any tank constructed of steel or concrete or of a combination thereof;

7. Any tank elevated above the ground;

8. Any barrier which is not across a stream channel, watercourse or natural drainage area, and which has the principal purpose of impounding water for agricultural use; and

9. Any obstruction in the channel of a stream or watercourse which is fifteen (15) feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground.

Regardless of the language of the above definition, however, no structure specifically exempted from jurisdiction by the State of California Department of Water Resources, Division of Safety of Dams shall be considered a "Dam," unless such structure is under the jurisdiction of an agency of the federal government.

G. **Damages** means monetary sums paid or awarded as compensation for **Bodily Injury, Property Damage, Personal Injury, Public Officials Errors and Omissions Injury**, or **Employee Benefit Plan Administration Liability** covered by this **Memorandum**.

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Damages does not include:

1. Any monetary sum paid or awarded as or for restitution;

2. Any monetary sum paid or awarded as or for fees (except for plaintiff's attorneys fees if such fees are associated with a claim for compensatory Damages otherwise covered hereunder), fines, sanctions, penalties, punitive damages or exemplary damages;

3. Any monetary sum paid or awarded as or for double, treble or any other mathematical multiplier of **Damages**;

4. Any costs of complying with equitable or other injunctive relief;

5. Any monetary sum paid or awarded as or for any loss, cost or expense arising out of any:

   a. Request, demand or order that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **Pollutants**; or

   b. Claim or suit by or on behalf of a government authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **Pollutants**;

6. Any monetary sum paid or awarded to satisfy any obligation of a **Covered Party** (or any insurance company as a **Covered Party**'s insurer) under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

7. Any premium, employer or employee contribution, fee, tax, assessment, or other amount, to enroll or maintain the enrollment of any employee in any **Employee Benefit Plan**

H. **Self Insured Retention** means the retention limits that are designated in ENDORSEMENT No 2 to this **Memorandum**.

I. **Defense Costs** means:

1. All fees (including attorney's fees), costs (including court costs), and expenses incurred in connection with the adjustment, investigation,

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defense and appeal of a claim or suit to which this **Memorandum** applies; and

2. Interest on any judgment or portion thereof (accruing after entry of judgment) to which this **Memorandum** applies.

However, **Defense Costs** does not include any of the following:

1. Any office expenses of **PLAN** or a **Covered Party**;

2. Any salaries of employees of **PLAN** or a **Covered Party**;

3. Any salaries of or other monetary payments (including but not limited to per diems, honorariums or reimbursements) to elected or appointed officials of **PLAN** or a **Covered Party**;

4. Any fees or expenses of any claims administrator engaged by a **Covered Party**; or

5. Any fees or expenses incurred for services of any individual or entity (including any attorney, city attorney, city engineer, or city manager) unless such services are provided pursuant to the express written consent of **PLAN**.

J. **Employee Benefit Plan Administration Liability** means liability of a **Covered Party** arising from any act, error, or omission in **Employee Benefit Plan Administration.** For purposes of this definition:

1. **Employee Benefit Plan** means only the following employee benefit plans:

1. Educational tuition reimbursement plans

2. Group plans for life, health, dental, disability, automobile, homeowners, or legal expense insurance

3. Pension plans

4. Salary Reduction plans under Internal Revenue Code Section 457, including any amendments

5. Pre-tax medical and dependent care savings plans

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6. Social security system benefits

7. Workers Compensation and unemployment insurance benefits

8. California Public Employees Retirement System benefits

2. **Administration** means only the following administrative functions, with respect to an **Employee Benefit Plan**:

   a. Explaining or interpreting an **Employee Benefit Plan**

   b. Calculating or communicating benefits and costs for an **Employee Benefit Plan**

   c. Enrolling participants, or terminating participation, in an **Employee Benefit Plan**

   d. Estimating or projecting future **Employee Benefit Plan** values

   e. Handling or processing of **Employee Benefit Plan** records

3. **Employee Benefit Administration Liability** shall not include:

   a. any liability arising out of an insufficiency of funds to meet any obligation under any **Employee Benefit Plan**.

   b. any liability arising out of act, error, or omission by any **Covered Party** to effect and maintain insurance or bonding for plan property or assets of any **Employee Benefit Plan**.

   c. any liability arising out of any representations made at any time in relation to the price or value of any security, debt, bank deposit, or similar financial instrument or investment, including, but not limited to, advice given to any person to participate in any **Employee Benefit Plan**.

   d. any liability for premiums, employer or employee contributions, fees, taxes, assessments, or other amounts, to enroll or maintain the enrollment of any employee(s) in any **Employee Benefit Plan**.

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K. **Entity** means:

1. The ENTITY COVERED which is designated in ENDORSEMENT No 1 to this **Memorandum**; and

2. Any commission, agency, district, authority, board, or similar body, the governing board of which is exclusively comprised of elected or appointed officials, employees, or volunteers (whether or not compensated) of the ENTITY COVERED which is designated in ENDORSEMENT No 1 to this **Memorandum**

L. **Insurance** means insurance or coverage other than the coverage afforded by this **Memorandum**, including but not limited to the following:

1. Valid and collectible insurance (whether stated to be primary, pro rata, contributory, excess, contingent, or otherwise);

2. Any self-funding mechanism, including but not limited to a joint powers authority (whether stated to be primary, pro rata, contributory, excess, contingent, or otherwise); and

3. Specific self-insurance (whether stated to be primary, pro rata, contributory, excess, contingent or otherwise).

M. **Limit of** Coverage means the LIMIT OF COVERAGE that is designated in the DECLARATIONS to this **Memorandum**.

N. **Memorandum** means this MEMORANDUM OF COVERAGE -- LIABILITY, including the DECLARATIONS and all endorsements hereto.

O. **Nuclear Material** means source material, special nuclear material or byproduct material. "Source Material," "Special Nuclear Material" and "Byproduct Material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

P. **Occurrence** means:

1. With respect to **Bodily Injury**, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, during the **Coverage Period**.

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2. With respect to **Property Damage**, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, during the **Coverage Period**.

3. With respect to **Personal Injury**, the commission of one of the offenses listed in the definition of **Personal Injury** during the **Coverage Period**. All such acts committed against any individual during the **Coverage Period** shall be deemed to be one **Occurrence**.

4. With respect to **Public Officials Errors and Omissions Injury**, the commission of one of the acts listed in the definition of **Public Officials Errors and Omissions Injury** during the **Coverage Period**. All such acts committed against any individual during the **Coverage Period** shall be deemed to be one **Occurrence**.

5. With respect to **Employee Benefit Plan Administration**, an act, error, or omission in the performance during the **Coverage Period** of any of the administrative functions listed in the definition of **Employee Benefit Plan Administration** with respect to an **Employee Benefit Plan**. All such acts, errors, or omissions during the **Coverage Period** with respect to any **Employee Benefit Plan** shall be deemed to be one **Occurrence**.

Q. **Personal Injury** means economic loss, emotional distress, and consequential **Bodily Injury**, arising out of the commission of one or more of the following offenses by a **Covered Party** in the discharge of duties for the **Entity**:

1. False arrest, detention or imprisonment;

2. Malicious prosecution;

3. Oral or written publication of material that slanders or libels a person or organization, including disparaging statements concerning the condition, value, quality or use of that person's or organization's real or personal property, but only where the first publication of such material occurs during the **Coverage Period**;

4. Oral or written publication of material that violates a person's right of privacy, but only where the first publication of such material occurs during the **Coverage Period**; or

5. Discrimination or violation of civil rights;

Personal Injury does not include written or oral publication of material by or

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at the direction of any **Covered Party** with knowledge of its falsity.

R. **Pollutants** means without limitation any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes without limitation materials to be recycled, reconditioned or reclaimed. The term **Pollutants** does not include any of the following:

1. Potable water,
2. Agricultural water,
3. Water furnished to commercial users,
4. Water used for fire suppression,
5. Raw sewage,
6. Combined sewage,
7. Storm water run-off,
8. Partially treated sewage,
9. Fully treated sewage (as defined by the applicable NPDES permit), and
10. Residual streams of waste water treatment.

S. **Property Damage** means:

1. Physical injury to tangible property, including the loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **Occurrence** that caused it.

Money, cash equivalents, checks, bonds, and all other financial instruments shall not be considered tangible property.

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T. **Public Officials Errors and Omissions Injury** means economic loss and emotional distress arising out of any act or omission, any misstatement or misleading statement, any neglect or breach of duty, or any misfeasance, malfeasance or nonfeasance, by a **Covered Party** in the discharge of duties for the **Entity.**

Public Officials Errors and Omissions Injury does not include **Bodily Injury**, **Property Damage**, **Personal Injury**, or **Employee Benefit Plan Administration Liability**.

U. **Risk Coverage Agreement** means the revised Liability Risk Coverage Agreement dated as of July 1, 1992 among **ABAG**, the ENTITY COVERED which is designated in the DECLARATIONS, and all other participants in the **ABAG** Pooled Liability Assurance Network (PLAN) program.

V. **Unmanned Aerial Vehicle** means an aircraft, aerial system, or aerial device that is not designed, manufactured, or modified after manufacture to be controlled directly by a person from within or on the aircraft aerial system or device.

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V. **Watercraft** means any form of vessel, including but not limited to barge, boat, ship, yacht, canoe, kayak, and jet ski or similar personal recreational watercraft, intended for use in or on water.

SECTION II - WHO IS A COVERED PARTY

A. Subject to the terms of provision B. below, each of the following constitutes a **Covered Party** under this **Memorandum**:

1. The **Entity**,

2. Any person who was or is now an elected or appointed official, employee or volunteer of the **Entity**, whether or not compensated, but only while acting for or on behalf of the **Entity** (including while acting on outside boards at the direction of the **Entity**), and

3. Any person or organization to whom or to which the **Entity** is obligated by virtue of a written contract to provide coverage such as is afforded by this **Memorandum**, but only with respect to:

   a. Operations performed by the **Entity**, or

   b. Operations performed by such person or organization on behalf of the **Entity**, or

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c. Property (including vehicles and facilities) owned by the **Entity** and used by such person or organization, or

d. Property (including vehicles and facilities) owned by such person or organization and used by the **Entity**.

B. None of the above shall constitute a **Covered Party** with respect to any claim or suit brought by or on behalf of any **Entity**.

C. Notwithstanding section A above, the defense and indemnity coverage afforded by this **Memorandum** to a past or present official, employee or volunteer of an **Entity** is not broader than the **Entity's** duty to defend and indemnify its official, employee or volunteer pursuant to California Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments thereof. If the **Entity** that employs the official, employee or volunteer is not obligated under the Government Code to provide a defense, or to provide indemnity, for a claim, or if said **Entity** refuses to provide such defense and/or indemnity to said official, employee or volunteer, then this **Memorandum** shall not provide for any such defense or indemnity coverage to said official, employee or volunteer. All immunities, defenses, rights and privileges afforded to an **Entity** under Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments thereof, shall be afforded to **PLAN** to bar any defense or indemnity coverage under this agreement to that **Entity's** official, employee or volunteer.

D. No person or entity is a **Covered Party** with respect to the conduct of any current or past partnership, joint venture or joint powers authority unless all members are **Covered Parties** under (a) or (b) herein. However, for any person (1) who is an official, employee, or volunteer of an **Entity** covered by A herein, (2) who participates in the activities of any partnership, joint venture or joint powers authority (or any separate agency or entity created under any joint powers agreement by the **Entity**), and (3) who is acting for or on behalf of an **Entity** covered by A herein at the time of the occurrence, then coverage is afforded by this agreement. Such coverage will be in excess of and shall not contribute with any collectible insurance or other coverage provided to the other joint powers authority, agency or entity.

E. With respect to any automobile owned or leased by the **Entity**, or loaned to or hired for use by or on behalf of the **Entity**, any person while using such automobile, and any person or organization legally responsible for the use thereof, provided the actual use is with the express permission of the **Entity**, but this protection does not apply to: 1) Any person or organization, or any agent or employee thereof, operating an automobile sales agency, repair shop,

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service station, storage garage or public parking place, with respect to an occurrence arising out of the operation thereof; or 2) The owner or any lessee, other than the **Entity**, of any automobile hired by or loaned to the **Covered Party** or to any agent or employee of such owner or lessee. This agreement does not provide uninsured or underinsured motorist coverage.

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SECTION III - COVERAGES

Subject to the terms and conditions of this **Memorandum**, **PLAN** agrees to pay on behalf of the **Covered Party**, and this **Memorandum** applies only to, **Damages** that the **Covered Party** becomes legally obligated to pay because of

A. **Bodily Injury**,

B. **Property Damage**,

C. **Personal Injury**,

D. **Public Officials Errors and Omissions Injury**, or

E. **Employee Benefit Plan Administration Liability**

caused by an **Occurrence**, and which are not excluded.

If the **Covered Party** has **Insurance** which affords coverage for any **Bodily Injury**, **Property Damage**, **Personal Injury**, **Public Officials Errors and Omissions Injury** or **Employee Benefit Plan Administration Liability** covered by this **Memorandum**, this **Memorandum** shall only apply in excess of any amounts payable under such **Insurance**.

The amount that **PLAN** will pay is limited as described under SECTION V - LIMIT OF COVERAGE.

SECTION IV - EXCLUSIONS

This **Memorandum** does not apply to **Damages**:

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A. For **Bodily Injury**, **Property Damage**, **Personal Injury**, **Public Officials Errors and Omissions Injury**, or **Employee Benefit Plan Administration Liability** which is either expected or intended from the standpoint of a **Covered Party**; but this exclusion does not apply to **Bodily Injury** resulting from assault and battery committed by, at the direction of, or with the consent of the Entity, for the purpose of protecting persons or property from injury or death.

B. Arising out of the actual, alleged, or threatened, exposure to, or discharge, dispersal, seepage, migration, release or escape of, **Pollutants**:

1. At or from any premises, site, or location which is or was at any time owned or occupied by, or loaned, rented, or leased to, any **Covered Party**;

2. At or from any premises, site, or location which is or was at any time used for the handling, storage, disposal, processing, or treatment of waste;

3. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Covered Party** or any person or organization for whom a **Covered Party** may be legally responsible; or

4. At or from any premises, site, or location on which any **Covered Party** or any contractor or subcontractor working directly or indirectly on any **Covered Party**'s behalf is performing operations.

5. Arising out of, or related to, compliance with environmental statutes including but not limited to the Clean Air Act and Clean Water Act.

Comment [JP1]: Byrne please advise if this is the appropriate section for this and language.

C. Arising out of the ownership, management, governance, use, or operation of any hospital or airport.

D. Arising out of medical professional services performed by or on behalf of a **Covered Party**; but this exclusion does not apply to such services performed by emergency medical technicians, paramedics and other similar classes of personnel.

E. Arising out of any partial or complete structural failure of any **Dam**.

F. Arising out of any hazardous properties of **Nuclear Material**.

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G. For **Property Damage Injury, Personal Injury** or **Public Officials Errors and Omissions Injury** arising out of:

1. ~~the existence, anticipated exercise or actual exercise of the powers of eminent domain (by whatever name called), or~~

2. ~~any condemnation proceedings, or~~

3. ~~any circumstances that give rise to (or could give rise to) or result in (or could result in) an inverse condemnation claim, such circumstances shall include but are not limited to:~~

~~a.~~ Any action or inaction affecting the use of, or rights or entitlements in, any real property or improvements to real property;

2~~b~~. Any action or inaction on any data collecting, analysis, study, finding, policy, ordinance, statute, code, law, regulation or program that directly or indirectly affects the use of, or rights or entitlements in, any real property or improvements to real property; and

3~~c~~. Any announcement or publication concerning the circumstances described in subparts a and b.

~~provided that such circumstances shall not include:~~

~~i. Any circumstances that directly or indirectly cause physical injury to tangible property; or~~

~~ii. the reverse flow of sewage, water and/or other contents through a sanitary sewer system and out of an inlet of such a system; or~~

~~iii. the circumstances described under section IV.I.~~

~~H. For **Personal Injury** or **Public Officials Errors and Omissions Injury** arising out of any one of, or any combination of, the following:~~

~~1. Adverse possession, or~~

~~2. Nuisance, or~~

~~3. Trespass, or~~

~~4. Violation of a right of substantive or procedural due process, or~~

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~~5. Violation of a right of equal protection; or~~

~~6. Violation of a civil right, or~~

~~7. Unlawful discrimination, or~~

~~8. Negligence.~~

~~This exclusion applies only where the claim or suit seeks Damages arising out of one or more of the matters excluded in Exclusion G above.~~

I. For an inverse condemnation claim arising solely out of the non-negligent operation of any public improvement, however acquired; provided, that such circumstances shall not include the reverse flow of sewage, water and/or other contents through a sanitary sewer system and out of an inlet of such a system.

J. ~~For any one of, or any combination of, the following:~~

~~1. Adverse possession, or~~

~~2. Nuisance, or~~

~~3. Trespass, or~~

~~4. Violation of a right of substantive or procedural due process, or~~

~~5. Violation of a right of equal protection; or~~

~~6. Violation of a civil right, or~~

~~7. Unlawful discrimination, or~~

~~8. Dangerous condition of public property.~~

~~This exclusion applies only where the claim or suit seeks Damages arising out of one or more of the matters excluded in Exclusion I above.~~

K. For **Public Officials Errors and Omissions Injury** arising out of noncompliance with, or violation of, any statute, regulation, rule, Executive Order, circular, audit or recordkeeping standard, permit, license,

Comment [JP2]: Byrne, I have in my meeting notes to leave this exclusion in and as is, other than for subsidence and flooding. Could you make a language recommendation? JP

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administrative ruling, or the like. This exclusion applies regardless of the

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means taken ,or available, to compel compliance and also applies regardless of the means taken, or available to, enforce a remedy for the noncompliance or violation.

L. Arising out of a **Covered Party's** ownership, operation, use, maintenance, or entrustment to others of any **Aircraft** or **Watercraft.**

This exclusion does not apply to claims arising out of the operation, ownership, maintenance or use or entrustment to others of any **Unmanned Aerial Vehicle** owned or operated by or rented to or loaned by or on behalf of any **Covered Party** if operated in accordance with all applicable federal, state, and local laws, rules and regulations, including but not limited to Federal Aviation Administration (FAA) rules and regulations detailed in part 107 of Title 14 of the Code of Federal Regulations.

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Comment [JP3]: Byrne, please review language.

M. Arising out of any transit authority, transit system or public transportation system owned or operated by a **Covered Party**; but this exclusion does not apply to any transit system operating over non-fixed routes, including dial-a-ride, senior citizen transportation or handicapped transportation.

N. ~~Arising out of the failure to supply or provide an adequate supply of gas, water or electricity.~~ Claims arising out of the failure to supply or provide an adequate supply of gas, water, electricity, storm drainage or sewage capacity when such failure is a result of the inadequacy of the **Entity's** facilities to supply or produce sufficient gas, water, electricity, storm drainage or sewage capacity to meet the demand. This exclusion does not apply if the failure to supply results from direct and immediate accidental damage to tangible property owned or used by any **Covered Party** to procure, produce, process or transmit the gas, water, electricity, storm drainage or sewage.

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O. Arising out of any obligation to pay compensation or benefits (or other monetary sums) under workers' compensation, disability benefits or unemployment compensation law or any similar law.

P. For **Bodily Injury**, **Property Damage**, **Personal Injury**, or **Public Officials Errors and Omissions Injury** to:

1. An employee, volunteer, elected or appointed official of a **Covered Party** arising out of and in the course of:

   a. Employment by a **Covered Party**; or

   b. Performing duties related to the conduct of a **Covered Party's** activities;

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means taken ,or available, to compel compliance and also applies regardless of

or

2. The spouse or partner, child, parent, brother, sister or other relative of that employee, volunteer, elected or appointed official, as a consequence of paragraph (1) above.

   This exclusion applies:

   a. Whether the **Covered Party** may be liable as an employer or in any other capacity; and

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b. To any obligation to share payment with, or repay someone else who must pay, any amount because of the injury.

Q. Arising out of any:

1. Refusal to employ, elect, or appoint any person, or to allow any person to participate as a volunteer

2. Termination of any person's employment or volunteer participation, or termination of any person's position as an elected or appointed official

3. Practice, policy, act or omission which is in any way related (whether logically or causally) to employment, to serving as an elected or appointed official, or to serving as a volunteer, all including but not limited to any of the following: coercion, demotion, promotion, evaluation, reassignment, discipline, defamation, violation of civil rights, harassment, humiliation or discrimination.

This exclusion applies:

a. Whether the **Covered Party** may be liable as an employer or in any other capacity; and

b. To any obligation to share payment with, or repay someone else who must pay, any amount because of the injury.

R. For claims by any **Covered Party**. This exclusion shall not apply to claims for **Employee Benefits Administration Liability**.

S. For **Property Damage** to:

1. Property owned by the **Entity;**

2. Property rented to or leased to the **Entity**; or

3. **Aircraft** or **Watercraft** in a **Covered Party's** care, custody or control.

T. Arising out of the willful violation of a penal statute or penal ordinance:

1. Committed by a **Covered Party**; or

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2. Committed with the knowledge or consent of a **Covered Party**.

U. **Public Officials Errors and Omissions Injury** arising out of the imposition, collection, refund, or refusal to refund, of taxes, fees or assessments.

V. **Public Officials Errors and Omissions Injury** arising out of:

1. Any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled, or

2. Any **Covered Party's** liability for any other **Covered Party** obtaining remuneration or financial gain to which such **Covered Party** was not legally entitled.

W. **Public Officials Errors and Omissions Injury** arising out of any bidding or contracting process if such **Public Officials Errors and Omissions Injury** is due to:

1. Estimates of probable costs or cost estimates being exceeded,

2. Preparation of bid specifications or plans, including architectural plans, or

3. Failure to award any contract in accordance with any statute or ordinance.

4. Mechanic's lien claims, stop notice claims, change order claims, site differential claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, *quantum meruit* claims, and/or open account claims.

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X. **Public Officials Errors and Omissions Injury** arising out of any failure to perform or breach of a contractual obligation.

Y. Arising out of the purchase, sale, offer of sale, solicitation, depreciation, or decline in price or value, of any security, debt, bank deposit or financial interest or instrument**.** This exclusion shall not apply to economic loss suffered by a governmental entity other than a **Covered Party,** as a result of **Public Officials Errors and Omissions Injury** to which this **Memorandum** applies, arising out of financial investment services undertaken by an **Entity** for compensation on behalf of that governmental entity.

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Z. The actual or threatened "abuse" or molestation or licentious, immoral or sexual behavior whether or not intended to lead to, or culminating in any sexual act, of any person, whether caused by, or at the instigation of, or at the direction of, or omission by, any **Entity's** employee, or any other person.

Charges or allegations against an **Entity** of negligent hiring, employment, investigation, supervision, reporting to the proper authorities, or failure to so report are not excluded.

AA. Based upon, arising out of, or attributable to any actual or alleged **Cyber Liability.**

SECTION V - DEFENSE AND SETTLEMENT

A. **Defense Of Claims Or Suits.**

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Comment [JP5]: Byrne, please review.

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1. **PLAN** shall have the right and duty to defend any claim or suit against a **Covered Party** seeking **Damages** to which this **Memorandum** applies, even if any allegations are groundless, false or fraudulent. In the event this **Memorandum** is excess over any **Insurance** with respect to a claim or suit, then **PLAN** shall not have any duty to defend such claim or suit until the available limits of liability of all such **Insurance** are exhausted and the defense obligation under all such **Insurance** has terminated.

2. The **Covered Party** may select counsel to represent its interests, subject to approval of counsel by **PLAN**.

3. The **Covered Party** shall:

   a. Cooperate with **PLAN** in the investigation, defense and settlement of any claim or suit,

   b. Upon the request of **PLAN**, attend hearings and trials, assist in securing and giving evidence, and assist in obtaining the attendance of witnesses, and

   c. Upon the request of **PLAN**, authorize **PLAN** to obtain records and other information.

4. In the event a **Covered Party** elects not to appeal a judgment, **PLAN** may elect to do so if it pays the fees and costs of that appeal.

5. The **Covered Party** must disclose to **PLAN** all information concerning the claim or suit (including but not limited to all facts giving rise to the claim or suit) which may assist in the defense of the claim or suit. The **Covered Party** is required to provide such information even if the information may relate to or affect matters pertaining to coverage under this **Memorandum**. The **Covered Party** shall instruct its defense counsel to disclose all such information to **PLAN**, and hereby waives any and all privileges (including but not limited to the attorney/client privilege and the attorney work product privilege) to the extent necessary to allow for the disclosure of that information to **ABAG**. Any such waiver of a privilege shall extend only to **PLAN**, and shall not be construed to allow for the disclosure of any such information to any claimant.

6. It is understood and agreed that the purpose of this provision is to ensure that **PLAN** is provided with all information which is or may be useful in defending the claim or suit, in whole or part, notwithstanding the existence of any coverage limitation or dispute.

B. **Settlement Of Claims Or Suits.**

1. **PLAN** shall not have any obligation to pay any sum on behalf of a **Covered Party** under the terms of a settlement of any claim or suit, unless such settlement is finalized in a written agreement signed by the **Covered Party**, the claimant and **PLAN**.

2. No **Covered Party** shall have the right to enter into a settlement of any claim or suit, which seeks **Damages** to which this **Memorandum** applies without the express written consent of **PLAN**.

SECTION VI - LIMIT OF COVERAGE

A. **Limit Of Coverage - Per Occurrence.**

1. The **Limit of Coverage**, and the rule set forth under paragraph 2 below, fix the most that **PLAN** will pay with respect to an **Occurrence**, regardless of:

a. The number of **Covered Parties**,

b. The number of claims made or suits brought,

c. The number of persons or organizations making claims or bringing suits,

d. The number of persons or organizations who sustain injury or damage,

e. The nature and types of injuries or damage sustained,

f. The number of coverages under this **Memorandum** which may be applicable to the **Occurrence**.

2. All Defense Costs shall be paid and applied first against, and shall reduce, the Limit of Coverage. The difference between the Limit of Coverage and the total amount of Defense Costs shall be the amount available, if any, to pay on behalf of all Covered Parties with respect to an Occurrence.

B. **Self-Insured Retention ("SIR") - Per Occurrence.**

1. The amount of the **SIR** is the amount that the **Entity** must pay (or cause to be paid) before **PLAN** is obligated to pay any amount under the terms of this **Memorandum**.

2. The **Entity** shall be obligated to pay one **SIR** with respect to all claims and suits relating to an **Occurrence**.

3. The **Deductible** is the sole responsibility of the **Entity**. **PLAN** shall not be responsible for payment of the **SIR** or any part thereof.

C. **PLAN's Obligations Upon Exhaustion Of Limit Of Coverage.**

1. **PLAN**'s duties under this **Memorandum** end with respect to any **Occurrence** when **PLAN** has used up the **Limit of Coverage** by payments with respect to claims and suits relating to or arising out of that **Occurrence** (including payment of **Defense Costs**). In that event:

a. **PLAN** shall not have any further obligation to pay **Defense Costs** and shall have the right to withdraw from the further investigation and defense of any and all claims and suits relating to such **Occurrence**,

b. **PLAN** shall not have any further obligation to pay any judgment or settlement, and

c. **PLAN** shall not have any other obligation under this **Memorandum**.

SECTION VII - CONDITIONS

A. **Duties In The Event Of Occurrence, Claim Or Suit.**

1. In the event of an **Occurrence**, the **Entity** must provide to **PLAN** (or any of its authorized agents), as soon as practicable, written notice of the **Occurrence**, which includes the following information:

   a. The identity of each **Covered Party** involved in the **Occurrence**,

   b. How, when and where the **Occurrence** took place,

   c. The names and addresses of any injured persons,

   d. The names and addresses of any witnesses,

   e. The nature and location of any injury or damage arising out of the **Occurrence**, and

   f. Any and all other information which is available and reasonably obtainable pertaining to the **Occurrence**.

2. If a claim is made or suit is brought against any **Covered Party**, the **Entity** must:

   a. Immediately provide **PLAN** with written notice of the claim or suit,

   b. Immediately make a record of the specifics of the claim or suit, and

   c. Immediately forward to **PLAN** a copy of all documents related to the claim or suit, including but not limited to all correspondence, demands, notices, summonses and pleadings.

3. Upon the request of **PLAN**, each **Covered Party** involved in the **Occurrence** shall assist **ABAG** in the enforcement of any right (including but not limited to any right of contribution or indemnity) against any person or organization which may be liable to a **Covered**

Party because of actual or alleged damages to which this **Memorandum** may also apply.

4. No **Covered Party** shall, except at its own cost, make a payment, assume any obligation or incur any expense (including but not limited to any attorney fees) without the prior express consent of **PLAN**. In the event a **Covered Party** makes any payment, assumes any obligation or incurs any expense (including but not limited to any attorney fees) without the prior express consent of **PLAN**, then any such payment, obligation or expense shall be the sole responsibility of that **Covered Party**.

B. **Bankruptcy.**

Bankruptcy or insolvency of the **Covered Party** shall not relieve **PLAN** of any of its obligations under this **Memorandum**.

C. **Insurance.**

1. This **Memorandum** shall be in excess of the amount of any **Insurance** available to pay any sum otherwise covered under this **Memorandum**, except with respect to any such **Insurance** which is written only as specific excess insurance over the **Limit of Coverage**.

2. Regardless of the duration of any Occurrence and the number of other Memorandums between **PLAN** and the Entity, under no circumstances shall this **Memorandum** and any other memorandum of coverage between **PLAN** and an **Entity** both apply to a claim or suit. In the event of a dispute as to whether:

   a. This **Memorandum**, or

   b. Another memorandum of coverage between **PLAN** and an **Entity**

is applicable to a claim or suit, such dispute shall be resolved by application of the following rule. The first memorandum of coverage (between **PLAN** and the **Entity**) issued by **PLAN** shall be deemed the memorandum of coverage which is applicable (and only that memorandum of coverage shall be applicable). *A "continuous trigger" rule or similar rule shall not apply.*

D. **Cancellation.**

This **Memorandum** may be canceled at any time in accordance with the provisions of the **Liability Risk Coverage Agreement**.

E. **Legal Action Against PLAN.**

1. No person or organization may join **PLAN** as a party, or otherwise bring **PLAN** into a suit seeking damages from a **Covered Party**.

2. A person or organization may sue **PLAN** to recover on an agreed settlement (meaning a settlement and release of liability signed by **PLAN**, the **Covered Party** and the claimant or the claimant's legal representative) or on a final judgment against a **Covered Party** obtained after an actual trial; but **PLAN** will not be liable for damages that are not payable under the terms of this **Memorandum** or that are in excess of the **Limit of Coverage**.

3. No **Covered Party** may pursue any claim or file any action against **PLAN** unless and until it has fully complied with the procedures established by **PLAN** for presentation and resolution of disputes, including but not limited to the **Risk Coverage Agreement**.

F. **Transfer Of Rights Of Recovery Against Others To PLAN**.

1. If the **Covered Party** has rights to recover all or part of any payment **PLAN** has made under this Memorandum, those rights are transferred to **PLAN**. The **Covered Party** must do nothing after an **Occurrence** to impair them. At **PLAN** 's request, the **Covered Party** will bring suit or transfer those rights to **PLAN** and help enforce them. All amounts so recovered shall be paid to **PLAN**.

2. In the event any amounts recovered exceed the costs incurred to recover them plus the amount of **PLAN**'s payments, then those additional amounts shall be apportioned as follows:

   a. The **Covered Party** shall first be reimbursed in an amount up to any payments it made, and

   b. The remainder shall be paid to **PLAN** and the **Covered Party** in proportion to the ratio of their respective recoveries

G. **Premium**.

1. The **Entity** is authorized to act on behalf of all **Covered Parties** with respect to all matters pertaining to premium.

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY

MEMORANDUM OF COVERAGE

ENDORSEMENT NO. 1

This ENDORSEMENT, effective 12:01 a.m. 7/1/19~~98~~, forms part of a Memorandum No. PLAN 2018-GL.

It is understood that the named Covered Party of the Declaration is completed as follows:

Pooled Liability Assurance Network,

City of American Canyon
Town of Atherton
City of Benicia
City of Burlingame
City of Campbell
Town of Colma
City of Cupertino
City of Dublin
City of East Palo Alto
City of Foster City
City of Half Moon Bay
City of Hillsborough
City of Los Altos Hills
Town of Los Gatos
City of Millbrae
City of Milpitas
City of Morgan Hill
City of Newark
City of Pacifica
Town of Portola Valley
Town of Ross
City of San Bruno
City of San Carlos
City of Saratoga
City of South San Francisco
City of Suisun City
Town of Tiburon
Town of Woodside

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY

MEMORANDUM OF COVERAGE

ENDORSEMENT NO. 2

This ENDORSEMENT, effective 12:01 a.m. 7/1/19~~8~~, forms part of Memorandum No. PLAN 2018-GL.

It is understood the Retained Limits for the named Covered Parties listed in ENDORSEMENT NO. 1 are as follows:

City of American Canyon	$25,000
Town of Atherton	$25,000
City of Benicia	$25,000
City of Burlingame	$250,000
City of Campbell	$100,000
Town of Colma	$50,000
City of Cupertino	$250,000
City of Dublin	$50,000
City of East Palo Alto	$100,000
City of Foster City	$100,000
City of Half Moon Bay	$50,000
City of Hillsborough	$50,000
City of Los Altos Hills	$25,000
Town of Los Gatos	$50,000
City of Millbrae	$100,000
City of Milpitas	$100,000
City of Morgan Hill	$100,000
City of Newark	$100,000
City of Pacifica	$50,000
Town of Portola Valley	$25,000
Town of Ross	$25,000
City of San Bruno	$100,000
City of San Carlos	$100,000
City of Saratoga	$25,000
City of South San Francisco	$100,000
City of Suisun City	$25,000
Town of Tiburon	$50,000
Town of Woodside	$25,000

MEMORANDUM OF COVERAGE – LIABILITY

Issue Date: July 1, 2019

MEMORANDUM OF COVERAGE -- LIABILITY

DECLARATIONS

ENTITY COVERED: Pooled Liability Assurance Network Joint Powers Authority as per Endorsement No. 1

MAILING ADDRESS: 1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

COVERAGE PERIOD: FROM: 7/1/2019 12:01 A.M., Pacific Time
TO: 7/1/2020 12:01 A.M., Pacific Time

LIMIT OF COVERAGE: $5,000,000 per Occurrence less Covered Party's Retained Limit Listed in Endorsement No. 2. With respect to Employee Benefit Plan Administration Liability, the LIMIT OF COVERAGE is $250,000 per Occurrence.

In consideration for the payment of the premium, **PLAN JPA** and the ENTITIES COVERED which are designated in ENDORSEMENT No 1 to this **Memorandum** agree as follows:

SECTION I - DEFINITIONS

Words and phrases in bold print within this **Memorandum** (including any and all endorsements hereto and forming a part hereof) have special meanings, as defined below:

A. **PLAN JPA ("PLAN")** means the Pooled Liability Assurance Network Joint Powers Authority.

B. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.

C. **Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

D. **Covered Party** means any person, entity, or other organization constituting a Covered Party under SECTION II - WHO IS A COVERED PARTY.

E. **Coverage Period** means the COVERAGE PERIOD that is designated in the DECLARATIONS to this **Memorandum**.

F. **Cyber Liability** means any liability arising out of or related to the acquisition, storage, security, use, misuse, disclosure, or transmission of electronic data of any kind including, but not limited to, technology errors and omissions, information security and privacy, privacy notification costs, penalties for regulatory defense or penalties, website media content, disclosure or misuse of confidential information, failure to prevent unauthorized disclosure or misuse of confidential information, improper or inadequate storage or security of personal or confidential information, unauthorized access to computer systems containing confidential information, or transmission or failure to prevent transmission of a computer virus or other damaging material.

F. **Dam** means any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which:

1. Is twenty-five (25) feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier to the maximum possible water storage elevation;

2. Is twenty-five (25) feet or more in height from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or

watercourse, to the maximum possible water storage elevation; or

3. Has an impounding capacity of fifty (50) acre-feet or more.

However, the following shall not be considered a **Dam**:

1. Any artificial barrier, together with appurtenant works, which does or may impound or divert water, but which is not in excess of six (6) feet in height, regardless of storage capacity;

2. Any artificial barrier, together with appurtenant works, which does or may impound or divert water, but which has a storage capacity not in excess of fifteen (15) acre-feet, regardless of height;

3. Any obstruction in a canal used to raise or lower water therein or divert water therefrom;

4. Any levee, including but not limited to a levee on the bed of a natural lake, the primary purpose of which levee is to control floodwaters;

5. Any railroad fill or structure;

6. Any tank constructed of steel or concrete or of a combination thereof;

7. Any tank elevated above the ground;

8. Any barrier which is not across a stream channel, watercourse or natural drainage area, and which has the principal purpose of impounding water for agricultural use; and

9. Any obstruction in the channel of a stream or watercourse which is fifteen (15) feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground.

Regardless of the language of the above definition, however, no structure specifically exempted from jurisdiction by the State of California Department of Water Resources, Division of Safety of Dams shall be considered a "Dam," unless such structure is under the jurisdiction of an agency of the federal government.

G. **Damages** means monetary sums paid or awarded as compensation for **Bodily Injury, Property Damage, Personal Injury, Public Officials Errors and Omissions Injury**, or **Employee Benefit Plan Administration Liability** covered by this **Memorandum**.

Damages does not include:

1. Any monetary sum paid or awarded as or for restitution;

2. Any monetary sum paid or awarded as or for fees (except for plaintiff's attorneys fees if such fees are associated with a claim for compensatory Damages otherwise covered hereunder), fines, sanctions, penalties, punitive damages or exemplary damages;

3. Any monetary sum paid or awarded as or for double, treble or any other mathematical multiplier of **Damages**;

4. Any costs of complying with equitable or other injunctive relief;

5. Any monetary sum paid or awarded as or for any loss, cost or expense arising out of any:

   a. Request, demand or order that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **Pollutants**; or

   b. Claim or suit by or on behalf of a government authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **Pollutants**;

6. Any monetary sum paid or awarded to satisfy any obligation of a **Covered Party** (or any insurance company as a **Covered Party**'s insurer) under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

7. Any premium, employer or employee contribution, fee, tax, assessment, or other amount, to enroll or maintain the enrollment of any employee in any **Employee Benefit Plan**

H. **Self Insured Retention** means the retention limits that are designated in ENDORSEMENT No 2 to this **Memorandum**.

I. **Defense Costs** means:

1. All fees (including attorney's fees), costs (including court costs), and expenses incurred in connection with the adjustment, investigation,

defense and appeal of a claim or suit to which this **Memorandum** applies; and

2. Interest on any judgment or portion thereof (accruing after entry of judgment) to which this **Memorandum** applies.

However, **Defense Costs** does not include any of the following:

1. Any office expenses of **PLAN** or a **Covered Party**;

2. Any salaries of employees of **PLAN** or a **Covered Party**;

3. Any salaries of or other monetary payments (including but not limited to per diems, honorariums or reimbursements) to elected or appointed officials of **PLAN** or a **Covered Party**;

4. Any fees or expenses of any claims administrator engaged by a **Covered Party**; or

5. Any fees or expenses incurred for services of any individual or entity (including any attorney, city attorney, city engineer, or city manager) unless such services are provided pursuant to the express written consent of **PLAN**.

J. **Employee Benefit Plan Administration Liability** means liability of a **Covered Party** arising from any act, error, or omission in **Employee Benefit Plan Administration.** For purposes of this definition:

1. **Employee Benefit Plan** means only the following employee benefit plans:

1. Educational tuition reimbursement plans

2. Group plans for life, health, dental, disability, automobile, homeowners, or legal expense insurance

3. Pension plans

4. Salary Reduction plans under Internal Revenue Code Section 457, including any amendments

5. Pre-tax medical and dependent care savings plans

6. Social security system benefits

7. Workers Compensation and unemployment insurance benefits

8. California Public Employees Retirement System benefits

2. **Administration** means only the following administrative functions, with respect to an **Employee Benefit Plan**:

   a. Explaining or interpreting an **Employee Benefit Plan**

   b. Calculating or communicating benefits and costs for an **Employee Benefit Plan**

   c. Enrolling participants, or terminating participation, in an **Employee Benefit Plan**

   d. Estimating or projecting future **Employee Benefit Plan** values

   e. Handling or processing of **Employee Benefit Plan** records

3. **Employee Benefit Administration Liability** shall not include:

   a. any liability arising out of an insufficiency of funds to meet any obligation under any **Employee Benefit Plan**.

   b. any liability arising out of act, error, or omission by any **Covered Party** to effect and maintain insurance or bonding for plan property or assets of any **Employee Benefit Plan**.

   c. any liability arising out of any representations made at any time in relation to the price or value of any security, debt, bank deposit, or similar financial instrument or investment, including, but not limited to, advice given to any person to participate in any **Employee Benefit Plan**.

   d. any liability for premiums, employer or employee contributions, fees, taxes, assessments, or other amounts, to enroll or maintain the enrollment of any employee(s) in any **Employee Benefit Plan**.

K. **Entity** means:

1. The ENTITY COVERED which is designated in ENDORSEMENT No 1 to this **Memorandum**; and

2. Any commission, agency, district, authority, board, or similar body, the governing board of which is exclusively comprised of elected or appointed officials, employees, or volunteers (whether or not compensated) of the ENTITY COVERED which is designated in ENDORSEMENT No 1 to this **Memorandum**

L. **Insurance** means insurance or coverage other than the coverage afforded by this **Memorandum**, including but not limited to the following:

1. Valid and collectible insurance (whether stated to be primary, pro rata, contributory, excess, contingent, or otherwise);

2. Any self-funding mechanism, including but not limited to a joint powers authority (whether stated to be primary, pro rata, contributory, excess, contingent, or otherwise); and

3. Specific self-insurance (whether stated to be primary, pro rata, contributory, excess, contingent or otherwise).

M. **Limit of** Coverage means the LIMIT OF COVERAGE that is designated in the DECLARATIONS to this **Memorandum**.

N. **Memorandum** means this MEMORANDUM OF COVERAGE -- LIABILITY, including the DECLARATIONS and all endorsements hereto.

O. **Nuclear Material** means source material, special nuclear material or byproduct material. "Source Material," "Special Nuclear Material" and "Byproduct Material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

P. **Occurrence** means:

1. With respect to **Bodily Injury**, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, during the **Coverage Period**.

2. With respect to **Property Damage**, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, during the **Coverage Period**.

3. With respect to **Personal Injury**, the commission of one of the offenses listed in the definition of **Personal Injury** during the **Coverage Period**. All such acts committed against any individual during the **Coverage Period** shall be deemed to be one **Occurrence**.

4. With respect to **Public Officials Errors and Omissions Injury**, the commission of one of the acts listed in the definition of **Public Officials Errors and Omissions Injury** during the **Coverage Period**. All such acts committed against any individual during the **Coverage Period** shall be deemed to be one **Occurrence**.

5. With respect to **Employee Benefit Plan Administration**, an act, error, or omission in the performance during the **Coverage Period** of any of the administrative functions listed in the definition of **Employee Benefit Plan Administration** with respect to an **Employee Benefit Plan**. All such acts, errors, or omissions during the **Coverage Period** with respect to any **Employee Benefit Plan** shall be deemed to be one **Occurrence**.

Q. **Personal Injury** means economic loss, emotional distress, and consequential **Bodily Injury**, arising out of the commission of one or more of the following offenses by a **Covered Party** in the discharge of duties for the **Entity**:

1. False arrest, detention or imprisonment;

2. Malicious prosecution;

3. Oral or written publication of material that slanders or libels a person or organization, including disparaging statements concerning the condition, value, quality or use of that person's or organization's real or personal property, but only where the first publication of such material occurs during the **Coverage Period**;

4. Oral or written publication of material that violates a person's right of privacy, but only where the first publication of such material occurs during the **Coverage Period**; or

5. Discrimination or violation of civil rights;

Personal Injury does not include written or oral publication of material by or

at the direction of any **Covered Party** with knowledge of its falsity.

R. **Pollutants** means without limitation any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes without limitation materials to be recycled, reconditioned or reclaimed. The term **Pollutants** does not include any of the following:

1. Potable water,

2. Agricultural water,

3. Water furnished to commercial users,

4. Water used for fire suppression,

5. Raw sewage,

6. Combined sewage,

7. Storm water run-off,

8. Partially treated sewage,

9. Fully treated sewage (as defined by the applicable NPDES permit), and

10. Residual streams of waste water treatment.

S. **Property Damage** means:

1. Physical injury to tangible property, including the loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **Occurrence** that caused it.

Money, cash equivalents, checks, bonds, and all other financial instruments shall not be considered tangible property.

T. **Public Officials Errors and Omissions Injury** means economic loss and emotional distress arising out of any act or omission, any misstatement or misleading statement, any neglect or breach of duty, or any misfeasance, malfeasance or nonfeasance, by a **Covered Party** in the discharge of duties for the **Entity.**

Public Officials Errors and Omissions Injury does not include **Bodily Injury**, **Property Damage**, **Personal Injury**, or **Employee Benefit Plan Administration Liability**.

U. **Risk Coverage Agreement** means the revised Liability Risk Coverage Agreement dated as of July 1, 1992 among **ABAG**, the ENTITY COVERED which is designated in the DECLARATIONS, and all other participants in the **ABAG** Pooled Liability Assurance Network (PLAN) program.

V. **Unmanned Aerial Vehicle** means an aircraft, aerial system, or aerial device that is not designed, manufactured, or modified after manufacture to be controlled directly by a person from within or on the aircraft aerial system or device.

V. **Watercraft** means any form of vessel, including but not limited to barge, boat, ship, yacht, canoe, kayak, and jet ski or similar personal recreational watercraft, intended for use in or on water.

SECTION II - WHO IS A COVERED PARTY

A. Subject to the terms of provision B. below, each of the following constitutes a **Covered Party** under this **Memorandum**:

1. The **Entity**,

2. Any person who was or is now an elected or appointed official, employee or volunteer of the **Entity**, whether or not compensated, but only while acting for or on behalf of the **Entity** (including while acting on outside boards at the direction of the **Entity**), and

3. Any person or organization to whom or to which the **Entity** is obligated by virtue of a written contract to provide coverage such as is afforded by this **Memorandum**, but only with respect to:

   a. Operations performed by the **Entity**, or

   b. Operations performed by such person or organization on behalf of the **Entity**, or

c. Property (including vehicles and facilities) owned by the **Entity** and used by such person or organization, or

d. Property (including vehicles and facilities) owned by such person or organization and used by the **Entity**.

B. None of the above shall constitute a **Covered Party** with respect to any claim or suit brought by or on behalf of any **Entity**.

C. Notwithstanding section A above, the defense and indemnity coverage afforded by this **Memorandum** to a past or present official, employee or volunteer of an **Entity** is not broader than the **Entity's** duty to defend and indemnify its official, employee or volunteer pursuant to California Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments thereof. If the **Entity** that employs the official, employee or volunteer is not obligated under the Government Code to provide a defense, or to provide indemnity, for a claim, or if said **Entity** refuses to provide such defense and/or indemnity to said official, employee or volunteer, then this **Memorandum** shall not provide for any such defense or indemnity coverage to said official, employee or volunteer. All immunities, defenses, rights and privileges afforded to an **Entity** under Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments thereof, shall be afforded to **PLAN** to bar any defense or indemnity coverage under this agreement to that **Entity's** official, employee or volunteer.

D. No person or entity is a **Covered Party** with respect to the conduct of any current or past partnership, joint venture or joint powers authority unless all members are **Covered Parties** under (a) or (b) herein. However, for any person (1) who is an official, employee, or volunteer of an **Entity** covered by A herein, (2) who participates in the activities of any partnership, joint venture or joint powers authority (or any separate agency or entity created under any joint powers agreement by the **Entity**), and (3) who is acting for or on behalf of an **Entity** covered by A herein at the time of the occurrence, then coverage is afforded by this agreement. Such coverage will be in excess of and shall not contribute with any collectible insurance or other coverage provided to the other joint powers authority, agency or entity.

E. With respect to any automobile owned or leased by the **Entity**, or loaned to or hired for use by or on behalf of the **Entity**, any person while using such automobile, and any person or organization legally responsible for the use thereof, provided the actual use is with the express permission of the **Entity**, but this protection does not apply to: 1) Any person or organization, or any agent or employee thereof, operating an automobile sales agency, repair shop,

service station, storage garage or public parking place, with respect to an occurrence arising out of the operation thereof; or 2) The owner or any lessee, other than the **Entity**, of any automobile hired by or loaned to the **Covered Party** or to any agent or employee of such owner or lessee. This agreement does not provide uninsured or underinsured motorist coverage.

SECTION III - COVERAGES

Subject to the terms and conditions of this **Memorandum**, **PLAN** agrees to pay on behalf of the **Covered Party**, and this **Memorandum** applies only to, **Damages** that the **Covered Party** becomes legally obligated to pay because of

A. **Bodily Injury**,

B. **Property Damage**,

C. **Personal Injury**,

D. **Public Officials Errors and Omissions Injury**, or

E. **Employee Benefit Plan Administration Liability**

caused by an **Occurrence**, and which are not excluded.

If the **Covered Party** has **Insurance** which affords coverage for any **Bodily Injury**, **Property Damage**, **Personal Injury**, **Public Officials Errors and Omissions Injury** or **Employee Benefit Plan Administration Liability** covered by this **Memorandum**, this **Memorandum** shall only apply in excess of any amounts payable under such **Insurance**.

The amount that **PLAN** will pay is limited as described under SECTION V - LIMIT OF COVERAGE.

SECTION IV - EXCLUSIONS

This **Memorandum** does not apply to **Damages**:

A. For **Bodily Injury**, **Property Damage**, **Personal Injury**, **Public Officials Errors and Omissions Injury**, or **Employee Benefit Plan Administration Liability** which is either expected or intended from the standpoint of a **Covered Party**; but this exclusion does not apply to **Bodily Injury** resulting from assault and battery committed by, at the direction of, or with the consent of the Entity, for the purpose of protecting persons or property from injury or death.

B. Arising out of the actual, alleged, or threatened, exposure to, or discharge, dispersal, seepage, migration, release or escape of, **Pollutants**:

1. At or from any premises, site, or location which is or was at any time owned or occupied by, or loaned, rented, or leased to, any **Covered Party**;

2. At or from any premises, site, or location which is or was at any time used for the handling, storage, disposal, processing, or treatment of waste;

3. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Covered Party** or any person or organization for whom a **Covered Party** may be legally responsible; or

4. At or from any premises, site, or location on which any **Covered Party** or any contractor or subcontractor working directly or indirectly on any **Covered Party**'s behalf is performing operations.

5. Arising out of, or related to, compliance with environmental statutes including but not limited to the Clean Air Act and Clean Water Act.

C. Arising out of the ownership, management, governance, use, or operation of any hospital or airport.

D. Arising out of medical professional services performed by or on behalf of a **Covered Party**; but this exclusion does not apply to such services performed by emergency medical technicians, paramedics and other similar classes of personnel.

E. Arising out of any partial or complete structural failure of any **Dam**.

F. Arising out of any hazardous properties of **Nuclear Material**.

G. For **Property Damage Injury, Personal Injury** or **Public Officials Errors and Omissions Injury** arising out of:

1. Any action or inaction affecting the use of, or rights or entitlements in, any real property or improvements to real property;
2. Any action or inaction on any data collecting, analysis, study, finding, policy, ordinance, statute, code, law, regulation or program that directly or indirectly affects the use of, or rights or entitlements in, any real property or improvements to real property; and
3. Any announcement or publication concerning the circumstances described in subparts a and b.

I. For an inverse condemnation claim arising solely out of the non-negligent operation of any public improvement, however acquired; provided, that such circumstances shall not include the reverse flow of sewage, water and/or other contents through a sanitary sewer system and out of an inlet of such a system.

J.

K. For **Public Officials Errors and Omissions Injury** arising out of noncompliance with, or violation of, any statute, regulation, rule, Executive Order, circular, audit or recordkeeping standard, permit, license, administrative ruling, or the like. This exclusion applies regardless of the

means taken ,or available, to compel compliance and also applies regardless of the means taken, or available to, enforce a remedy for the noncompliance or violation.

L. Arising out of a **Covered Party's** ownership, operation, use, maintenance, or entrustment to others of any **Aircraft** or **Watercraft.**

This exclusion does not apply to claims arising out of the operation, ownership, maintenance or use or entrustment to others of any **Unmanned Aerial Vehicle** owned or operated by or rented to or loaned by or on behalf of any **Covered Party** if operated in accordance with all applicable federal, state, and local laws, rules and regulations, including but not limited to Federal Aviation Administration (FAA) rules and regulations detailed in part 107 of Title 14 of the Code of Federal Regulations.

M. Arising out of any transit authority, transit system or public transportation system owned or operated by a **Covered Party**; but this exclusion does not apply to any transit system operating over non-fixed routes, including dial-a-ride, senior citizen transportation or handicapped transportation.

N. Claims arising out of the failure to supply or provide an adequate supply of gas, water, electricity, storm drainage or sewage capacity when such failure is a result of the inadequacy of the **Entity's** facilities to supply or produce sufficient gas, water, electricity, storm drainage or sewage capacity to meet the demand. This exclusion does not apply if the failure to supply results from direct and immediate accidental damage to tangible property owned or used by any **Covered Party** to procure, produce, process or transmit the gas, water, electricity, storm drainage or sewage.

O. Arising out of any obligation to pay compensation or benefits (or other monetary sums) under workers' compensation, disability benefits or unemployment compensation law or any similar law.

P. For **Bodily Injury**, **Property Damage**, **Personal Injury**, or **Public Officials Errors and Omissions Injury** to:

1. An employee, volunteer, elected or appointed official of a **Covered Party** arising out of and in the course of:

   a. Employment by a **Covered Party**; or

   b. Performing duties related to the conduct of a **Covered Party's** activities;

means taken ,or available, to compel compliance and also applies regardless of or

2. The spouse or partner, child, parent, brother, sister or other relative of that employee, volunteer, elected or appointed official, as a consequence of paragraph (1) above.

   This exclusion applies:

   a. Whether the **Covered Party** may be liable as an employer or in any other capacity; and

b. To any obligation to share payment with, or repay someone else who must pay, any amount because of the injury.

Q. Arising out of any:

1. Refusal to employ, elect, or appoint any person, or to allow any person to participate as a volunteer

2. Termination of any person's employment or volunteer participation, or termination of any person's position as an elected or appointed official

3. Practice, policy, act or omission which is in any way related (whether logically or causally) to employment, to serving as an elected or appointed official, or to serving as a volunteer, all including but not limited to any of the following: coercion, demotion, promotion, evaluation, reassignment, discipline, defamation, violation of civil rights, harassment, humiliation or discrimination.

This exclusion applies:

a. Whether the **Covered Party** may be liable as an employer or in any other capacity; and

b. To any obligation to share payment with, or repay someone else who must pay, any amount because of the injury.

R. For claims by any **Covered Party**. This exclusion shall not apply to claims for **Employee Benefits Administration Liability**.

S. For **Property Damage** to:

1. Property owned by the **Entity;**

2. Property rented to or leased to the **Entity**; or

3. **Aircraft** or **Watercraft** in a **Covered Party's** care, custody or control.

T. Arising out of the willful violation of a penal statute or penal ordinance:

1. Committed by a **Covered Party**; or

2. Committed with the knowledge or consent of a **Covered Party**.

U. **Public Officials Errors and Omissions Injury** arising out of the imposition, collection, refund, or refusal to refund, of taxes, fees or assessments.

V. **Public Officials Errors and Omissions Injury** arising out of:

1. Any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled, or

2. Any **Covered Party's** liability for any other **Covered Party** obtaining remuneration or financial gain to which such **Covered Party** was not legally entitled.

W. **Public Officials Errors and Omissions Injury** arising out of any bidding or contracting process if such **Public Officials Errors and Omissions Injury** is due to:

1. Estimates of probable costs or cost estimates being exceeded,

2. Preparation of bid specifications or plans, including architectural plans, or

3. Failure to award any contract in accordance with any statute or ordinance.

4. Mechanic's lien claims, stop notice claims, change order claims, site differential claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, *quantum meruit* claims, and/or open account claims.

X. **Public Officials Errors and Omissions Injury** arising out of any failure to perform or breach of a contractual obligation.

Y. Arising out of the purchase, sale, offer of sale, solicitation, depreciation, or decline in price or value, of any security, debt, bank deposit or financial interest or instrument**.** This exclusion shall not apply to economic loss suffered by a governmental entity other than a **Covered Party,** as a result of **Public Officials Errors and Omissions Injury** to which this **Memorandum** applies, arising out of financial investment services undertaken by an **Entity** for compensation on behalf of that governmental entity.

Z. The actual or threatened "abuse" or molestation or licentious, immoral or sexual behavior whether or not intended to lead to, or culminating in any sexual act, of any person, whether caused by, or at the instigation of, or at the direction of, or omission by, any **Entity's** employee, or any other person.

Charges or allegations against an **Entity** of negligent hiring, employment, investigation, supervision, reporting to the proper authorities, or failure to so report are not excluded.

AA. Based upon, arising out of, or attributable to any actual or alleged **Cyber Liability.**

SECTION V - DEFENSE AND SETTLEMENT

A. **Defense Of Claims Or Suits.**

1. **PLAN** shall have the right and duty to defend any claim or suit against a **Covered Party** seeking **Damages** to which this **Memorandum** applies, even if any allegations are groundless, false or fraudulent. In the event this **Memorandum** is excess over any **Insurance** with respect to a claim or suit, then **PLAN** shall not have any duty to defend such claim or suit until the available limits of liability of all such **Insurance** are exhausted and the defense obligation under all such **Insurance** has terminated.

2. The **Covered Party** may select counsel to represent its interests, subject to approval of counsel by **PLAN**.

3. The **Covered Party** shall:

   a. Cooperate with **PLAN** in the investigation, defense and settlement of any claim or suit,

   b. Upon the request of **PLAN**, attend hearings and trials, assist in securing and giving evidence, and assist in obtaining the attendance of witnesses, and

   c. Upon the request of **PLAN**, authorize **PLAN** to obtain records and other information.

4. In the event a **Covered Party** elects not to appeal a judgment, **PLAN** may elect to do so if it pays the fees and costs of that appeal.

5. The **Covered Party** must disclose to **PLAN** all information concerning the claim or suit (including but not limited to all facts giving rise to the claim or suit) which may assist in the defense of the claim or suit. The **Covered Party** is required to provide such information even if the information may relate to or affect matters pertaining to coverage under this **Memorandum**. The **Covered Party** shall instruct its defense counsel to disclose all such information to **PLAN**, and hereby waives any and all privileges (including but not limited to the attorney/client privilege and the attorney work product privilege) to the extent necessary to allow for the disclosure of that information to **ABAG**. Any such waiver of a privilege shall extend only to **PLAN**, and shall not be construed to allow for the disclosure of any such information to any claimant.

6. It is understood and agreed that the purpose of this provision is to ensure that **PLAN** is provided with all information which is or may be useful in defending the claim or suit, in whole or part, notwithstanding the existence of any coverage limitation or dispute.

B. **Settlement Of Claims Or Suits.**

1. **PLAN** shall not have any obligation to pay any sum on behalf of a **Covered Party** under the terms of a settlement of any claim or suit, unless such settlement is finalized in a written agreement signed by the **Covered Party**, the claimant and **PLAN**.

2. No **Covered Party** shall have the right to enter into a settlement of any claim or suit, which seeks **Damages** to which this **Memorandum** applies without the express written consent of **PLAN**.

SECTION VI - LIMIT OF COVERAGE

A. **Limit Of Coverage - Per Occurrence.**

1. The **Limit of Coverage**, and the rule set forth under paragraph 2 below, fix the most that **PLAN** will pay with respect to an **Occurrence**, regardless of:

a. The number of **Covered Parties**,

b. The number of claims made or suits brought,

c. The number of persons or organizations making claims or bringing suits,

d. The number of persons or organizations who sustain injury or damage,

e. The nature and types of injuries or damage sustained,

f. The number of coverages under this **Memorandum** which may be applicable to the **Occurrence**.

2. All Defense Costs shall be paid and applied first against, and shall reduce, the Limit of Coverage. The difference between the Limit of Coverage and the total amount of Defense Costs shall be the amount available, if any, to pay on behalf of all Covered Parties with respect to an Occurrence.

B. **Self-Insured Retention ("SIR") - Per Occurrence.**

1. The amount of the **SIR** is the amount that the **Entity** must pay (or cause to be paid) before **PLAN** is obligated to pay any amount under the terms of this **Memorandum**.

2. The **Entity** shall be obligated to pay one **SIR** with respect to all claims and suits relating to an **Occurrence**.

3. The **Deductible** is the sole responsibility of the **Entity**. **PLAN** shall not be responsible for payment of the **SIR** or any part thereof.

C. **PLAN's Obligations Upon Exhaustion Of Limit Of Coverage.**

1. **PLAN**'s duties under this **Memorandum** end with respect to any **Occurrence** when **PLAN** has used up the **Limit of Coverage** by payments with respect to claims and suits relating to or arising out of that **Occurrence** (including payment of **Defense Costs**). In that event:

a. **PLAN** shall not have any further obligation to pay **Defense Costs** and shall have the right to withdraw from the further investigation and defense of any and all claims and suits relating to such **Occurrence**,

b. **PLAN** shall not have any further obligation to pay any judgment or settlement, and

c. **PLAN** shall not have any other obligation under this **Memorandum**.

SECTION VII - CONDITIONS

A. **Duties In The Event Of Occurrence, Claim Or Suit.**

1. In the event of an **Occurrence**, the **Entity** must provide to **PLAN** (or any of its authorized agents), as soon as practicable, written notice of the **Occurrence**, which includes the following information:

   a. The identity of each **Covered Party** involved in the **Occurrence**,

   b. How, when and where the **Occurrence** took place,

   c. The names and addresses of any injured persons,

   d. The names and addresses of any witnesses,

   e. The nature and location of any injury or damage arising out of the **Occurrence**, and

   f. Any and all other information which is available and reasonably obtainable pertaining to the **Occurrence**.

2. If a claim is made or suit is brought against any **Covered Party**, the **Entity** must:

   a. Immediately provide **PLAN** with written notice of the claim or suit,

   b. Immediately make a record of the specifics of the claim or suit, and

   c. Immediately forward to **PLAN** a copy of all documents related to the claim or suit, including but not limited to all correspondence, demands, notices, summonses and pleadings.

3. Upon the request of **PLAN**, each **Covered Party** involved in the **Occurrence** shall assist **ABAG** in the enforcement of any right (including but not limited to any right of contribution or indemnity) against any person or organization which may be liable to a **Covered**

Party because of actual or alleged damages to which this **Memorandum** may also apply.

4. No **Covered Party** shall, except at its own cost, make a payment, assume any obligation or incur any expense (including but not limited to any attorney fees) without the prior express consent of **PLAN**. In the event a **Covered Party** makes any payment, assumes any obligation or incurs any expense (including but not limited to any attorney fees) without the prior express consent of **PLAN**, then any such payment, obligation or expense shall be the sole responsibility of that **Covered Party**.

B. **Bankruptcy.**

Bankruptcy or insolvency of the **Covered Party** shall not relieve **PLAN** of any of its obligations under this **Memorandum**.

C. **Insurance.**

1. This **Memorandum** shall be in excess of the amount of any **Insurance** available to pay any sum otherwise covered under this **Memorandum**, except with respect to any such **Insurance** which is written only as specific excess insurance over the **Limit of Coverage**.

2. Regardless of the duration of any Occurrence and the number of other Memorandums between **PLAN** and the Entity, under no circumstances shall this **Memorandum** and any other memorandum of coverage between **PLAN** and an **Entity** both apply to a claim or suit. In the event of a dispute as to whether:

   a. This **Memorandum**, or

   b. Another memorandum of coverage between **PLAN** and an **Entity**

   is applicable to a claim or suit, such dispute shall be resolved by application of the following rule. The first memorandum of coverage (between **PLAN** and the **Entity**) issued by **PLAN** shall be deemed the memorandum of coverage which is applicable (and only that memorandum of coverage shall be applicable). *A "continuous trigger" rule or similar rule shall not apply.*

D. **Cancellation.**

This **Memorandum** may be canceled at any time in accordance with the provisions of the **Liability Risk Coverage Agreement**.

E. **Legal Action Against PLAN.**

1. No person or organization may join **PLAN** as a party, or otherwise bring **PLAN** into a suit seeking damages from a **Covered Party**.

2. A person or organization may sue **PLAN** to recover on an agreed settlement (meaning a settlement and release of liability signed by **PLAN**, the **Covered Party** and the claimant or the claimant's legal representative) or on a final judgment against a **Covered Party** obtained after an actual trial; but **PLAN** will not be liable for damages that are not payable under the terms of this **Memorandum** or that are in excess of the **Limit of Coverage**.

3. No **Covered Party** may pursue any claim or file any action against **PLAN** unless and until it has fully complied with the procedures established by **PLAN** for presentation and resolution of disputes, including but not limited to the **Risk Coverage Agreement**.

F. **Transfer Of Rights Of Recovery Against Others To PLAN**.

1. If the **Covered Party** has rights to recover all or part of any payment **PLAN** has made under this Memorandum, those rights are transferred to **PLAN**. The **Covered Party** must do nothing after an **Occurrence** to impair them. At **PLAN** 's request, the **Covered Party** will bring suit or transfer those rights to **PLAN** and help enforce them. All amounts so recovered shall be paid to **PLAN**.

2. In the event any amounts recovered exceed the costs incurred to recover them plus the amount of **PLAN**'s payments, then those additional amounts shall be apportioned as follows:

   a. The **Covered Party** shall first be reimbursed in an amount up to any payments it made, and

   b. The remainder shall be paid to **PLAN** and the **Covered Party** in proportion to the ratio of their respective recoveries

G. **Premium**.

1. The **Entity** is authorized to act on behalf of all **Covered Parties** with respect to all matters pertaining to premium.

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY

MEMORANDUM OF COVERAGE

ENDORSEMENT NO. 1

This ENDORSEMENT, effective 12:01 a.m. 7/1/19, forms part of a Memorandum No. PLAN 2018-GL.

It is understood that the named Covered Party of the Declaration is completed as follows:

Pooled Liability Assurance Network,

City of American Canyon
Town of Atherton
City of Benicia
City of Burlingame
City of Campbell
Town of Colma
City of Cupertino
City of Dublin
City of East Palo Alto
City of Foster City
City of Half Moon Bay
City of Hillsborough
City of Los Altos Hills
Town of Los Gatos
City of Millbrae
City of Milpitas
City of Morgan Hill
City of Newark
City of Pacifica
Town of Portola Valley
Town of Ross
City of San Bruno
City of San Carlos
City of Saratoga
City of South San Francisco
City of Suisun City
Town of Tiburon
Town of Woodside

POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY

MEMORANDUM OF COVERAGE

ENDORSEMENT NO. 2

This ENDORSEMENT, effective 12:01 a.m. 7/1/19, forms part of Memorandum No. PLAN 2018-GL.

It is understood the Retained Limits for the named Covered Parties listed in ENDORSEMENT NO. 1 are as follows:

City of American Canyon	$25,000
Town of Atherton	$25,000
City of Benicia	$25,000
City of Burlingame	$250,000
City of Campbell	$100,000
Town of Colma	$50,000
City of Cupertino	$250,000
City of Dublin	$50,000
City of East Palo Alto	$100,000
City of Foster City	$100,000
City of Half Moon Bay	$50,000
City of Hillsborough	$50,000
City of Los Altos Hills	$25,000
Town of Los Gatos	$50,000
City of Millbrae	$100,000
City of Milpitas	$100,000
City of Morgan Hill	$100,000
City of Newark	$100,000
City of Pacifica	$50,000
Town of Portola Valley	$25,000
Town of Ross	$25,000
City of San Bruno	$100,000
City of San Carlos	$100,000
City of Saratoga	$25,000
City of South San Francisco	$100,000
City of Suisun City	$25,000
Town of Tiburon	$50,000
Town of Woodside	$25,000

BYLAWS

OF THE

POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY
(PLAN JPA)

July 1, 2019~~8~~

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BYLAWS OF POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY (PLAN JPA)

ARTICLE I
NAME

The name of this group self-insurance program shall be Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA).

ARTICLE II
OFFICES

1. Principal Office. The principal office for the management of the business of PLAN JPA ("principal executive office") is located at 1750 Creekside Oaks Drive, Sacramento, CA 95833. The Board of Directors may change the principal executive office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws, or this section may be amended to state the new location.
2. Other Offices. For purposes of PLAN JPA, the jurisdictional area of PLAN JPA is the territory of the member entities. The Board of Directors may at any time establish branch or subordinate offices at any place or places where PLAN JPA is qualified to conduct its activities.

ARTICLE III
RECITALS AND OBJECTIVES

1. The cities listed in Appendix I (each a "Member Entity" and collectively the "Member Entities") have entered into a Joint Powers Agreement (the "Agreement") effective as of July 1, 2018. Under the Agreement, PLAN JPA has agreed to provide liability and other lines of coverage, claims management, and risk management services to each Member Entity. In return, each Member Entity has agreed to make premium payments including Administrative and Program Premiums to PLAN JPA, and to cooperate with PLAN JPA in the claims management and risk management programs.
2. The purpose of the Agreement is to benefit the citizens of each Member Entity by establishing a stable, cost-effective self-insurance, risk sharing and risk management program (PLAN JPA) for each Member Entity.
3. The objectives of PLAN JPA shall be to benefit the citizens of each Member Entity in the area of risk management, including:
   a. Establish overall policy in implementing the Agreement;
   b. Receive and collect all of the Administrative Premium and Program Premiums and all other amounts required to be paid to PLAN JPA pursuant to the Agreement;
   c. Exercise such rights and remedies conferred on PLAN JPA pursuant to the Agreement as may be necessary or convenient:
      i. to enforce payment of the Administrative and Program Premiums and any other amounts

required to be paid to PLAN JPA,

ii. otherwise to protect the interests of PLAN JPA in the event of a default by any Member Entity under the Agreement; and

d. The right to establish the policy for a mandatory claims management and risk management program.

4. PLAN JPA does not have employees. Directors, Alternate Directors, Officers, and Committee Members are employees of their respective Member Entities. Each Member Entity is therefore responsible for its own employment and post-employment obligations. PLAN JPA Members do not jointly or severally have employment liabilities as participants in PLAN JPA.
5. All capitalized terms shall have the meaning given to them in the Agreement.

ARTICLE IV
NONPARTISAN ACTIVITIES

PLAN JPA is formed under the California Government Code Sections 6500, et seq., for the public purposes described above, and it shall be nonprofit and nonpartisan. PLAN JPA shall not participate or intervene (including publishing or distributing statements) in any political campaign on behalf of any candidate for public office.

ARTICLE V
DEDICATION OF ASSETS

The properties and assets of PLAN JPA are irrevocably dedicated to promoting the social welfare of the citizens of the Member Entities. No part of the net earnings, properties, or assets of PLAN JPA, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Director of PLAN JPA. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to the Member Entities.

ARTICLE VI
MEMBERSHIP

1. All Prior ABAG PLAN members that duly sign the appropriate resolution and Joint Powers Agreement are included as members of PLAN JPA at its formation.
2. As respects any potential future Member Entities (Members), any governmental agency which is authorized to participate in a joint powers agreement under the Government Code and is located within the State of California may become a Member of PLAN JPA by agreeing to be bound by the Governing Documents and by complying with all of the following requirements:
   a. Submit a completed application for membership 90 days before the start of the program year. The application must be accompanied by the Board of Directors' approved fee, which shall be returned if membership is approved;
   b. Submit a signed resolution acknowledging participation under the terms and conditions which then prevail;

c. Execute the Agreement then in effect and agree to be bound by any subsequent amendments to the Agreement;
d. Agree to be a Member for at least three consecutive fiscal years after commencement of membership;
e. Be accepted for membership by a two-thirds vote of the Board of Directors;
f. Appoint, in writing, a Director and one Alternate Director to the Board; and
g. Ensure the Director and Alternate Director file with the Administrator the required Fair Political Practices Commission (FPPC) forms upon assuming office, annually, and upon termination of office.

3. The Administrator shall evaluate each applicant, including its most recent audited financial statement and associated management letters, and may schedule and coordinate a safety inspection of the facilities of the applicant. The Administrator shall report the results of the evaluation and inspections to the Executive Committee who shall provide a recommendation to the Board of Directors. A two-thirds vote of the Board of Directors is required to approve the application, based upon the Executive Committee's recommendation, the application, and any evaluations, inspections, reports, or other material pertinent to the decision.

ARTICLE VII
DIRECTORS

1. Powers.
   a. General Powers. Subject to the provisions of the Government Code and any limitations in the Agreement, and these Bylaws, the business and affairs of PLAN JPA shall be managed, and all delegated powers shall be exercised, by or under the direction of the Board of Directors.
   b. Specific powers. Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:
      i. select and remove all Officers of PLAN JPA and legal counsel to PLAN JPA; prescribe any powers and duties for them that are consistent with law, the Joint Powers Agreement, and with these Bylaws; and fix their compensation, if any;
      ii. change the principal executive office or the principal business office in the State of California from one location to another;
      iii. borrow money and incur indebtedness on behalf of PLAN JPA, as authorized by the Joint Powers Agreement; annually set Administrative Premium, and Program Premiums within the standards and criteria set forth in the Bylaws;
      iv. annually set an Administrative Premium allocation formula;
      v. provide legal defense, claims management and risk management services for Member Entities; and
      vi. collect Program Premiums and Administrative Premiums.
2. Numbers. The authorized number of Directors shall be equal to the number of Member Entities in PLAN JPA.

3. Appointment of Directors and Alternates.
   a. The governing body of each Member Entity in PLAN JPA shall each appoint one (1) Director and one (1) voting Alternate Director (Alternate) to serve at the respective Member Entity's pleasure.
   b. Each appointment shall set forth the Director's or Alternate Director's name and his/her position with the Member Entity.
4. Alternate Directors. Alternate Directors may attend any meeting of the Board of Directors but may vote only if the Director for whom the Alternate Director serves is absent. All provisions of these Bylaws relating to Directors shall also apply to Alternate Directors.
5. Vacancies.
   a. Events Causing Vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:
      i. the death, resignation, or removal of any Director;
      ii. the removal, dismissal or resignation of a Director from the position he/she held with the appointing Member Entity at the time of his/her appointment;
      iii. the declaration by resolution of the Board of Directors of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under the Joint Powers Agreement or California Government Code Section 6500 et seq.; or
      iv. the increase of the authorized number of Directors.
   b. Resignations. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the President or the Secretary unless the notice specifies a later time for the resignation to become effective. No Director may resign when PLAN JPA would then be left without a duly elected Director or Alternate Director in charge of its affairs.
   c. Vacancies. Pursuant to Section 3 of this Article, the Member Entity shall appoint a Director, or Alternate Director, at any time to fill any vacancy or vacancies.
   d. Reduction or Increase in Number of Directors. The authorized number of Directors shall be reduced by one (1) for each Member Entity who has withdrawn, has been expelled from PLAN JPA or whose Coverage has been canceled. The authorized number of Directors shall be increased by one (1) for each addition or reinstatement of a Member Entity.
   e. Interested Directors. The Directors shall be subject to the California Law pertaining to Local Agencies, including but not limited to Conflict of Interest Codes, the Fair Political Practices Act, the Ralph M. Brown Act ("Brown Act") and Government Code Section 1090.
6. Place of Meetings; Meetings by Telephone. Upon seventy-two (72) hours' notice, regular meetings of the Board of Directors may be held at any place permitted under the Brown Act. Special meetings of the Board shall be held at any place permitted by the Brown Act. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, with notice as provided by the Brown Act and, so long as all Directors and members of the public participating in the meeting

can hear those remotely participating, and a majority of the quorum of the Directors are present in person at such meeting.

7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time as shall from time to time, and no less than one time per fiscal year, and be fixed by the Board of Directors.
8. Special Meetings.
   a. Authority to call. Special meetings of the Board of Directors for any purpose may be called at any time by the President, Vice President, the Secretary, or any three (3) Directors.
9. Notice.
   a. Manner of Giving -- Regular Meetings. Notice of the time and place of regular meetings shall be given by posting at the location of the meeting in compliance with the Brown Act and to each Director by one of the following methods:
      i. by personal delivery of written notice;
      ii. by first-class mail, postage paid;
      iii. by facsimile; or
      iv. by email.
   b. Manner of Giving -- Special Meetings. Notice of the time and place of special meetings shall be in compliance with the Brown Act and given to each Director by any of the methods set forth in Subsection 9(a), or by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director.
   c. Address. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of PLAN JPA.
   d. Notice Contents. The notice shall state the time and place for the meeting, and the purpose(s) of the meeting.
   e. Ralph M. Brown Act. The noticing and conduct of all meetings shall comply with the Brown Act.
10. Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article VII. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors
11. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place as provided in the Brown Act.
12. Reimbursement. Directors and members of committees may receive such reimbursement of expenses as may be determined by resolution of the Board of Directors to be just and reasonable.
13. Delegation of Powers. The Board of Directors may delegate any of its powers.

ARTICLE VIII
COMMITTEES

1. Committees of Directors. In addition to the Claims Committee, ~~Actuarial Committee,~~ Risk Management Committee, and Finance Committee, the Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one (1) or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:
   a. Take any final action on matters which, under the Law governing Joint Powers Authorities or California Law regarding Local Agencies, requires approval of a majority of all the Directors;
   b. Approve reimbursements of the Directors for serving on the Board or on any committee;
   c. Amend or repeal bylaws or adopt new bylaws;
   d. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
   e. Appoint any other committees of the Board of Directors or the members of these committees; or
   f. Approve any transaction (1) to which PLAN JPA is a party and one (1) or more Directors have a material financial interest; or (2) between PLAN JPA and one (1) or more of its Directors or between PLAN JPA or any person or entity in which one (1) or more of its Directors have a material financial interest.
2. Meetings and Action of Committees. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VII of these Bylaws, concerning meetings of Directors, with such changes in the context of these Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the Executive Committee. Special meetings of committees may also be called by the President or committee chair. Notice of special meetings of committees shall also be given to any and all Alternate Directors, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.
3. Executive Committee. A standing committee consisting of nine ~~members~~Directors: the President and Vice President, the Chair of each standing committee, or if the chair of a standing committee is the President or Vice President of the Board, a representative of such standing committee appointed by the committee and ~~three~~four at-large Directors~~members~~ of the Board elected by the Board. The Executive Committee may exercise all powers of the Board necessary to further the timely and orderly conduct of business, except it may not:
   a. Set premiums;
   b. Select or remove Officers or legal counsel to PLAN JPA, except in cases of emergency or where the legal counsel is unavailable or unable to perform his or her duties until the next meeting of the

Board of Directors. Any selection of legal counsel shall be subject to ratification by the Board of Directors at its next meeting;

c. Borrow money; or

d. Amend these Bylaws or the Joint Powers Agreement.

4. Claims Committee (Liability). A standing committee consisting of no less than three (3) Directors ~~and any other person(s)~~ appointed by the Board shall be charged with the duty and responsibility of:

a. Reviewing and authorizing all payment of settlements which exceed a Member Entity's deductible or upon request by PLAN JPA or Member Entity,

b. Establishing a defense counsel list, and hearing the initial appeal on all staff determinations of coverage for, and settlement of, a third party claim against a Member Entity.

~~5. Actuarial Committee (Liability). A standing committee consisting of no less than three (3) Directors and any other person(s) appointed by the Board shall be charged with the duty and responsibility of:~~

~~a. Issuing a Request for Proposals for an actuarial consultant to annually set total Program Funding (Liability) and allocate total Program Funding (Liability) among the Member Entities (Actuarial Report). The committee may issue a separate Request for Proposals for, or in the same Request for Proposals require, an actuarial consultant to serve any other purpose required or as determined by the Board of Directors. The committee shall review all proposals submitted and select an actuarial consultant for the Board of Directors. The committee shall have oversight of the preparation of the annual Actuarial Report and shall be charged with the duty and responsibility of:~~

~~i. evaluating excess insurance, reinsurance, stop loss insurance and other third party risk transfer mechanisms for compatibility with PLAN JPA goals, cost effectiveness and security;~~

~~ii. recommending yearly Program Funding based on the Actuarial Report and the PLAN JPA Funding Policy; and~~

~~iii. recommending amendments to the Memorandum of Coverage based on legal or actuarial evidence of the soundness of such amendments.~~

~~6.~~5. Risk Management Committee. A standing committee consisting of no less than three (3) Directors ~~and any other person(s)~~ appointed by the Board shall be charged with the duty and responsibility of:

a. Reviewing and making recommendations to the Board for risk management programs, including but not limited to, voluntary and mandatory program changes in Member Entity activities, and restrictions on coverage; and

b. Reviewing and making recommendations to the Board on applications for admissions, expulsion, withdrawal notices and proposals for cancellation, including but not limited to, the terms and conditions under which such admissions, withdrawals, expulsions and cancellations are implemented.

~~7.~~6. Finance Committee. A standing committee consisting of no less than three Directors ~~and any other person(s)~~ appointed by the Board shall be charged with the duty and responsibility of reviewing and

making recommendations to the Board on the results of PLAN JPA's annual financial audit, reviewing and making recommendations to the Board regarding PLAN JPA's investments and Investment Policy.

ARTICLE IX
OFFICERS

1. Officers. The officers of PLAN JPA shall be the President and Vice President, and a Treasurer. All officers shall be Directors.
2. Election of Officers. At the first meeting of the Board of Directors, and at each annual meeting thereafter, nominations for the officers shall be made and seconded by a Director. If more than two (2) names are received in nomination for any one office, balloting shall occur until a nominee receives a majority of the votes cast; provided that after the first ballot the nominee receiving the fewest votes shall be dropped from the balloting. Each officer shall serve a two (2) year term. Any officer except the President and Vice President may succeed himself/herself and may serve any number of consecutive or non-consecutive terms. The President and Vice President may succeed himself/herself only if his/her first term was filled as a result of a vacancy in the office.
3. Removal of Officers. An Officer may be removed, with or without cause, by a two-thirds (2/3) vote of the Board of Directors at a regular or special meeting.
4. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled for the balance of the vacated term in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that such vacancies may be filled at any regular or special meeting of the Board of Directors.
5. Resignation of Officers. Any Officer may resign at any time by giving written notice to the President or Secretary. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of PLAN JPA under any contract to which the Officer is a party.
6. Responsibilities of Officers and Assigned Positions.
   a. President of the Board. The President of the Board shall preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him/her by the Board of Directors or prescribed by the Bylaws.
   b. Vice President of the Board. The Vice President of the Board shall fulfill all the duties of the President in his/her absence.
   c. Secretary. The General Manager for PLAN JPA shall serve as the Secretary and shall be appointed by the President. The Secretary may assign certain responsibilities to an Assistant Secretary of his/her choosing. The Secretary shall attend to the following:
      i. Book of minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors and committees of Directors, with the time and place of

holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings.

ii. Notices, seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws to be given. He or she shall keep the seal of PLAN JPA, if any, in safe custody. He or she shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

d. Treasurer. The Treasurer may assign responsibilities to an Assistant Treasurer, who shall be the Finance Manager for PLAN JPA. Together, the Treasurer and Assistant Treasurer shall attend to the following:

i. Books of account. Keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the PLAN JPA, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

ii. Deposit and disbursement of money and valuables. Deposit all money and other valuables in the name and to the credit of PLAN JPA with such depositories as may be designated by the Board of Directors; shall disburse the funds of PLAN JPA as may be ordered by the Board of Directors; shall render to the President and Directors, whenever they request it, an account of all of his/her transactions as Treasurer and Assistant Treasurer and of the financial condition of PLAN JPA; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

ARTICLE X
PURCHASE OF INSURANCE

Purchase of Coverage. In conformance with the procedures and criteria set forth in Article III of these Bylaws, the Board of Directors may cause PLAN JPA to purchase commercial insurance or reinsurance or terminate commercial insurance or reinsurance upon a majority vote of the membership of the Board of Directors.

ARTICLE XI
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

1. Definitions. For the purpose of this Article, "agent" means any person who is or was a Director, Officer, employee, or other agent of PLAN JPA, or is or was serving at the request of PLAN JPA as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor of this PLAN JPA or of another enterprise at the request of the predecessor ABAG PLAN; "proceeding" means any threatened, pending, or completed action

or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

2. Successful Defense by Agent. To the extent that an agent of PLAN JPA has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him or her, then the provisions of Sections 3 through 5 of this Article shall determine whether the agent is entitled to indemnification.
3. Actions Brought by Persons Other Than PLAN JPA. Subject to the required findings to be made pursuant to Section 5 of this Article, below, PLAN JPA shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, PLAN JPA or the Attorney General for any breach of duty relating to assets held by PLAN JPA, by reason of the fact that such person is or was an agent of PLAN JPA, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.
4. Action Brought by or On Behalf of PLAN JPA.
   a. Claims settled out of court. If an agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of PLAN JPA, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.
   b. Claims and suits awarded against agent. PLAN JPA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of PLAN JPA by reason of the fact that the person is or was an agent of PLAN JPA, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:
      i. the determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and
      ii. upon application, the court in which the action was brought must determine that, in view of all the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.
5. Determination of Agent's Good Faith Conduct. The indemnification granted to an agent in Sections 3 and 4 of this Article above is conditioned on the following:
   a. Required standard of conduct. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he/she believed to be in the best interest

of PLAN JPA, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of noel contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he/she reasonably believed to be in the best interest of PLAN JPA or that he/she had reasonable cause to believe that his/her conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his/her conduct was unlawful.

b. Manner of determination of good faith conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:

i. the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or

ii. the court in which the proceeding is or was pending. Such determination may be made on application brought by PLAN JPA or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by PLAN JPA.

6. Limitations. No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5(b)(iii), above, in any circumstance when it appears:

a. That the indemnification or advance would be inconsistent with a provision of the Articles or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

b. that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

7. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by PLAN JPA before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

8. Contractual Rights of Non-directors and Non-officers. Nothing contained in this Article shall affect any right to indemnification to which persons other than Directors and Officers of PLAN JPA, or any subsidiary hereof, may be entitled by contract or otherwise.

9. Insurance. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of Director's and Officer's insurance, or any other insurance, on behalf of any agent of PLAN JPA against any liability deemed appropriate by the Board.

ARTICLE XII
RECORDS AND REPORTS

1. Maintenance of Corporate Records. PLAN JPA shall keep:

a. Adequate and correct books and records of account; and

b. Minutes in written form of the proceedings of its Board, and committees of the Board.

All such records shall be kept at PLAN JPA's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

2. Inspection Rights.
   a. Any Member Entity may inspect the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest.
   b. Any inspection and copying under this section may be made in person or by an agent or attorney or the entity entitled thereto and the right of inspection includes the right to copy and make extracts.
3. Maintenance and Inspection of Articles and Bylaws. PLAN JPA shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office located in this state, the original or copy of the Articles and Bylaws as amended to date, which shall be open to inspection by any Member Entity at all reasonable times during office hours. If the principal executive office of PLAN JPA is outside the State of California and PLAN JPA has no principal business office in this state, the Secretary shall, on the written request of any member of the governing body of a Member Entity furnish to that member a copy of the Articles and Bylaws as amended to date.
4. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of PLAN JPA. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.
5. Annual Report.
   a. Not later than one hundred twenty (120) days after the close of PLAN JPA's fiscal year, the Board shall cause an annual report/financial audit prepared by a certified public accountant to be sent to the governing body of each Member Entity. Such report shall contain the following information in reasonable detail:
      i. the assets and liabilities, including the trust funds, of the PLAN JPA as of the end of the fiscal year;
      ii. the principal changes in assets and liabilities, including trust funds, during the fiscal year;
      iii. the revenue or receipts of PLAN JPA, both unrestricted and restricted to particular purposes, for the fiscal year; and
      iv. the expenses or disbursements of PLAN JPA, for both general and restricted purposes, during the fiscal year.
   b. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized Officer of PLAN JPA that such statements were prepared without audit from the books and records of PLAN JPA.
6. Fiscal Year. PLAN JPA's fiscal year shall be from July 1 to June 30.

ARTICLE XIII
CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Government Code Section 65000, et seq. and the California Government Code related to Local Agencies shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, the term "person" includes both PLAN JPA and a natural person and any capitalized term not defined in these Bylaws shall have the meaning ascribed to them in the Agreement.

ARTICLE XIV
AMENDMENTS

1. Amendment by Directors. Subject to the limitations set forth below, the Board of Directors may adopt, amend or repeal Bylaws. Such power is subject to the following limitations:
   a. The Board of Directors may not amend a bylaw provision fixing the authorized number of directors or the minimum and maximum number of directors.
   b. If any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of Directors.
   c. The Board of Directors may not delete or amend Bylaw provisions requiring compliance with the Agreement except as provided in the Agreement.

BYLAWS

OF THE

POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY
(PLAN JPA)

July 1, 2019

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BYLAWS OF POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY (PLAN JPA)

ARTICLE I
NAME

The name of this group self-insurance program shall be Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA).

ARTICLE II
OFFICES

1. Principal Office. The principal office for the management of the business of PLAN JPA ("principal executive office") is located at 1750 Creekside Oaks Drive, Sacramento, CA 95833. The Board of Directors may change the principal executive office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws, or this section may be amended to state the new location.
2. Other Offices. For purposes of PLAN JPA, the jurisdictional area of PLAN JPA is the territory of the member entities. The Board of Directors may at any time establish branch or subordinate offices at any place or places where PLAN JPA is qualified to conduct its activities.

ARTICLE III
RECITALS AND OBJECTIVES

1. The cities listed in Appendix I (each a "Member Entity" and collectively the "Member Entities") have entered into a Joint Powers Agreement (the "Agreement") effective as of July 1, 2018. Under the Agreement, PLAN JPA has agreed to provide liability and other lines of coverage, claims management, and risk management services to each Member Entity. In return, each Member Entity has agreed to make premium payments including Administrative and Program Premiums to PLAN JPA, and to cooperate with PLAN JPA in the claims management and risk management programs.
2. The purpose of the Agreement is to benefit the citizens of each Member Entity by establishing a stable, cost-effective self-insurance, risk sharing and risk management program (PLAN JPA) for each Member Entity.
3. The objectives of PLAN JPA shall be to benefit the citizens of each Member Entity in the area of risk management, including:
   a. Establish overall policy in implementing the Agreement;
   b. Receive and collect all of the Administrative Premium and Program Premiums and all other amounts required to be paid to PLAN JPA pursuant to the Agreement;
   c. Exercise such rights and remedies conferred on PLAN JPA pursuant to the Agreement as may be necessary or convenient:
      i. to enforce payment of the Administrative and Program Premiums and any other amounts

required to be paid to PLAN JPA,

ii. otherwise to protect the interests of PLAN JPA in the event of a default by any Member Entity under the Agreement; and

d. The right to establish the policy for a mandatory claims management and risk management program.

4. PLAN JPA does not have employees. Directors, Alternate Directors, Officers, and Committee Members are employees of their respective Member Entities. Each Member Entity is therefore responsible for its own employment and post-employment obligations. PLAN JPA Members do not jointly or severally have employment liabilities as participants in PLAN JPA.
5. All capitalized terms shall have the meaning given to them in the Agreement.

ARTICLE IV
NONPARTISAN ACTIVITIES

PLAN JPA is formed under the California Government Code Sections 6500, et seq., for the public purposes described above, and it shall be nonprofit and nonpartisan. PLAN JPA shall not participate or intervene (including publishing or distributing statements) in any political campaign on behalf of any candidate for public office.

ARTICLE V
DEDICATION OF ASSETS

The properties and assets of PLAN JPA are irrevocably dedicated to promoting the social welfare of the citizens of the Member Entities. No part of the net earnings, properties, or assets of PLAN JPA, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Director of PLAN JPA. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to the Member Entities.

ARTICLE VI
MEMBERSHIP

1. All Prior ABAG PLAN members that duly sign the appropriate resolution and Joint Powers Agreement are included as members of PLAN JPA at its formation.
2. As respects any potential future Member Entities (Members), any governmental agency which is authorized to participate in a joint powers agreement under the Government Code and is located within the State of California may become a Member of PLAN JPA by agreeing to be bound by the Governing Documents and by complying with all of the following requirements:
   a. Submit a completed application for membership 90 days before the start of the program year. The application must be accompanied by the Board of Directors' approved fee, which shall be returned if membership is approved;
   b. Submit a signed resolution acknowledging participation under the terms and conditions which then prevail;

c. Execute the Agreement then in effect and agree to be bound by any subsequent amendments to the Agreement;
d. Agree to be a Member for at least three consecutive fiscal years after commencement of membership;
e. Be accepted for membership by a two-thirds vote of the Board of Directors;
f. Appoint, in writing, a Director and one Alternate Director to the Board; and
g. Ensure the Director and Alternate Director file with the Administrator the required Fair Political Practices Commission (FPPC) forms upon assuming office, annually, and upon termination of office.

3. The Administrator shall evaluate each applicant, including its most recent audited financial statement and associated management letters, and may schedule and coordinate a safety inspection of the facilities of the applicant. The Administrator shall report the results of the evaluation and inspections to the Executive Committee who shall provide a recommendation to the Board of Directors. A two-thirds vote of the Board of Directors is required to approve the application, based upon the Executive Committee's recommendation, the application, and any evaluations, inspections, reports, or other material pertinent to the decision.

ARTICLE VII
DIRECTORS

1. Powers.
   a. General Powers. Subject to the provisions of the Government Code and any limitations in the Agreement, and these Bylaws, the business and affairs of PLAN JPA shall be managed, and all delegated powers shall be exercised, by or under the direction of the Board of Directors.
   b. Specific powers. Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:
      i. select and remove all Officers of PLAN JPA and legal counsel to PLAN JPA; prescribe any powers and duties for them that are consistent with law, the Joint Powers Agreement, and with these Bylaws; and fix their compensation, if any;
      ii. change the principal executive office or the principal business office in the State of California from one location to another;
      iii. borrow money and incur indebtedness on behalf of PLAN JPA, as authorized by the Joint Powers Agreement; annually set Administrative Premium, and Program Premiums within the standards and criteria set forth in the Bylaws;
      iv. annually set an Administrative Premium allocation formula;
      v. provide legal defense, claims management and risk management services for Member Entities; and
      vi. collect Program Premiums and Administrative Premiums.
2. Numbers. The authorized number of Directors shall be equal to the number of Member Entities in PLAN JPA.

3. Appointment of Directors and Alternates.
   a. The governing body of each Member Entity in PLAN JPA shall each appoint one (1) Director and one (1) voting Alternate Director (Alternate) to serve at the respective Member Entity's pleasure.
   b. Each appointment shall set forth the Director's or Alternate Director's name and his/her position with the Member Entity.
4. Alternate Directors. Alternate Directors may attend any meeting of the Board of Directors but may vote only if the Director for whom the Alternate Director serves is absent. All provisions of these Bylaws relating to Directors shall also apply to Alternate Directors.
5. Vacancies.
   a. Events Causing Vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:
      i. the death, resignation, or removal of any Director;
      ii. the removal, dismissal or resignation of a Director from the position he/she held with the appointing Member Entity at the time of his/her appointment;
      iii. the declaration by resolution of the Board of Directors of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under the Joint Powers Agreement or California Government Code Section 6500 et seq.; or
      iv. the increase of the authorized number of Directors.
   b. Resignations. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the President or the Secretary unless the notice specifies a later time for the resignation to become effective. No Director may resign when PLAN JPA would then be left without a duly elected Director or Alternate Director in charge of its affairs.
   c. Vacancies. Pursuant to Section 3 of this Article, the Member Entity shall appoint a Director, or Alternate Director, at any time to fill any vacancy or vacancies.
   d. Reduction or Increase in Number of Directors. The authorized number of Directors shall be reduced by one (1) for each Member Entity who has withdrawn, has been expelled from PLAN JPA or whose Coverage has been canceled. The authorized number of Directors shall be increased by one (1) for each addition or reinstatement of a Member Entity.
   e. Interested Directors. The Directors shall be subject to the California Law pertaining to Local Agencies, including but not limited to Conflict of Interest Codes, the Fair Political Practices Act, the Ralph M. Brown Act ("Brown Act") and Government Code Section 1090.
6. Place of Meetings; Meetings by Telephone. Upon seventy-two (72) hours' notice, regular meetings of the Board of Directors may be held at any place permitted under the Brown Act. Special meetings of the Board shall be held at any place permitted by the Brown Act. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, with notice as provided by the Brown Act and, so long as all Directors and members of the public participating in the meeting

can hear those remotely participating, and a majority of the quorum of the Directors are present in person at such meeting.

7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time as shall from time to time, and no less than one time per fiscal year, and be fixed by the Board of Directors.
8. Special Meetings.
   a. Authority to call. Special meetings of the Board of Directors for any purpose may be called at any time by the President, Vice President, the Secretary, or any three (3) Directors.
9. Notice.
   a. Manner of Giving -- Regular Meetings. Notice of the time and place of regular meetings shall be given by posting at the location of the meeting in compliance with the Brown Act and to each Director by one of the following methods:
      i. by personal delivery of written notice;
      ii. by first-class mail, postage paid;
      iii. by facsimile; or
      iv. by email.
   b. Manner of Giving -- Special Meetings. Notice of the time and place of special meetings shall be in compliance with the Brown Act and given to each Director by any of the methods set forth in Subsection 9(a), or by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director.
   c. Address. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of PLAN JPA.
   d. Notice Contents. The notice shall state the time and place for the meeting, and the purpose(s) of the meeting.
   e. Ralph M. Brown Act. The noticing and conduct of all meetings shall comply with the Brown Act.
10. Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article VII. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors
11. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place as provided in the Brown Act.
12. Reimbursement. Directors and members of committees may receive such reimbursement of expenses as may be determined by resolution of the Board of Directors to be just and reasonable.
13. Delegation of Powers. The Board of Directors may delegate any of its powers.

ARTICLE VIII
COMMITTEES

1. Committees of Directors. In addition to the Claims Committee, Risk Management Committee, and Finance Committee, the Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one (1) or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:
   a. Take any final action on matters which, under the Law governing Joint Powers Authorities or California Law regarding Local Agencies, requires approval of a majority of all the Directors;
   b. Approve reimbursements of the Directors for serving on the Board or on any committee;
   c. Amend or repeal bylaws or adopt new bylaws;
   d. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
   e. Appoint any other committees of the Board of Directors or the members of these committees; or
   f. Approve any transaction (1) to which PLAN JPA is a party and one (1) or more Directors have a material financial interest; or (2) between PLAN JPA and one (1) or more of its Directors or between PLAN JPA or any person or entity in which one (1) or more of its Directors have a material financial interest.
2. Meetings and Action of Committees. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VII of these Bylaws, concerning meetings of Directors, with such changes in the context of these Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the Executive Committee. Special meetings of committees may also be called by the President or committee chair. Notice of special meetings of committees shall also be given to any and all Alternate Directors, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.
3. Executive Committee. A standing committee consisting of nine Directors: the President and Vice President, the Chair of each standing committee, or if the chair of a standing committee is the President or Vice President of the Board, a representative of such standing committee appointed by the committee and four at-large Directors of the Board elected by the Board. The Executive Committee may exercise all powers of the Board necessary to further the timely and orderly conduct of business, except it may not:
   a. Set premiums;
   b. Select or remove Officers or legal counsel to PLAN JPA, except in cases of emergency or where the legal counsel is unavailable or unable to perform his or her duties until the next meeting of the

Board of Directors. Any selection of legal counsel shall be subject to ratification by the Board of Directors at its next meeting;

c. Borrow money; or

d. Amend these Bylaws or the Joint Powers Agreement.

4. Claims Committee (Liability). A standing committee consisting of no less than three (3) Directors appointed by the Board shall be charged with the duty and responsibility of:
   a. Reviewing and authorizing all payment of settlements which exceed a Member Entity's deductible or upon request by PLAN JPA or Member Entity,
   b. Establishing a defense counsel list, and hearing the initial appeal on all staff determinations of coverage for, and settlement of, a third party claim against a Member Entity.
5. Risk Management Committee. A standing committee consisting of no less than three (3) Directors appointed by the Board shall be charged with the duty and responsibility of:
   a. Reviewing and making recommendations to the Board for risk management programs, including but not limited to, voluntary and mandatory program changes in Member Entity activities, and restrictions on coverage; and
   b. Reviewing and making recommendations to the Board on applications for admissions, expulsion, withdrawal notices and proposals for cancellation, including but not limited to, the terms and conditions under which such admissions, withdrawals, expulsions and cancellations are implemented.
6. Finance Committee. A standing committee consisting of no less than three Directors appointed by the Board shall be charged with the duty and responsibility of reviewing and

making recommendations to the Board on the results of PLAN JPA's annual financial audit, reviewing and making recommendations to the Board regarding PLAN JPA's investments and Investment Policy.

ARTICLE IX
OFFICERS

1. Officers. The officers of PLAN JPA shall be the President and Vice President, and a Treasurer. All officers shall be Directors.
2. Election of Officers. At the first meeting of the Board of Directors, and at each annual meeting thereafter, nominations for the officers shall be made and seconded by a Director. If more than two (2) names are received in nomination for any one office, balloting shall occur until a nominee receives a majority of the votes cast; provided that after the first ballot the nominee receiving the fewest votes shall be dropped from the balloting. Each officer shall serve a two (2) year term. Any officer except the President and Vice President may succeed himself/herself and may serve any number of consecutive or non-consecutive terms. The President and Vice President may succeed himself/herself only if his/her first term was filled as a result of a vacancy in the office.
3. Removal of Officers. An Officer may be removed, with or without cause, by a two-thirds (2/3) vote of the Board of Directors at a regular or special meeting.
4. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled for the balance of the vacated term in the manner prescribed in these Bylaws for regular appointments to that office; provided, however, that such vacancies may be filled at any regular or special meeting of the Board of Directors.
5. Resignation of Officers. Any Officer may resign at any time by giving written notice to the President or Secretary. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of PLAN JPA under any contract to which the Officer is a party.
6. Responsibilities of Officers and Assigned Positions.
   a. President of the Board. The President of the Board shall preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him/her by the Board of Directors or prescribed by the Bylaws.
   b. Vice President of the Board. The Vice President of the Board shall fulfill all the duties of the President in his/her absence.
   c. Secretary. The General Manager for PLAN JPA shall serve as the Secretary and shall be appointed by the President. The Secretary may assign certain responsibilities to an Assistant Secretary of his/her choosing. The Secretary shall attend to the following:
      i. Book of minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors and committees of Directors, with the time and place of

holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings and the proceedings of such meetings.

ii. Notices, seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by the Bylaws to be given. He or she shall keep the seal of PLAN JPA, if any, in safe custody. He or she shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

d. Treasurer. The Treasurer may assign responsibilities to an Assistant Treasurer, who shall be the Finance Manager for PLAN JPA. Together, the Treasurer and Assistant Treasurer shall attend to the following:

i. Books of account. Keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the PLAN JPA, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

ii. Deposit and disbursement of money and valuables. Deposit all money and other valuables in the name and to the credit of PLAN JPA with such depositories as may be designated by the Board of Directors; shall disburse the funds of PLAN JPA as may be ordered by the Board of Directors; shall render to the President and Directors, whenever they request it, an account of all of his/her transactions as Treasurer and Assistant Treasurer and of the financial condition of PLAN JPA; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

ARTICLE X
PURCHASE OF INSURANCE

Purchase of Coverage. In conformance with the procedures and criteria set forth in Article III of these Bylaws, the Board of Directors may cause PLAN JPA to purchase commercial insurance or reinsurance or terminate commercial insurance or reinsurance upon a majority vote of the membership of the Board of Directors.

ARTICLE XI
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

1. Definitions. For the purpose of this Article, "agent" means any person who is or was a Director, Officer, employee, or other agent of PLAN JPA, or is or was serving at the request of PLAN JPA as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor of this PLAN JPA or of another enterprise at the request of the predecessor ABAG PLAN; "proceeding" means any threatened, pending, or completed action

or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

2. Successful Defense by Agent. To the extent that an agent of PLAN JPA has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him or her, then the provisions of Sections 3 through 5 of this Article shall determine whether the agent is entitled to indemnification.
3. Actions Brought by Persons Other Than PLAN JPA. Subject to the required findings to be made pursuant to Section 5 of this Article, below, PLAN JPA shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, PLAN JPA or the Attorney General for any breach of duty relating to assets held by PLAN JPA, by reason of the fact that such person is or was an agent of PLAN JPA, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.
4. Action Brought by or On Behalf of PLAN JPA.
   a. Claims settled out of court. If an agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of PLAN JPA, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.
   b. Claims and suits awarded against agent. PLAN JPA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of PLAN JPA by reason of the fact that the person is or was an agent of PLAN JPA, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:
      i. the determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and
      ii. upon application, the court in which the action was brought must determine that, in view of all the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.
5. Determination of Agent's Good Faith Conduct. The indemnification granted to an agent in Sections 3 and 4 of this Article above is conditioned on the following:
   a. Required standard of conduct. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he/she believed to be in the best interest

of PLAN JPA, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of noel contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he/she reasonably believed to be in the best interest of PLAN JPA or that he/she had reasonable cause to believe that his/her conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his/her conduct was unlawful.

b. Manner of determination of good faith conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:

i. the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or

ii. the court in which the proceeding is or was pending. Such determination may be made on application brought by PLAN JPA or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by PLAN JPA.

6. Limitations. No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5(b)(iii), above, in any circumstance when it appears:

a. That the indemnification or advance would be inconsistent with a provision of the Articles or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

b. that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

7. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by PLAN JPA before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

8. Contractual Rights of Non-directors and Non-officers. Nothing contained in this Article shall affect any right to indemnification to which persons other than Directors and Officers of PLAN JPA, or any subsidiary hereof, may be entitled by contract or otherwise.

9. Insurance. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of Director's and Officer's insurance, or any other insurance, on behalf of any agent of PLAN JPA against any liability deemed appropriate by the Board.

ARTICLE XII
RECORDS AND REPORTS

1. Maintenance of Corporate Records. PLAN JPA shall keep:

a. Adequate and correct books and records of account; and

b. Minutes in written form of the proceedings of its Board, and committees of the Board.

All such records shall be kept at PLAN JPA's principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state.

2. Inspection Rights.
   a. Any Member Entity may inspect the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest.
   b. Any inspection and copying under this section may be made in person or by an agent or attorney or the entity entitled thereto and the right of inspection includes the right to copy and make extracts.
3. Maintenance and Inspection of Articles and Bylaws. PLAN JPA shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office located in this state, the original or copy of the Articles and Bylaws as amended to date, which shall be open to inspection by any Member Entity at all reasonable times during office hours. If the principal executive office of PLAN JPA is outside the State of California and PLAN JPA has no principal business office in this state, the Secretary shall, on the written request of any member of the governing body of a Member Entity furnish to that member a copy of the Articles and Bylaws as amended to date.
4. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of PLAN JPA. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.
5. Annual Report.
   a. Not later than one hundred twenty (120) days after the close of PLAN JPA's fiscal year, the Board shall cause an annual report/financial audit prepared by a certified public accountant to be sent to the governing body of each Member Entity. Such report shall contain the following information in reasonable detail:
      i. the assets and liabilities, including the trust funds, of the PLAN JPA as of the end of the fiscal year;
      ii. the principal changes in assets and liabilities, including trust funds, during the fiscal year;
      iii. the revenue or receipts of PLAN JPA, both unrestricted and restricted to particular purposes, for the fiscal year; and
      iv. the expenses or disbursements of PLAN JPA, for both general and restricted purposes, during the fiscal year.
   b. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized Officer of PLAN JPA that such statements were prepared without audit from the books and records of PLAN JPA.
6. Fiscal Year. PLAN JPA's fiscal year shall be from July 1 to June 30.

ARTICLE XIII
CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Government Code Section 65000, et seq. and the California Government Code related to Local Agencies shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, the term "person" includes both PLAN JPA and a natural person and any capitalized term not defined in these Bylaws shall have the meaning ascribed to them in the Agreement.

ARTICLE XIV
AMENDMENTS

1. Amendment by Directors. Subject to the limitations set forth below, the Board of Directors may adopt, amend or repeal Bylaws. Such power is subject to the following limitations:
   a. The Board of Directors may not amend a bylaw provision fixing the authorized number of directors or the minimum and maximum number of directors.
   b. If any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of Directors.
   c. The Board of Directors may not delete or amend Bylaw provisions requiring compliance with the Agreement except as provided in the Agreement.

Agenda Item 8.B.

ADMINISTRATIVE MATTERS

SUBJECT: 2019/20 PLAN JPA Calendar of Meetings Preview

BACKGROUND AND HISTORY:

Every year, the Executive Committee reviews and recommends approval to the Board of Directors for the meeting dates for the next program year. Included with this report is the draft PLAN JPA Board and Committee Meeting Schedule for the 2019/20 Program Year.

At the Strategic Planning Session held on February 28th – March 1st, the Board of Directors decided to consolidate the Finance and Actuarial Committees into one Finance Committee that will meet once a year to review financial audits, budgets, and renewals and to provide recommendation to the Executive Committee.

Additionally, staff is recommending the PLAN JPA Board of Directors hold another Strategic Planning Session to continue reviewing the operational and organizational goals and objectives of the pool. The Strategic Planning Session will be held over a period of two days in the first quarter of 2020.

RECOMMENDATION:

Staff recommends the Executive Committee review the PLAN JPA Board and Committee Meeting Schedule for the 2019/20 Program Year and recommend approval to the Board of Directors.

REFERENCE MATERIALS ATTACHED:

- PLAN JPA Board and Committee Meeting Schedule for the 2019/20 Program Year

PLAN
JOINT POWERS AUTHORITY
POOLED LIABILITY ASURANCE NETWORK

1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833
(800) 541-4591 Fax (916) 244-1199
https://www.planjpa.org/

Board & Committee Meeting Schedule
Program Year 2019/2020

Committee	Date	Time	Location
Board of Directors	12/5/2019	9:30 a.m.	TBD
	6/11/2020	9:30 a.m.	TBD
Executive Committee	10/24/2019	10:00 a.m.	TBD
	5/14/2020	10:00 a.m.	TBD
Risk Management Committee	10/10/2019	10:30 a.m.	Teleconference
	4/2/2020	10:30 a.m.	Teleconference
Actuarial/Finance Committee	4/16/2020	10:30 a.m.	Teleconference
Claims Committee	7/25/2019*	1:30 p.m.	Teleconference
	**Standing Schedule - 4th Thursday of each month, as needed/required*		
Strategic Planning Session	2/20/2019-	1:00pm – 4:00pm	TBD
	2/21/2019	9:00am – 12:00pm	

SHARP

Board of Directors	12/5/2019	11:30 a.m.	TBD
	6/11/2020	11:30 a.m.	TBD

Agenda Item 8.C.

ADMINISTRATIVE MATTERS

SUBJECT: Review of Candidates to Fill PLAN JPA Committee and Officer Positions

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BACKGROUND AND HISTORY:

In preparation for the annual elections to take place at the June 12, 2019, the Executive Committee is being tasked with developing a slate of candidates for PLAN JPA's Committees and Officers for the Board's consideration. Nominations will be taken from the floor at the Board meeting.

The following Officer positions are up for election:

- President
- Vice-President
- Treasurer

Currently, Mr. Marc Zafferano and Ms. Kathleen Kane hold the Officer positions of President and Vice-President, respectively. The Officer position of Treasurer is currently vacant.

Enclosed for the Executive Committee's review is a current listing of the Committees and a tracking list of meeting participation by each member for Fiscal Years 2016/17 and 2017/18.

RECOMMENDATION:

Staff recommends the Executive Committee develop a slate of candidates to serve on PLAN JPA's Committees and as Officers for the 2019/20 Program Year for the Board's consideration.

REFERENCE MATERIALS ATTACHED:

- Committee Member Listing FY 2018/19
- Committee Meeting Participation FY 2017/18 and FY 2018/19

Officer and Committee Member Listing – FY 2018/19

President: Marc Zafferano
Vice-Chair: Kathleen Kane
Treasurer: VACANCY
Secretary: Jon Paulsen

Executive Committee

Marc Zafferano (Chair) – San Bruno
Kathleen Kane (Vice-Chair, Claims Chair) – Burlingame
Robert Schultz, (Acting Claims Chair) – Los Gatos
George Rodericks (Risk Management Chair) – Atherton
Kevin Bryant (At Large) – Woodside
VACANCY (Finance Chair) –
VACANCY (Actuarial Chair) –
VACANCY (At Large) –
VACANCY (At Large) –
VACANCY (At Large) –

Risk Management Committee

George Rodericks (Chair) – Atherton
Julie Carter – Dublin
David Benoun – Newark
Jeremy Dennis – Portola Valley

Actuarial Committee

VACANCY (Chair) –
Colleen Tribby – Dublin
Edmund Suen – Foster City
Cindy Safe – Woodside
Lorenzo Hines – Pacifica
Pak Lin – Colma

Claims Committee

Kathleen Kane (Chair) – Burlingame
Marc Zafferano – San Bruno
John Mullins – Hillsborough
Scott Corey – Suisun City
Robert Schultz – Los Gatos
Rebecca Mendenhall – San Carlos
Brenda Olwin – East Palo Alto

Finance Committee

VACANCY (Chair) –
Rebecca Mendenhall – San Carlos
Mary Furey – Saratoga

PLAN JPA Committee Participation

FY 2018/19		
Member Jurisdiction	**Committee Participation**	**Non-Participation**
Atherton	Executive/Risk Managemen	American Canyon
Benicia	Executive/Claims	Cupertino
Burlingame	Executive/Claims	Half Moon Bay
Campbell	Executive	Los Altos Hills
Colma	Actuarial	Millbrae
Dublin	Risk Management/Actuarial	Morgan Hill
East Palo Alto	Claims	Ross
Foster City	Executive/Actuarial/Finance	Tiburon
Hillsborough	Claims	
Los Gatos	Executive/Claims	
Milpitas	Finance	
Newark	Risk Management	
Pacifica	Actuarial	
Portola Valley	Risk Mangement	
San Bruno	Executive/Claims	
San Carlos	Claims/Finance	
Saratoga	Finance	
SSF	Executive	
Suisun City	Claims	
Woodside	Executive/Actuarial	

FY 2017/18		
Member Jurisdiction	**Committee Participation**	**Non-Participation**
American Canyon	Risk Management	Atherton
Benicia	Executive/Claims	Millbrae
Burlingame	Executive/Claims	Morgan Hill
Campbell	Executive/Actuarial	Portola Valley
Colma	Executive/Risk Management	Ross
Cupertino	Claims	Tiburon
Dublin	Risk Management/Actuarial	
East Palo Alto	Claims	
Foster City	Executive/Actuarial/Finance	
Half Moon Bay	Risk Management/Finance	
Hillsborough	Claims	
Los Altos Hills	Actuarial	
Los Gatos	Risk Management	
Milpitas	Finance	
Newark	Risk Management	
Pacifica	Actuarial	
San Bruno	Executive/Claims	
San Carlos	Risk Management/Finance	
Saratoga	Executive/Risk Management/Finance	
SSF	Executive/Finance	
Suisun City	Claims	
Woodside	Executive/Actuarial	

ADMINISTRATIVE MATTERS

SUBJECT: General Manager's Report

BACKGROUND AND HISTORY:

Strategic Planning Deliverables

Staff was directed at the Strategic Planning Sessions on February 28 through March 1, 2019, to move several deliverables and initiatives forward for future Executive Committee and/or Board consideration. Attached is a list of those deliverables outlining each item's assigned staff representative and estimated deliverable date.

Jon Paulsen, General Manager, will provide a brief update on each item and be available to answer questions from the Executive Committee.

Staffing Update

Yahaira Martinez, Assistant General Manager, resigned from York effective May 3, 2019. Katie Sullivan is replacing Ms. Martinez and will serve as Assistant General Manager subject to Executive Committee approval. York currently staffs several Administrative Assistants in the Sacramento office who are also available to assist PLAN JPA staff as needed.

CAJPA Accreditation Analysis

The California Association of Joint Powers Authorities (CAJPA) is a statewide association of more than 150 public entity JPAs, which provides continuing education, legislative advocacy and active involvement in regulatory matters on behalf of its joint powers authority members. CAJPA sponsors an accreditation program designed to ensure quality and professional standards for public entity risk management pools. Further, the CAJPA accreditation program promotes fiscally-sound practices of JPAs, and provides industry standards used to evaluate the levels of performance and compliance with the State-required and commonly accepted practices.

The process involves detailed submission, evaluation, and review processes plus the issuance of a final report. CAJPA offers two options for JPAs that are interested in accreditation:

1. Pre-Accreditation Review: Allows potential accreditation applicants to submit to a preliminary review by the accreditation consultant. Any deficiencies and corrective actions are noted to bring the potential applicant up to accreditation standard.
2. Accreditation: Entails a detailed examination of the pool's legal and operations documents, risk management, loss control and claims program, and statutory compliance.

Accreditation is performed once every three-years and involves an in-depth review of operations and performance in accordance with model standards established by CAJPA. Two levels of

accreditation are awarded by CAJPA, a full accreditation and an accreditation with excellence. Total cost for accreditation application and review is approximately $7,000 – 10,000.

Benefits of CAJPA Accreditation:

- Independent Evaluation and Feedback – Members receive evaluation of services and processes independent of staff and/or vendor communication;
- Best Practices - Accreditation review provides a framework and benchmark for Members to examine current practices and procedures;
- Financial Review - Baseline targets and comparative metrics to support financial strategy, long-term strategic planning, and assurance of future JPA viability; and
- Peer Comparison - PLAN's municipal JPA peers are accredited and active CAJPA organizations.

RECOMMENDATION:

Staff recommends the Executive Committee approve Katie Sullivan as Assistant General Manager, and authorize staff to begin the CAJPA accreditation process during the 2019/20 program year.

REFERENCE MATERIALS ATTACHED:

- PLAN JPA Strategic Planning Deliverables 2/28/19 - 3/01/2019

Item #	Description	Staff Lead	Est. Completion	Notes
	ADMINISTRATION			
1	Distribute electronic copies of Strategic Planning presentation materials	YMartinez	3/4/19	
2	Update and distribute PLAN JPA Committee responsibilities	KSullivan	6/12/19	Staff presenting at June '19 BOD meeting.
3	Issue vendor and service provider survey to Membership	KSullivan	9/30/19	
4	Send sample drone policy and MOC draft section to interested Members	JPaulsen	6/6/19	Included in MOC draft rewrite
5	Forward ERMA MOC and MPD documents to interested Members	JPaulsen	3/15/19	
6	Develop recommendation for improved risk management data and predictive analytics	JPaulsen	6/12/19	Staff presenting at June '19 EC meeting
7	Draft governing document updates to combine Finance Committee and Actuarial Committee	JPaulsen	6/12/19	Staff presenting at June '19 BOD meeting.
8	Develop EPL coverage options and roadmap for 2020/21 program year implementation	JPaulsen	Fall '19	Staff to propose at October '19 EC meeting
	ACCOUNTING AND FINANCE			
9	Distribute draft PLAN JPA budget and individual Member contributions	RSharma	3/27/19	
10	Propose updated target equity policy to Executive Committee	RSharma	Fall '19	Staff to propose at October '19 EC meeting for consideration
11	Redistribute latest retention analyses from past actuarial reports	RSharma	4/18/19	Staff presenting at April EC meeting
12	Propose alternative(s) to current experience modification calculation methodology	RSharma	12/1/19	Staff to propose at December '19 BOD meeting for
	CLAIMS OVERSIGHT AND LITIGATION MANAGEMENT			
13	Update and distribute Member claims reporting manual	WPortello	6/27/19	
14	Review limit demand denial process with Board and Coverage Counsel	WPortello	4/23/19	4/23 call completed with Board Counsel, Board President, Claims Committee Chair, Litigation Manager.
15	Confirm Members are each reporting all claims including those under the MSIR	WPortello	4/25/19	Staff pulling ground up claims counts by Member and reviewing as first stage.
16	Review MOC as specifically applies to ADA claims	WPortello	4/23/19	4/23 call completed with Board Counsel, Board President,
17	Review MOC as specifically applies to civil rights claims	WPortello	4/23/19	4/23 call compelted with Board Counsel, Board President,
18	Review MOC as specifically applies to inverse condemnation claims	WPortello	4/23/19	4/23 call completed with Board Counsel, Board President,
19	Update Defense Counsel listing	WPortello	6/27/19	Member responses received, staff to present
	RISK CONTROL			
20	Send grant program use reminder to each Member	TNorris	3/1/19	Distributed by Gail Ziegler
21	Send Terrie Norris contact information to each Member	TNorris	3/1/19	Distributed by Gail Ziegler
22	Deliver Design Immunity training session(s) to Members	TNorris	5/22/19,6/13/19	Local shared training, get the training to the operational level
23	Review prior draft 8 point resiliency plan	TNorris	6/30/19	Obtaining copy of plan from Julie Carter, City of Dublin for
	BROKERAGE AND RISK MANAGEMENT			
24	Distribute Alliant scooter contract for Member consideration	SCole	TBD	Requesting from Alliant for distribution.