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<https://www.planjpa.org/>

BOARD OF DIRECTORS MEETING AMENDED AGENDA

**Thursday, December 4, 2025
9:30 a.m.**

**The Lodge at Tiburon
1651 Tiburon Blvd
Tiburon, CA 94920**

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Cassandra Batista at (916) 244-1103 or Cassandra.Batista@sedgwick.com. 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 (PLAN) JPA Board of Directors 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.

- | | | |
|--------------------|--|----------|
| <u>Page</u> | 1. CALL TO ORDER | |
| | 2. INTRODUCTIONS | |
| | 3. APPROVAL OF AGENDA AS POSTED (OR AMENDED) | A |
| | 4. PUBLIC COMMENTS - The Public may submit any questions in advance of the meeting by contacting Cassandra Batista at: kassandra.batista@sedgwick.com . This time is reserved for members of the public to address the Board relative to matters of the Board of Directors 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. | |
| | 5. ICE BREAKER | |

- | | | | |
|-------------|-----------|--|----------|
| Page | 6. | CONSENT CALENDAR | A |
| | | If a Board Member would like to discuss any item listed, it may be pulled from the Consent Calendar. | |
| 5 | | *A. Minutes from the June 26, 2025, Board of Directors Meeting | |
| 14 | | *B. Minutes from the September 22, 2025, Special Board of Directors Meeting | |
| 18 | | *C. Risk Management Grant Fund Balances as of September 30, 2025 | |
| 19 | | *D. Proposed PLAN JPA Defense Panel Counsel List | |
| 23 | | *E. Warrant List from October 1, 2025, to November 30, 2025 | |
| 25 | | *F. Risk Management Contract | |
| | | <i>Recommendation: Staff recommends the Board of Directors approve the Consent Calendar.</i> | |
| | 7. | GENERAL MANAGER’S REPORT | |
| 37 | | *A. Report from PLAN JPA’s General Manager | A |
| | | <i>Recommendation: Staff recommends the Board approve Resolution 2025-03 recognizing the tenure, service, and retirement of Donald Larkin.</i> | |
| | 8. | ADMINISTRATIVE MATTERS | |
| 39 | | A. Introduction to LWP, Workers’ Compensation Third Party Administrator | I |
| | | <i>Recommendation: None.</i> | |
| 40 | | *B. Update to PLAN JPA Workers’ Compensation Master Program Document | A |
| | | <i>Recommendation: Staff recommends the Board of Directors approve the Master Program Document for the Pooled Workers’ Compensation Program.</i> | |
| 68 | | *C. Update to PLAN JPA Bylaws to reflect the formation of a Workers’ Compensation Committee | A |
| | | <i>Recommendation: Staff recommends the Board of Directors approve the update to the Bylaws and Resolution 2025-04 establishing the Primary Workers’ Compensation Committee.</i> | |
| 90 | | *D. Consideration of Addendum to Administrative Contract Regarding the Addition of the Workers’ Compensation Program | A |
| | | <i>Recommendation: Staff makes no recommendation as it has a financial interest in the outcome.</i> | |
| 94 | | *E. Consideration of Resolution to Lend Funds from the Liability Program to the Primary Workers’ Compensation Program | A |
| | | <i>Recommendation: Staff recommends the Board of Directors approve Resolution 2025-05 lending funds between programs.</i> | |
| 97 | | *F. LAWCX Membership Agreement for PLAN’s Excess Workers’ Compensation Program Coverage | A |
| | | <i>Recommendation: Staff makes no recommendation as it has a financial interest in the outcome.</i> | |

Page 9. FINANCIAL MATTERS

108

***A. Dividend Discussion**

A

Recommendation: Staff recommends that the PLAN Board:

- *Direct Staff to draft an allocation formula policy and update the appropriate governing documents accordingly.*
- *Direct Staff to work with PLAN JPA's contracted actuarial firm to prepare an allocation report showing the total amount available to be distributed to each member using the most recent actuarial assessments of ultimate loss and most recent audited financial data as of June 30, 2025.*

110

***B. Amendment to 2025/26 Budget**

A

Recommendation: Staff recommends the Board of Directors approve the PLAN JPA Amended Budget.

114

C. Update to PLAN JPA Captive

A

Recommendation: Staff recommends the Board of Director reaffirm its approval of the formation of the Captive.

116

D. Loss Run Reconciliation and Over Billing

I

Recommendation: None.

10. RISK CONTROL MATTERS

117

A. 2025/26 Risk Control Update

I

Recommendation: None.

11. STATE OF THE MARKET

120

A. State of the Market

I

Recommendation: None.

12. CLAIMS MATTERS

121

A. Litigated Claims Trends presented by Carl Warren

I

Recommendation: None.

122

B. Defense Counsel Metrics

I

Recommendation: None.

13. CLOSING COMMENTS

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

A. Board of Directors

B. Staff

15. ADJOURNMENT

NOTICES:

- The following Board of Directors meeting will be held on March 11, 2026, at 10:00am location TBD.

December 4, 2025

Agenda Item 6.A.-F.

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

RECOMMENDATION:

Staff recommends the Board of Directors approve the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- A. Minutes from the June 26, 2025, Board of Directors Meeting
- B. Minutes from the September 22, 2025, Special Board of Directors Meeting
- C. Risk Management Grant Fund Balances as of September 30, 2025
- D. Proposed PLAN JPA Defense Panel Counsel List
- E. Warrant List from October 1, 2025, to November 30, 2025
- F. Risk Management Contract

**POOLED LIABILITY ASSURANCE NETWORK JOINT
POWERS AUTHORITY
(PLAN JPA)**

**MINUTES OF THE BOARD OF DIRECTORS
MEETING OF June 26, 2025**

A Regular meeting of the Board of Directors was held on June 26, 2025, via videoconference.

MEMBERS PRESENT: Rebecca Mendenhall, President, San Carlos (left during 11.A.)
Yulia Carter, Vice President
Will Fuentes, Treasurer, Campbell
George Rodericks, Atherton
Juan Gomez, American Canyon
Michael Guina, Burlingame
Nathan Bassett, Colma
Kristina Alfaro, Cupertino (left during 11.A.)
Sarah Monnastes, Dublin (joined during 6.A.)
Tomo Oku, East Palo Alto (left during 11.A.)
Jennifer Dianos, Hillsborough
Gabrielle Whelan, Los Gatos
Mike Sung, Millbrae (left during 9.A.)
Luz Cofresi-Howe, Milpitas (left during 7.A.)
Donald Larkin, Morgan Hill
Brittney Frye, Newark
Christa Johnson, Ross (left during 9.A.)
Jennifer Dianos, San Bruno
Jason Wong, South San Francisco
Christina Penland, Suisun
Lea Dilena, Tiburon
Jason Ledbetter, Woodside (left during 9.A.)

MEMBERS ABSENT: Kim Imboden, Benicia
Diane Pitman, Foster City
Lisa Rossi, Half Moon Bay
Darcy Smith, Portola Valley
Monica LaBossiere, Saratoga

OTHERS PRESENT: Eric Dahlen, General Manager
Kassandra Batista, Administrative Analyst

Will Portello, Senior Litigation Management
Jackie Miller, Workers Compensation Manager
Hillary Waddle, Assistant Program Manager
Joe Roy, Finance Manager
Shane Baird, Risk Control Services Manager
Christopher Bouche, Legal Counsel

1. CALL TO ORDER:

The Regular Meeting of the PLAN JPA Board of Directors meeting was called to order at 10:03 a.m.

2. INTRODUCTIONS:

Introductions were made and it was determined there was a quorum present.

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

General Manager, Eric Dahlen, asked to remove item 12 from the agenda due to an absence of the presenter.

Jason Ledbetter moved to approve the agenda as amended. Yulia Carter seconded the motion. A roll call vote was taken, and the motion passed unanimously.

4. PUBLIC COMMENTS:

None.

5. CONSENT CALENDAR

Juan Gomez moved to approve the following items: A) Minutes from the December 4-5, 2024, Annual Workshop; B) Minutes from the March 13, 2025, Special Board of Directors meeting; C) 2025/26 Risk Control Update and Services Report as of April 10, 2025; D) Risk Management Grant Fund Balances as of May 31, 2025; E) 2025 Sewer and Storm Water Summit Proposal; F) Warrant List from April 1, 2025, to May 31, 2025; G) Defense Counsel Panel List; H) General Liability Actuarial Report 2024/25, dated June 15, 2025; I) Property Actuarial Report 2024/25, dated June 15, 2025; J) Resolution 2025-01 PLAN JPA 2025/26 Meeting Dates; K) 2025/26 Property Memorandum of Coverage; L) 2025/26 General Liability Memorandum of Coverage; M) Extended Actuarial Services Contract; N) Extended Broker Services Contract; and O) Financial

Auditor Contract. Jason Ledbetter seconded this motion. A roll call vote was taken, and the motion passed unanimously.

6. CLOSED SESSION:

A. The Committee convened to closed session, pursuant to Government Code section 54956.95(a) at 10:10 a.m. to discuss the following:

- Karoshi v. City of Campbell
- Chong v. City of Benicia
- Gregory v. City of Benicia
- Huyn v. City of Half Moon Bay
- Etzel Williams v. City of Burlingame

B. Pursuant to Government Code Section 54957.1, the Committee reconvened to open session at 10:27 a.m. The following actions were taken under closed session:

Settlement authority was granted during closed session.

7. REVIEW AND UPDATE TO THE PLAN JPA BYLAWS

Mr. Eric Dahlen, PLAN JPA General Manager, acknowledged a staff error in attaching the wrong version of the bylaws to the agenda packet and clarified that alternates are currently allowed to serve on committees. He then presented a proposed amendment to remove term limits for Board Officers, allowing any officer—including President and Vice President—to serve any number of consecutive or non-consecutive terms.

He explained that the change was necessary to maintain leadership continuity, as the current President, Ms. Rebecca Mendenhall, City of San Carlos, would otherwise be ineligible to serve another term, and the Vice President position is vacant due to retirement. Board members agreed that the amendment reflects current practice and ensures stability, especially given the complexity of PLAN JPA programs and the need for experienced leadership. Members noted that similar flexibility exists in other JPAs and that this change would prevent disruption in governance.

Yulia Carter moved to approve the agenda as amended. Christa Johnson seconded the motion. A roll call vote was taken, and the motion passed unanimously.

8. DISCUSSION OF BUILDING A WORKERS' COMPENSATION PROGRAM IN PLAN JPA

Mr. Dahlen provided an overview of the proposed Workers' Compensation Program, citing the upcoming dissolution of the Cities Group effective December 31, 2025, and the need for PLAN JPA to offer a comprehensive coverage solution.

Mr. Dahlen explained that the proposed Workers' Compensation Program would be structured using governing documents modeled on successful programs in other JPAs, including a master program document and a memorandum of coverage. The target launch date is January 1, 2026 for Cities Group members, with other members joining later based on their notice requirements. Funding will be determined through actuarial analysis to establish rates and allocation methodologies. The program will include coverage for public safety personnel, with separate rating factors to account for their higher risk exposure. To manage claims effectively, PLAN JPA will issue a request for proposal (RFP) for a third-party administrator (TPA) and an excess coverage broker. Governance will be supported by a dedicated subcommittee tasked with reviewing documents and guiding implementation.

Subcommittee members are as follows: Christina (Suisun City), Pittman (Foster City), Sarah (Dublin), Rebecca (San Carlos), Krista (Ross).

George Rodericks moved to approve the agenda as amended. Yulia Carter seconded the motion. A roll call vote was taken, and the motion passed unanimously

9. ELECTIONS

a. REVIEW OF CANDIDATES TO FILL PLAN JPA COMMITTEES AND OFFICER POSITIONS

Mr. Dahlen noted that the Treasurer position remains filled by Mr. Will Fuentes through June 2026. The Board proceeded with officer elections for open positions.

Results are as follows:

President:

- Rebecca Mendenhall, City of San Carlos

Vice President:

- Yulia Carter, City of Pacifica

Committee Appointments:

- **Executive Committee:** Standing seats include President, Vice President, Treasurer (Will Fuentes), and Risk Management Chair. Juan (American Canyon) volunteered to fill an at-large vacancy.
- **Risk Management Committee:** Members reaffirmed: George (Atherton), Yulia (Pacifica), Sarah (Dublin), Diane (Foster City). Additions: Jenny Lou (alternate for San Carlos) and Christina Penland (Suisun City).
- **Finance Committee:** Members reaffirmed: Will Fuentes (Chair), Jan Cook (Hillsborough), Cindy (Woodside), Helen (Burlingame), Trudy (Milpitas).

Christa Johnson moved to approve Rebecca Mendenhall as Board President. Diane Pittman seconded the motion. A roll call vote was taken, and the motion passed unanimously.

Juan Gomez moved to approve Yulia Carter as Board Vice President. Rebecca Mendenhall seconded the motion. A roll call vote was taken, and the motion passed unanimously.

10. FINANCIAL MATTERS

a. DISCUSSION OF CAPTIVE FOR PLAN JPA

Mr. Joe Roy, PLAN JPA Finance Manager, presented a comprehensive analysis on forming a captive for PLAN JPA to allow greater investment flexibility and potential higher returns.

- **Long-Term Benefits:** Members noted that forming a captive would allow PLAN JPA to invest in equities and other instruments, potentially generating higher returns compared to traditional fixed-income investments. This could strengthen the pool's financial position, provide greater stability for future claims funding, and allow for member dividends or reduced contributions over time.
- **Risk Mitigation Strategies:** The Board acknowledged market volatility and discussed strategies to minimize exposure, such as maintaining a diversified portfolio, setting conservative investment limits, and implementing strict oversight protocols. They emphasized actuarial input and periodic reviews to ensure compliance and solvency.
- **Governance Requirements:** Members reviewed the need for a separate captive board, compliance with Utah's insurance regulations (recommended jurisdiction), and formal governance documents. The discussion included special board meetings to approve governing documents, elect captive directors, and establish investment policies.

Christa Johnson moved to approve the creation of the Captive for PLAN JPA. Yulia Carter seconded the motion. A roll call vote was taken, and the motion passed unanimously.

b. CONSIDERATION OF THE 2025/26 DRAFT OPERATING BUDGET

Mr. Roy presented a comprehensive overview of the proposed operating budget for FY 2025–26. Member contributions will increase by approximately 7%, reflecting liability claims development and market conditions. Contributions cover three programs: Liability, Property, and EPL (Employment Practices Liability), which is a pass-through program via Employment Risk Management Authority (ERMA).

Liability Program:

- Excess liability market remains challenging due to social inflation, large jury verdicts, and third-party litigation funding, but PLAN JPA achieved a successful renewal with slight restructuring and added aggregate limits.
- Budget calculation process now handled internally by PLAN JPA for greater flexibility in modeling scenarios. Steps include applying actuarial funding rates, experience modification factors (capped at $\pm 30\%$), balancing factors (approx. 12% this year), and deductible adjustments.

Additional Adjustments:

- East Palo Alto added coverage for its sanitary district, resulting in an additional \$13,000 in costs. Coverage counsel confirmed coverage was already extended under existing terms.
- Risk Management Grant Fund allocation of \$200,000 recommended, funded from equity due to prior-year negative results.

Property Program:

- Simpler calculation based on rate \times total insured value; no experience modification factor.
- Excess coverage allocated by insured value; cyber coverage allocated by payroll.
- Resolute Guard cyber risk service included; members encouraged to use service for value and discount.
- Property rehabilitation loan repayment continues (final year), strengthening property program equity.
- Administrative expenses allocated 20% to property, 80% to liability.

Budget Reconciliation:

- Positive net income projected due to higher confidence level funding and loan repayment, but adjusted net income is effectively zero after accounting for risk management grant funding.
- Preliminary FY 2024–25 results indicate a projected surplus of \$2–3 million after Q4 adjustments.

Decisions Required:

- Option 1: Include \$50,000 for Workers' Compensation Program development (actuarial study and vendor fees).
- Option 2: Include \$226,000 for captive formation (allocated to liability program only).
- Option 3: Cyber coverage decision—maintain current \$5M aggregate or increase to \$6M at no additional cost.

Christa Johnson moved to approve the 2025/26 operating budget, all 3 options described, and subject to final amounts for the cost of excess liability coverage. Jason Ledbetter seconded the motion. A roll call vote was taken, and the motion passed unanimously

c. CONSIDERATION OF UPDATE TO PLAN JPA BANKING AND INVESTMENT RESOLUTION

Mr. Roy explained that the updated resolution clarifies current accounts and authorized signatories, replacing outdated references to prior administrators. This is a cleanup measure with no substantive changes to banking practices.

Jennifer Dianos moved to adopt the RMH Policy and allocation amounts, subject to final estimates calculated after year-end. Rebecca Mendenhall seconded the motion. A roll call vote was taken, and the motion passed unanimously

11. RISK CONTROL MATTERS

a. CONSIDERATION OF THE 2025/26 RISK CONTROL PLAN

Mr. Shane Baird, PLAN JPA Risk Control Manager, provided by Board an overview of the risk control services plan for 2025/26.

The proposed risk control service plan for 2025/26 includes:

- Risk Control Orientation
- Loss Analysis for each member
- Member Services & Outreach
- Focused Assessments on Designated Topics
- Regional Training
- Self-Assessment Checklists & Materials
- Oversight of the Risk Management Grant Fund Reimbursements
- Sedgwick Risk Control Website Resources
- Unlimited Phone & Email Consultation

George Rodericks moved to approve the proposed 2025/26 Risk Control Service Plan. Yulia Carter seconded the motion. A roll call vote was taken, and the motion passed unanimously.

b. DISCUSSION OF THE RISK MANGAMENT GRANT FUND

Mr. Baird and Mr. Roy outlined proposed changes as follows:

- Allocation methodology revised to 50% based on contributions and 50% on experience mod to incentivize risk reduction.
- Annual funding tied to pool equity (\$200K–\$500K) to maintain financial health.
- Cap on unused funds introduced to encourage timely use, with grace period until FY 2026–27.
- Receipts for FY 2024–25 expenses allowed until June 30, 2026.

Michael Guina moved to formally adopt the RMG Policy and allocation amounts, subject to final estimates calculated after year-end. Yulia Carter seconded the motion. A roll call vote was taken, and the motion passed unanimously.

12. GENERAL MANAGER’S REPORT

a. REPORT FROM PLAN JPA’S GENERAL MANGER

Mr. Dahlen provided updates on renewal process improvements, including development of an online submission system to streamline data collection. He discussed potential RFP for broker services, noting strong performance by current broker Alliant. Staff will prepare a fact sheet clarifying Sexual Abuse and Molestation (SAM) coverage for distribution to members.

13. CLOSING COMMENTS:

A. Executive Committee

None.

B. Staff

None.

14. ADJOURNMENT

The Regular Meeting of the PLAN JPA Board of Directors was adjourned at 12:59 p.m.

A handwritten signature in black ink, appearing to read 'E. Dahlen', written over a horizontal line.

Eric Dahlen, General Manager

**POOLED LIABILITY ASSURANCE NETWORK JOINT
POWERS AUTHORITY
(PLAN JPA)**

**MINUTES OF THE BOARD OF DIRECTORS SPECIAL
MEETING OF SEPTEMBER 22, 2025**

A Special meeting of the Board of Directors was held on September 22, 2025, via videoconference.

MEMBERS PRESENT:

Rebecca Mendenhall, President, San Carlos
Yulia Carter, Vice President, Pacifica (arrived during 3)
George Rodericks, Atherton
Scott Corey, American Canyon
Michael Guina, Burlingame
Will Fuentes, Treasurer, Campbell
Nathan Bassett, Colma
Kristina Alfaro, Cupertino
Sarah Monnastes, Dublin
Tomo Oku, East Palo Alto
Diane Pitman, Foster City
Lisa Rossi, Half Moon Bay
Jan Cooke, Hillsborough
Thomas Leung, Los Altos Hills (arrived during 5.a)
Gabrielle Whelan, Los Gatos
Mike Sung, Millbrae
Luz Cofresi-Howe, Milpitas (arrived during 5.a)
Donald Larkin, Morgan Hill
Brittney Frye, Newark
Christa Johnson, Ross
Monica Labossiere, Saratoga
Jason Wong, South San Francisco
Lea Dilena, Tiburon
Jason Ledbetter, Woodside

MEMBERS ABSENT:

Kim Imboden, Benicia
Donald Larkin, Morgan Hill
Darcy Smith, Portola Valley
Jennifer Dianos, San Bruno
Christina Penland, Suisun

OTHERS PRESENT: Eric Dahlen, General Manager
Kassandra Batista, Administrative Analyst

1. CALL TO ORDER:

The Special Meeting of the PLAN JPA Board of Directors was called to order at 10:02 a.m.

2. INTRODUCTIONS:

Introductions were made and it was determined there was a quorum present.

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

Michael Guina moved to approve the agenda. Lisa Rossi seconded the motion. A roll call vote was taken, and the motion passed unanimously.

4. PUBLIC COMMENTS:

None.

5. GENERAL MANAGERS REPORT

A. Report from PLAN JPA's General Manager

Eric Dahlen, General Manager, provided updates to the Executive Committee on the following topics:

Workers' Compensation Program – The Board previously approved development of a Workers' Compensation Program and formation of an ad hoc committee. A request for proposal (RFP) was issued to five (5) recommended companies, and three (3) submitted proposals. Interviews were conducted early September, and a selection was made. Finance staff is preparing “not-to-exceed” cost estimates for members, and negotiations with the selected third-party administrator (TPA) will reduce anticipated costs. Office of Self Insured Plans (OSIP) certification is in progress, and cities joining January 1 will receive participation certificates.

Captive Development – In June, the Board of Directors approved forming a captive as an investment vehicle for pool assets. Staff is prioritizing dividend calculations before proceeding. Brown Act compliance was confirmed by counsel; taxation issues remain

under review with external professionals. Outreach to sister pools revealed no reported issues. Formation efforts are temporarily slowed until dividend questions are resolved.

Underwriting Policy for New Members – PLAN JPA currently lacks a formal policy for underwriting new member applications. Mr. Dahlen proposed extending authority to the Executive Committee (meeting October 16) to approve such a policy. Costs for underwriting range from \$600–\$1,300; applicants may be asked to submit a fee.

Yulia Carter moved to extend authority to the Executive Committee to approve an underwriting policy to be implemented immediately. Sarah Monnastes seconded the motion. A roll call vote was taken, and the motion passed unanimously.

6. ADMINISTRATIVE MATTERS:

A. Approval of PLAN JPA Workers' Compensation Third-Party Administrator

Mr. Dahlen explained that three (3) companies responded to the RFP: AdminSure, LWP, and Sedgwick. The ad hoc committee unanimously recommended LWP based on interviews and qualifications. A contract was negotiated and reviewed by counsel; LWP accepted all language without objection.

Pricing was revised from a flat fee to a per-claim fee for cost efficiency. Mr. Dahlen disclosed a conflict of interest due to his employment with Sedgwick and abstained from recommending approval. Committee members confirmed unanimous support for LWP and urged approval.

Sarah Monnastes moved to approve LWP as the TPA for PLAN JPA Workers' Compensation Program. Rebecca Mendenhall seconded the motion. A roll call vote was taken, and the motion passed unanimously.

7. CLOSING COMMENTS:

A. Board of Directors

None.

B. Staff

None.

8. ADJOURNMENT

The Special Meeting of the PLAN JPA Board of Directors was adjourned at 10:31 a.m.

A handwritten signature in black ink, appearing to read "Eric Dahlen", is written over a horizontal line.

Eric Dahlen, General Manager

**GRANT FUND ALLOCATION
FOR FISCAL YEAR 2025-2026**

Member	2025/26 GRANT FUND Allocation	CarryOver From 24/25	Total Available at start of fiscal year	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	April 2026	May 2026	June 2026	Total Grants Paid in 25/26	Risk Mgmt Grant Available for Use
AMERICAN CANYON	\$ 4,507	\$ 905	\$ 5,411													-	\$ 5,411
ATHERTON	\$ 6,795	\$ 0	\$ 6,795			501.65										501.65	\$ 6,293
BENICIA	\$ 8,376	\$ (8,375)	\$ 0													-	\$ 0
BURLINGAME	\$ 10,236	\$ (0)	\$ 10,236													-	\$ 10,236
CAMPBELL	\$ 8,599	\$ 1,142	\$ 9,741													-	\$ 9,741
COLMA	\$ 3,506	\$ 6,539	\$ 10,045													-	\$ 10,045
CUPERTINO	\$ 8,129	\$ 89,850	\$ 97,979													-	\$ 97,979
DUBLIN	\$ 10,701	\$ 42,010	\$ 52,711													-	\$ 52,711
EAST PALO ALTO	\$ 4,755	\$ 53,701	\$ 58,456													-	\$ 58,456
FOSTER CITY	\$ 5,202	\$ 80,098	\$ 85,300													-	\$ 85,300
HALF MOON BAY	\$ 5,968	\$ 37,655	\$ 43,623													-	\$ 43,623
HILLSBOROUGH	\$ 7,493	\$ 0	\$ 7,493													-	\$ 7,493
LOS ALTOS HILLS	\$ 5,083	\$ 23,945	\$ 29,028													-	\$ 29,028
LOS GATOS	\$ 5,926	\$ 34,916	\$ 40,843													-	\$ 40,843
MILLBRAE	\$ 6,891	\$ 57,329	\$ 64,220													-	\$ 64,220
MILPITAS	\$ 10,357	\$ 102,676	\$ 113,033													-	\$ 113,033
MORGAN HILL	\$ 9,007	\$ 33,676	\$ 42,682													-	\$ 42,682
NEWARK	\$ 6,737	\$ 91,121	\$ 97,858													-	\$ 97,858
PACIFICA	\$ 7,866	\$ 0	\$ 7,866													-	\$ 7,866
PORTOLA VALLEY	\$ 3,775	\$ 0	\$ 3,775													-	\$ 3,775
ROSS	\$ 3,968	\$ (0)	\$ 3,968			450.00										450.00	\$ 3,518
SAN BRUNO	\$ 9,808	\$ 28,081	\$ 37,889													-	\$ 37,889
SAN CARLOS	\$ 9,077	\$ 0	\$ 9,077													-	\$ 9,077
SARATOGA	\$ 5,674	\$ 25,444	\$ 31,118													-	\$ 31,118
SOUTH SAN FRANCISCO	\$ 8,235	\$ 69,341	\$ 77,576													-	\$ 77,576
SUISUN CITY	\$ 8,992	\$ 80,486	\$ 89,479													-	\$ 89,479
TIBURON	\$ 8,019	\$ 38,313	\$ 46,332													-	\$ 46,332
WOODSIDE	\$ 6,319	\$ 2,798	\$ 9,117													-	\$ 9,117
GRAND TOTAL	\$ 200,000	\$ 891,652	\$ 1,091,652	\$ -	\$ -	\$ 951.65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 951.65	\$ 1,090,701

PROPOSED PLAN JPA LIST OF PANEL COUNSEL [DECEMBER 2025]

PRACTICE AREA: INSURANCE COVERAGE LITIGATION

Law Firm	Address	Telephone	E-mail	Attorneys
Law Office of Blane A. Smith	455 University Ave. Suite 270 Sacramento, CA	(916) 679-1245	bsmith@blanesmith.com	Blane Smith

PRACTICE AREA: APPELLATE SPECIALISTS

Law Firm	Address	Telephone	E-mail	Attorneys
Hayes, Scott, Bonino, Ellingson, McKay, LLC	203 Redwood Shores Pkwy 4th Floor, Ste. 480 Redwood City, CA 94065	(650) 486-2869	mbonino@hayesscott.com	Mark Bonino
Wilke Fleury, LLP	621 Capitol Mall Suite 900 Sacramento, CA 95814	(916) 281-6184	snicholson@wilkefleury.com	Suzanne Nicholson

PRACTICE AREA: CIVIL RIGHTS/ POLICE PRACTICES SOLE FOCUS

Law Firm	Address	Telephone	E-mail	Attorneys
Allen, Glaessner, Hazelwood & Werth	180 Montgomery St. 12 th Floor, San Francisco, CA 94104	(415) 697- 2000	DAllen@aghwlaw.com KAllehn@aghwlaw.com	Dale Allen Kevin Allen
Castillo, Moriarty Robinson	75 Southgate Ave. Daly City CA 94015	(415) 213-4098	jrobinson@cmtrlaw.com	John Robinson

Davis, Bengtson & Young, APLC	1760 The Alameda Ste. 210 San Jose, CA 95216	(408) 261-4206	sdippell@dby-law.com	Steve Dippell
Hawkins Parnell & Young, LLP	345 California City St. Ste 2850 San Francisco, CA 94105	(415) 979-2073	DLewis@hpylaw.com	Danielle Lewis
Lewis Brisbois	633 W. 5 th St. Ste 400 Los Angeles, CA 90071	(213) 358-6041	Tony.Sain@lewisbrisbois.com	Tony Sain
McNamara, Ney, Beatty, Slattery, Borges & Ambacher	3480 Buskirk Ave Suite 250 Pleasant Hill, CA 94523	(925) 939- 5330	Noah.Blechman@Mcnamaralaw.com	Noah Blechman

PRACTICE AREA: GENERAL PUBLIC LIABILITY

** Includes Civil Rights/ Police Practices

Law Firm	Address	Telephone	E-mail	Attorneys
Allen, Glaessner, Hazelwood & Werth	180 Montgomery St. 12 th Floor, San Francisco, CA 94104	(415) 697- 2000	MHazelwood@aghlaw.com pvanzandt@aghlaw.com mnozzolino@aghlaw.com	Mark Hazelwood (Of Counsel) Peter Van Zandt Maria Nozzolino
Bertrand, Fox, Elliot Osman & Wentzel	2749 Hyde Street San Francisco, CA 94109	(415) 353-0999	gfox@BFESF.com rosman@BFESF.com eelliot@BFESF.com	Greg Fox** Richard Osman** Eugene Elliot**
	1300 Clay Street, Ste. 58 Oakland, CA 9461	(510) 466-6380	mwenzel@BFESF.com	Michael Wenzel
Cholakian & Associates	461 Second St. Suite 452	(650) 871-9544 ext. 201	kcholakian@cholakian.net	Kevin K. Cholakian

	San Francisco, Ca 94107			
Clapp, Moroney, Vucinich, Beeman & Scheley	1111 Bayhill Dr. San Bruno, CA 94066	(650) 989- 5400	JVucinich@ClappMoroney.com	Jeffrey Vucinich**
Law Offices of Dawn Ceizler	5486 Pine Hollow Road Concord, CA 94521	(925) 932- 8225	dc@ceizler.com	Dawn Ceizler
Davis, Bengtson & Young, APLC	1960 The Alameda Ste. 210 San Jose, CA 95126	(408)261-4245	eric@dby-law.com mdavis@dby-law.com	Eric J. Bengston Mark Davis
Howard, Rome, Martin, Ridley	1900 O'Farrell Str., Ste 280 San Mateo, CA 94403	(650) 365- 7715	tmaster@hmrmlaw.com sridley@hmrmlaw.com bgundert@hmrmlaw.com	Todd Master** Shawn Ridley Bob Gundert
Leone and Alberts	1390 Willow Pass Rd., Suite 700 Concord, CA 94520	(925) 974- 8600	bduus@leonealberts.com	Brian Duus**
Lewis Brisbois	633 W. 5th St. Ste 4000 Los Angeles, CA 90071 2020 West El Camino Ave. Suite 700 Sacramento, CA 95833	(213) 680- 5104 (916) 646-8261	Dana.Fox@lewisbrisbois.com Charles.Painter@lewisbrisbois.com	Dana Alden Fox Charlie Painter
Matheny, Sears, Linkert and Jaime	3638 American River Dr., Sacramento, CA 95864	(916) 978-3434	RBangle@mathenysears.com Rlinkert@mathenysears.com	Ray Bangle Rick Linkert (SAM cases)
McDowell - Cotter	2070 Pioneer Court San Mateo, CA 94403	(650) 324- 9300	drosenbaum@mcdlawyers.net jemmaneel@mcdlawyers.net	David Rosenbaum** Jennifer Emmaneel

McNamara, Ney, Beatty, Slattery, Borges & Ambacher	3480 Buskirk Ave Suite 250 Pleasant Hill, CA 94523	(925) 939- 5330	Martin.ambacher@mcnamaralaw.com	Marty Ambacher
Orbach Huff & Henderson, LLP	6200 Stoneridge Mall Pleasanton, CA 94588	(510)350-3582	kgilbert@ohhlegal.com caguilar@ohhlegal.com nfine@ohhlegal.com rhom@ohhlegal.com	Kevin Gilbert** Carolyn Aguilar Nicholas Fine** Randolph Hom
Rankin	96 N. Third Street, Ste. 560 San Jose, CA 95112	(408)759-0552	Jeffrey@Rankinstock.com	Jeffrey Oneal
Rivera Hewitt Paul LLP	11341 Gold Express Drive Suite 160 Gold River, CA 95670	(916) 922-1200	SHewitt@rhplawyers.com JPaul@rhplawyers.com DChopra@rhplawyers.com CJanof@rhplawyers.com WMotooka@rhplawyers.com JNathan@rhplawyers.com	Shannan Hewitt** Jonathan Paul** Dalbir Chopra Christopher Janof Wendy Motooka** Jill Nathan
Stream Kim Hicks Wrage & Alfaro	3403 Tenth Street, Suite 700 Riverside, CA 92501	(510) 673-3577 (Attorney is local)	joanne.tran@streamkim.com	Joanne Tran**

SERVICE AGREEMENT FOR LOSS CONTROL SERVICES

This Service Agreement for Loss Control Services (this “Agreement”) is entered into effective July 1, 2025 (“Effective Date”), by and between Sedgwick Claims Management Services, Inc. (“Sedgwick”) and the Pooled Liability Assurance Network Joint Powers Authority (“Client”).

RECITALS

1. Client desires that Sedgwick provide certain loss control services.
2. Sedgwick is willing to provide such services on the terms and conditions hereinafter stated.

AGREEMENT

1. Services to Be Performed by Sedgwick:

- A. Sedgwick shall provide Client with the services set forth in Exhibit B.
- B. Any report, observation, or recommendation provided by Sedgwick, is for the sole benefit and use of the Client and may not be relied upon by any person or entity other than the Client.

2. Obligations of Client:

- A. Client shall provide Sedgwick with cooperation and information as needed to allow Sedgwick to perform its services.
- B. Client shall pay to Sedgwick the fees set forth in Exhibit A, plus applicable taxes, if any, and any related expenses.
- C. Should Client fail to make timely payments of any fees due Sedgwick or should Client in any other way breach a material term of this Agreement, Sedgwick shall then have the right to refuse to perform any further services. If Sedgwick elects to exercise its rights under this paragraph, in addition to all other legal or equitable remedies, Sedgwick will have the right to its full minimum fee, if any, as well as any other fees for which Sedgwick may be eligible.
- D. Client acknowledges and agrees that the performance of Loss Control Services by Sedgwick under this Agreement in no way guarantees Client of a reduction or improvement in its incurred losses. Client recognizes that Sedgwick has been engaged under this Agreement solely for the purpose of providing loss control documentation, recommendations, and information.

3. Discontinuance of Operations:

Should Client discontinue its business for any reason, all fees due Sedgwick shall be paid immediately. Sedgwick shall have no further obligation to continue to provide the services called for in this Agreement, and, at Sedgwick's option, this Agreement shall be considered terminated as of the date Client ceases operations or is subject to a bankruptcy or receivership filing, either voluntarily or involuntarily.

4. Term of Agreement and Termination:

- A. The term of this Agreement shall be for the period commencing on July 1, 2025 and ending on June 30, 2028.
- B. This Agreement may be terminated by either party at any time, provided that at least thirty (30) days prior written notice of the effective date of termination is given to the other party.
- C. If Client fails to pay Sedgwick service fees which it is obligated to pay, then Sedgwick may present all unpaid invoices to Client and Client shall pay such service fees within thirty (30) days of presentment.
- D. Upon expiration or termination of this Agreement, Sedgwick shall deliver, at Client's sole cost, the hard copy and imaged files that Sedgwick has maintained for services provided under this Agreement (but not including any computer hardware, firmware, software or other proprietary information of Sedgwick), except those Sedgwick has agreed in writing to continue to process or files that are owned by Client; provided, however, that Sedgwick or its agents, employees or attorneys shall continue to be entitled to inspect all such files and make copies or extracts there from. Imaged files shall be transferred to Client in the same electronic format. If Client does not agree to accept such files, they will be retained or destroyed at Sedgwick's option and Client shall have no recourse against Sedgwick for failure to retain them.

5. Professional Advice:

Nothing in this Agreement is intended to require Sedgwick to engage in the practice of law or professional engineering, and services provided shall not be considered professional engineering, legal, tax or accounting advice, and Sedgwick shall in no event give, or be required to give, any legal opinion or provide any engineering, legal, tax or accounting representation to Client. Client acknowledges that Sedgwick has been engaged to provide certain professional services and that it is not the intent of the parties that Sedgwick assume any insurance risk. Sedgwick shall not act as an insurer for Client, and this Agreement shall not be construed as an insurance policy; it being understood that Sedgwick is in no event financially responsible for payment or satisfaction of Client's claims, lawsuits, or any form of cause of action against Client from Sedgwick funds.

6. Indemnification:

- A. Sedgwick shall be fully responsible for exercising reasonable care at all times in the performance of its obligations hereunder. Sedgwick agrees to indemnify, hold harmless and defend Client, its directors, officers, employees and agents from and against any and all liabilities, loss or damage that they may suffer as a result of any claim, demand, cost or judgment against them arising out of the negligence or willful misconduct of Sedgwick in connection with its performance under this Agreement, provided that such acts or omissions do not arise out of or relate to oral or written instructions, procedures or forms supplied by Client or to Client's internal management or underwriting. Each party agrees to keep the other fully informed of any matter for which it is defending, holding harmless or indemnifying the other party. Each party reserves the right to appoint its own counsel, at its own expense, regarding any matter defended hereunder and to approve any settlements of same.
- B. Notwithstanding anything to the contrary contained in the above paragraph, it is understood and agreed that if Client, directly or through a subcontractor or vendor of Client's choosing ("Client Subcontractor"), provides information that Sedgwick relies on in the performance of its services or if Client otherwise directs performance of the services, Client will indemnify, defend, and hold Sedgwick, its officers, directors, employees and agents harmless from the losses, damages, costs, judgments and expenses (including attorney's fees and costs) as a result of any litigation or proceeding, fines, penalties, revocation of license, or any other state regulatory investigation or action arising against Sedgwick related to the acts or omissions of Client or the Client Subcontractor.
- C. The parties agree that in no event shall Sedgwick's liability under this Agreement exceed the service fees paid to Sedgwick for the twelve (12) months immediately prior to the event from which the claim or matter arises. IN NO EVENT SHALL SEDGWICK BE LIABLE FOR ANY LOSS OR DAMAGE TO REVENUES, PROFITS OR GOODWILL OR OTHER SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND RESULTING FROM ITS PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT OR RESULTING FROM THE FURNISHING, PERFORMANCE, USE OR LOSS OF USE OF ANY SOFTWARE, SYSTEM, SITE, OR DELIVERABLE PROVIDED TO CLIENT HEREUNDER, INCLUDING WITHOUT LIMITATION ANY INTERRUPTION OF BUSINESS, EVEN IF SEDGWICK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE
- D. Notwithstanding the foregoing, an indemnifying party will not settle a claim without the indemnified party's written consent, unless such settlement results in (i) a full release of all parties, (ii) no liability to the indemnified party or future obligation of the indemnified party, and (iii) no admission of wrongdoing by Client or Sedgwick.
- E. The provisions of this section shall survive the expiration or termination of the Agreement.

7. Network Security/Confidentiality:

- A. Whether or not marked as such, and without regard to the media in which such records are stored, “Confidential Information” shall mean:
- (1) any business or technical information pertaining to the parties herein or to third parties, which is furnished, disclosed or made available by one party to the other, including, without limitation, specifications, prototypes, software, marketing plans, financial data and personnel statistics; and
 - (2) Medical records, reports and information, as well as any other non-medical records, reports or information pertaining to claimants under the Program.
- B. Each party agrees to protect Confidential Information received hereunder with the same degree of care that such party exercises with its own confidential information (but in no event less than reasonable care) and to limit access and disclosure of Confidential Information only to their employees, agents and contractors who have a “need to know,” and who agree to maintain confidentiality in accordance with this section. Notwithstanding the foregoing, Client agrees to permit Sedgwick to compile and disseminate aggregate, de-identified information for auditing, compliance, internal assessments, process improvement and related analytics, benchmarking purposes or forward to a data collection facility data, provided that such facility agrees in writing to keep Client’s data confidential. Further, Sedgwick shall be entitled, without violation of this section and without the prior consent of Client, to retain claims administration information and to forward claims administration information to government agencies to the extent required by law for the proper performance of the services set forth herein.
- C. The provisions of this section shall survive the expiration or termination of the Agreement.

8. Notices:

Any notice required to be given under this Agreement shall be sent by certified or registered mail, postage prepaid, to Holly Pon, Director, Risk Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833, with a copy to General Counsel - Americas, Sedgwick Claims Management Services, Inc., 8125 Sedgwick Way, Memphis, TN 38125, in the case of Sedgwick, and to Jon Paulsen, General Manager, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833, in the case of Client.

9. Assignment:

The Client may not assign its rights or obligations under this Agreement. Sedgwick may not assign or subcontract any part of the services required hereunder and nor may it at its sole discretion delegate to a subsidiary or affiliate any of its duties as it deems appropriate without the parties agreeing to such assignment in writing.

10. Entire Agreement and Modification or Amendment:

This Agreement and its attached exhibits and schedules represent the full and final understanding of the parties with respect to the subject matter described herein and supersedes any and all prior agreements or understandings, written or oral, express or implied. This Agreement may be modified or amended only by a written statement signed by both parties.

11. Applicable Law:

The terms and conditions of this Agreement shall be governed by the laws of the State of California without regard to conflicts of law principles. If any dispute or claim arises hereunder that the parties are not able to resolve amicably, the parties agree and stipulate that such litigation shall be resolved in the State of California, and the parties irrevocably submit to the exclusive venue and jurisdiction of such court for the purpose of any such action or proceeding. In the event of a dispute between the parties resulting in litigation, the prevailing party may, in addition to any other relief obtained, recover its court costs and reasonable attorney's fees.

12. Force Majeure:

Neither party shall be liable to the other party or be deemed to have breached this Agreement for any failure or delay in the performance of all or any portion of its obligations under this Agreement if such failure or delay is due to any contingency beyond its reasonable control (a "Force Majeure"). Without limiting the generality of the foregoing, a Force Majeure includes, but is not limited to, acts of God, fires, floods, pandemics, storms, earthquakes, riots, boycotts, strikes, lock-outs, acts of terror, wars and war operations, restraints of government, power or communication line failure or other circumstance beyond such party's reasonable control, or by reason of the bankruptcy, receivership or other insolvency proceeding of any bank or other financial institution where funds to pay losses and allocated loss adjustment expenses are held, or by reason of a judgment, ruling or order of any court or agency of competent jurisdiction or change of law or regulation subsequent to the execution of this Agreement. Both parties are obligated to provide reasonable back-up capability to avoid the potential interruptions described above. If a Force Majeure occurs, the party delayed or unable to perform shall give immediate notice to the other party.

13. Headings:

Headings herein are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

14. Relationship of Parties; Expenses:

Nothing contained in this Agreement shall be deemed to create a partnership or joint venture between the parties hereto; the only relationship among the parties shall be that of independent parties to a contract. Except as expressly provided herein, no party hereto shall have authority or shall hold itself out as having authority to act for or bind any other party hereto. Except as expressly set forth herein, each party shall bear all expenses it may incur in connection with the execution, delivery and performance of this Agreement.

15. Waiver of Breach:

Failure of either party hereto to require the performance by the other party hereto of any obligation under this Agreement shall not affect its right subsequently to require performance of that or any other obligation. Any waiver by any party hereto of any breach of any provision of this Agreement shall not be construed as a continuing waiver of any such provision or a waiver of any succeeding breach or modification of any other right under this Agreement.

16. Subcontractor Disclosure:

Through contractual arrangements with subcontractors, Sedgwick provides a full range of loss control services to its clients. Client recognizes and agrees that delivery of some of these services may be provided pursuant to separate agreements between subcontractors and Sedgwick. In no event will charges to Client exceed the amount indicated in the Agreement.

17. Equitable Adjustment:

This Agreement contemplates that the standards applicable to this Agreement are those in effect on the date of this Agreement, whether such standards are set forth in statutes, regulations, rules, orders, case law or otherwise. In the event of a change in a service standard, Sedgwick shall be entitled to an equitable adjustment in its compensation if such change increases Sedgwick's cost of providing the services under this Agreement or reduces its profitability pursuant to an executed amendment.

18. Non-Solicitation: *This section intentionally deleted.*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and date first above written.

Pooled Liability Assurance Network
Joint Powers Authority

Sedgwick Claims Management Services, Inc.

By Rebecca Mandanhall
Title PLAN JPA Board President
Date Jul 30, 2025

By Michael Shook
Michael Shook (Jul 30, 2025 14:50:57 CDT)
Title Senior Vice President
Date Jul 30, 2025

EXHIBIT A

SERVICE PROGRAM OVERVIEW

I. Introduction

Sedgwick is providing the services as follows.

Servicing Office: Sacramento

II. Account Coordination

On behalf of Client, this service program will be coordinated by:

Client Representative:	Eric Dahlen
Client Name:	Pooled Liability Assurance Network Joint Powers Authority
Client Address:	1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833
Telephone #	(916) 244-1143
Fax #	(855) 242-8919

On behalf of Sedgwick, this service program will be coordinated by:

Sedgwick Representative:	Shane Baird
Sedgwick Office Address:	1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833
Telephone #	(661) 619-3520
Fax #	(855) 242-8919

Each party reserves the right to change its designated representative during the term of the Agreement.

EXHIBIT B

Loss Control Services and Fees

1. Loss Control Services and Fees:

Objectives

Sedgwick safety professionals will provide a combination of on-site and remotely delivered safety consultation services designed to provide a regular safety presence for the members of the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA). A safety professional will be dedicated as the PLAN JPA Risk Control Manager and report to the PLAN JPA staff, board, and respective committees. The goals of the safety program include a reduction in loss exposures for both employee safety and liability, reduced loss experience in both employee and liability losses, and increased compliance with regulatory safety-related matters.

Cost of Services

The following table is a breakdown of service fees.

Proposed Contract Period: July 1, 2025, through June 30, 2028

Services	Task/Costs	Fee
PLAN JPA Risk Control Orientation	Conduct member services campaigns and/or orientation meetings with each new member, new board member, or other personnel, as requested by the member, to provide an overview of risk control services and resources. Time equivalent to six days a year for the whole pool at \$1,320/service day.	\$7,920
Loss Analysis	Conduct loss analysis study for property and liability claims. Services equivalent up to 3 service days at \$1,320 per service day.	\$3,960
Focused Member Risk Services	Design and implement service plan to address loss drivers at 10 members identified through loss analysis. Two days for each of the approximately 10 selected members at \$1,600/service day. (Additional services generated from review would fall under Member Services).	\$32,000

Services	Task/Costs	Fee
Member Services	Provide on-site or virtual risk control services to assist with member liability risk management programs and employee safety matters. Support for Cyber Security Risk Management services implementation. Equivalent of four service days per member (28 members) at \$1,600/service day.	\$179,200
Risk Management Self-Assessment Checklists and Other Pool Projects	Continue to build a library of materials related to liability risk management self-assessments. Provide assistance with other pool projects including oversight of Risk Management Grant Fund Reimbursements. Time equivalent to one day per month for the entire pool at \$1,320/service day.	\$15,840
PLAN JPA Meetings	Attend meetings. Pricing includes staff time for staff report development, analysis/research of topics, agenda preparation, meeting attendance, travel time, and expenses. Eight meetings per year for the whole pool at \$2,400/meeting.	\$ 19,200
Training Coordination	Coordinate four regional or virtual or on-site pool-wide events annually, including workshops and webinars. Equivalent of seven days per year at \$1,320/service day.	\$ 9,240
Phone and Email Consultations	Unlimited access to a risk control professional for technical information and guidance. Time equivalent to 1 service day per month for the whole pool at \$1,320/service day.	\$ 15,840
Safety Publications and Resources	Risk Control regularly develops safety publications and resources for our website portal. PLAN members will receive communication on new resources and will have access to all resources on our site.	\$ 0
Sedgwick Risk Control Website Access	Members have unlimited access to the website.	\$0
Total proposed annual contract fees effective July 1, 2025		\$ 283,200

Fee Structure

All services identified in this agreement will be provided for the not-to-exceed fee of \$ \$283,200 for the first year. This rate includes mileage, travel expenses, and value-added services such as access to streaming videos, webinars, and safety communications. Sedgwick will invoice PLAN JPA monthly at the rate of \$ \$23.600

A 3.5% cost of living increase is proposed for years two and three, respectively.

Term	Annual Fee	Monthly Fee
Year 1: 2025-2026	\$ \$283,200	\$ 23,600
Year 2: 2026-2027	\$ \$ 293,112	\$ 24,426
Year 3: 2027-2028	\$ 303,370.92	\$ \$25,280.91

PLAN JPA will be asked to reimburse Sedgwick for any pre-approved additional expense(s) incurred that are beyond the scope of the Agreement. This will include such things as industrial hygiene lab work and supplies, training materials, refreshments for training attendees, etc.

2. Payment Terms:

Client acknowledges that all fees set forth in the Agreement are due and payable within thirty (30) days of the invoice. Any and all past due fees will incur interest at the rate of 1.5% per month, unless otherwise prohibited by law. Client acknowledges that in the event Sedgwick undertakes collection proceedings for any outstanding fees, then Client will reimburse Sedgwick for all costs associated with such collection action, including a reasonable attorney fee and court cost.

EXHIBIT B

Additional Services Available

Sedgwick Outsourced Risk and Safety Expertise (SORSE)

This program offers a safety solution for PLAN members who often request basic safety services not available through PLAN.

Based on services routinely requested in existing or expiring Rent a Safety Officer agreements, services provided include:

- 1) Annually, each member receives (core services):
 - a. Quarterly training topic of choice, two sessions each;
 - b. Quarterly participation in safety committee meetings by risk consultant; and
 - c. Assistance with review, development, and implementation of one written safety program.

The fee to members is \$18,000 for core services (1.a-c above). A 3.5% cost of living increase is proposed for years two and three, respectively.

- 2) Preferred Hazardous Material Inventory pricing through EFI Global, a Sedgwick subsidiary
- 3) Preferred Industrial Hygiene pricing through EFI Global

EFI Global services are shown below include all travel, equipment, supplies, labor, fieldwork, laboratory and a final report. Prices are quoted upon request.

Service
Initial Hazardous Materials Inventory (HMI) & Annual Reporting
• Subsequent Year HMI Inspections
Underground Storage Tank Leak Self Compliance Audits
Limited Asbestos Assessment
Lead Risk Assessment
Mold/Bacteria Assessment & Remediation Protocol
Post Mold Remediation and Assessment
Combustion By-Product Assessment
Crystalline Silica or Respirable Particulate Exposure Assessment
Indoor Air Comfort Parameter Assessment
Sound Level Monitoring
Volatile Organic Compound Chemical Assessment

PLAN JPA SA Loss Control Services Final










07.29.25

Final Audit Report

2025-07-30

Created:	2025-07-30
By:	Kassandra Batista (kassandra.batista@sedgwick.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAVdYhlyR6DII0S66nUw3im4oqxXaz65u0

"PLAN JPA SA Loss Control Services Final 07.29.25" History

-  Document created by Kassandra Batista (kassandra.batista@sedgwick.com)
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-  Document emailed to Rebecca Mendenhall (rmendenhall@cityofsancarlos.org) for signature
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Signature Date: 2025-07-30 - 6:37:20 PM GMT - Time Source: server
-  Document emailed to Sandra Spiess (sandra.spiess@sedgwick.com) for signature
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-  Email viewed by Sandra Spiess (sandra.spiess@sedgwick.com)
2025-07-30 - 6:55:07 PM GMT
-  Signer Sandra Spiess (sandra.spiess@sedgwick.com) entered name at signing as Michael Shook
2025-07-30 - 7:50:55 PM GMT
-  Document e-signed by Michael Shook (sandra.spiess@sedgwick.com)
Signature Date: 2025-07-30 - 7:50:57 PM GMT - Time Source: server
-  Agreement completed.
2025-07-30 - 7:50:57 PM GMT

December 4, 2025

Agenda Item 7.A.

GENERAL MANAGER'S REPORT

SUBJECT: Report from PLAN JPA's General Manager

BACKGROUND AND HISTORY:

Eric Dahlen, General Manager, will be in attendance to provide updates to the PLAN JPA Board of Directors on the following topics:

- Workers Compensation Update, including OSIP Certificate
- Next year's Strategic Planning Conference
- Governing Documents Update

Celebrating the Tenure of PLAN JPA Board Member Donald Larkin

JPA's typically thrive with stability of membership and leadership. Mr. Larkin has proven just that with his tenure of service to PLAN JPA and ABAG PLAN Corporation. Mr. Larkin is now stepping into retirement.

RECOMMENDATION:

Staff recommends the Board approve Resolution 2025-03 recognizing the tenure, service, and retirement of Donald Larkin.

REFERENCE MATERIALS ATTACHED:

- Resolution 2025-03

**Pooled Liability Assurance Network Joint Powers Authority
(PLAN JPA)**

Resolution No. 2025-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY
EXPRESSING APPRECIATION FOR THE HONORABLE SERVICE OF
DONALD LARKIN FOR PLAN JPA**

WHEREAS, Donald Larkin has served as a long-time member of the PLAN JPA Board of Directors, and has been an elected officer and member of the Executive Committee and Claims Committee for several years;

WHEREAS, Mr. Larkin is known for commitment to sound decision-making, and has demonstrated his ability to balance the perspective of the City of Morgan Hill with those of other PLAN JPA member entities;

WHEREAS, Mr. Larkin is acknowledged for his exceptional leadership as a pillar of knowledge during his service to the PLAN JPA Board of Directors; and

WHEREAS, the PLAN JPA Board of Directors wishes to make a permanent record of its appreciation and respect for Mr. Larkin's dedication and service to PLAN JPA.

NOW, THEREFORE, IT IS RESOLVED, on this 12th day of March 2025, that the members of the PLAN JPA Board of Directors commend Kevin Bryant for his many contributions to the organization, and express gratitude for all his efforts on their behalf.

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

PLAN JPA President

Eric Dahlen, PLAN JPA General
Manager

December 4, 2025

Agenda Item 8.A.

ADMINISTRATIVE MATTERS

SUBJECT: Introduction to LWP, Workers' Compensation Third Party Administrator

BACKGROUND AND HISTORY:

On September 22, 2025, the PLAN Board of Directors approved a contract for third-party administration (TPA) services to manage and adjust workers' compensation claims for its new coverage program. LWP Claims Solutions, Inc.

The creation of this new program and the securing of LWP as TPA broadens the number of service partners and professionals leading the claims mitigation and management for public entities for a large member base and positions the pool for growth.

LWP Claims Solutions, Inc. President and CEO, Judy Adlam, will be in attendance to represent the claims adjusting team working on the PLAN JPA program.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None.

December 4, 2025

Agenda Item 8.B.

ADMINISTRATIVE MATTERS

SUBJECT: Update to PLAN JPA Workers' Compensation Master Program Document

BACKGROUND AND HISTORY:

On June 26, 2025, the PLAN Board of Directors approved the Master Program Document (MPD) for the newly formed workers' compensation program.

Over the course of five (5) to six (6) months, staff has worked with the ad-hoc committee for the formation of the program and developed some best practices and acceptable program structure. These developments came about as a result of input from PLAN JPA's professional business partners such as its chosen excess provider Local Agency Workers' Compensation Excess JPA (LAWCX), its newly contracted third-party administrator (LWP Claim Solution, Inc.), and other workers' compensation professionals with expertise and knowledge in this field.

Below is a summary of the proposed changes to the MPD:

- Updating the possible retained limits for participating PLAN members to reflect more realistic options
- Deletion of language, for clarity, surrounding the qualifications for a \$0 retained limit
- Deletion of the guidelines of determining individual participant's retained limit based on size of payroll
- Updating of language regarding making changes to retained limits
- Update process for the program to pay expenses within the participant's retained limit and to be later billed back to the participant
- Clarifying language for the determination of deposit premiums
- Added detail and clarification for the development and application of the experience modification factor
- Clarified the approval of issuing dividends
- Updated language regarding the "Pay-as-you-go" fund

RECOMMENDATION:

Staff recommends the Board of Directors approve the updated Master Program Document for the Pooled Workers' Compensation Program.

REFERENCE MATERIALS ATTACHED:

- Master Program Document for the Pooled Workers' Compensation Program.

Pooled Liability Assurance Network

MASTER PROGRAM
DOCUMENT FOR THE

~~POOLED-PRIMARY~~ WORKERS' COMPENSATION PROGRAM

Approved: June 26, 2025

Amended: December 4, 2025

Formatted: Underline

POOLED LIABILITY ASSURANCE
NETWORK

MASTER PROGRAM DOCUMENT
FOR THE

POOLED WORKERS'
COMPENSATION PROGRAM

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POOLED LIABILITY ASSURANCE NETWORK (PLAN)

MASTER PROGRAM DOCUMENT (MPD)

FOR THE

~~POOLED-PRIMARY~~ WORKERS' COMPENSATION
PROGRAM (PWCP)

ARTICLE I: DEFINITIONS

The following definitions apply to this MPD:

1. **Administrator** shall mean the person responsible for the daily administration, management, and operation of the **Authority's** programs as defined in the Bylaws.
2. **Authority** shall mean the Pooled Liability Assurance Network (PLAN).
3. **Board** shall mean the Board of Directors of the Pooled Liability Assurance Network.
4. **Deposit Premium** shall mean that amount to be paid by each **Participant** for each **program year** as determined by the **Board** in accordance with Article III, Section C of this ~~Master Program Document~~(MPD).
5. **Joint Powers Agreement** shall mean the agreement made by and among the public entities listed in Appendix A (**Member Entities**) of the **Joint Powers Agreement**, hereafter referred to as **Agreement**.
6. **Limit of Coverage** shall mean the amount of coverage stated in the Declarations or certificate of coverage, or sub-limits as stated therein for each **Participant** or **covered party** per **occurrence**, subject to any lower sublimit stated in the ~~Memorandum of Coverage~~(MOC).
7. **Loss Experience** shall mean only such amounts as are actually paid by the **Participant** or the **Authority** in payment of benefits under the Workers' Compensation Act, in settlement of claims, or in satisfaction of awards or judgments for liabilities imposed by the Workers' Compensation Act for **bodily injury** or **occupational disease** to an **employee** as defined in the Workers' Compensation Act and ~~Primary Workers' Compensation Program (PWCP)~~ ~~Memorandum of Coverage~~(MOC).
8. **Member Entity** shall mean a signatory to the **Agreement** establishing ~~the Pooled Liability Assurance Network~~the **Authority**.
9. **Participant** shall mean a **Member Entity** who has elected to participate in the PWCP.
10. **Program Year** shall mean that period of time commencing at 12:01 a.m. on July 1 and ending at 12:00 am on the following July 1.

11. **Retained Limits** shall mean the amount stated on the applicable Declarations or certificate of coverage, which will be paid by the **Participant** or **covered party** before the **Authority** is obligated to make any payment from the pooled funds.
12. **Self-Insured Retention (SIR)** shall mean the **Authority's limit of coverage** above **Participant's retained limits** and up to the attachment point for excess coverage.
13. **Third Party Administrator (TPA)** shall mean the claims administrator for the **Authority** for the PWCP.
- 13,14. **Workers' Compensation Committee (committee)** shall mean the committee made up of directors or alternate directors of the respective participant members of the primary workers' compensation program within PLAN JPA.

ARTICLE II: GENERAL

A. AUTHORITY

1. The Primary Workers' Compensation Program (PWCP) Master Program Document (MPD) is one of the **Authority's** governing documents. However, any conflict between the PWCP MPD, the **Authority's Agreement**, the Bylaws, or the PWCP Memorandum of Coverage (MOC) shall be determined in favor of the **Agreement**, the Bylaws, or the MOC, in that order.
2. The PWCP MPD is intended to be the primary source of information, contain the rules and regulations, and serve as the operational guide for the conduct of the PWCP.
3. The PWCP has been organized under authority granted by, and shall be conducted in accordance with, the laws of the State of California; regulations prescribed by the Department of Industrial Relations (DIR) and the State of California Audit Unit; and the accreditation standards set forth by the California Association of Joint Powers Authorities (CAJPA).

B. PURPOSE

The **Authority**, as a part of its overall objectives, has designed the PWCP to provide for the needs of the PWCP **Participants** in the area of workers' compensation liability.

C. PARTICIPATION

All **Member Entities** may become **Participants** in the PWCP and are encouraged to do so. However, the terms and conditions which may be imposed on **Member Entities** which desire to join the PWCP may be different, depending upon payroll, number of employees, the size of the **Member Entity**, its loss record, and other pertinent information.

D. GOVERNANCE

Each **Participant's** appointed Director and one alternate Director shall be the representative for the PWCP. The **Participant** will be entitled to one vote on all issues or decisions that involve the PWCP. It is expected, but not mandatory, that the Director from each **Participant** will be the individual designated as the **Participant's** appointee to the **Board** and that the alternate Director will be the individual designated as the **Participant's** alternate Director on the **Board**.

E. GOALS AND OBJECTIVES

1. The **Authority** offers **Member Entities** this PWCP designed to provide coverage for the liabilities imposed by the workers' compensation laws of California as well as those imposed by common law upon employers.
2. The PWCP shall provide workers' compensation coverage for the **Participants** utilizing an optimum mix of risk retention and risk transfer. The PWCP may provide various levels of retentions for the **Participants**, provide a risk sharing

pool for losses above individual retention levels up to the **Authority's Self-Insured Retention (SIR)**, and obtain excess coverage for the amount of the loss which exceeds the **Authority's SIR**. Additionally, the PWCP shall provide for the sharing of operating costs and payment of the excess coverage by charging all **Participants** their share of such costs.

3. Although the PWCP is provided to the **Participants** under those terms and conditions which prevail at the time of the **Participant's** joining the PWCP, the **Board Committee** shall have the right to review ~~water~~, from time to time, the terms and conditions of the excess coverage and the pooled underlying coverage in response to the needs and abilities of the PWCP and the **Participants**, as well as in response to availability of coverage from outside sources. The **Committee** may make recommendations to the **Executive Committee** for changes under consideration.
4. The **Authority** offers participation in a risk sharing pool, covering losses of **Participants** in accordance with the MOC adopted by the **Member Entities**. The assets of the ~~pooled program~~ **PWCP** shall be maintained at all times as the assets of the **Participants** collectively. The assets may be disbursed only pursuant to the provisions of this MPD, and no **Participant** shall have an individual right to exercise control over said assets.
5. The PWCP will provide coverage for injuries and illnesses to the **Participants'** employees under the terms and conditions set forth in the MOC. In addition to the coverage provided by the MOC, the **Authority** may purchase excess insurance or reinsurance. The amount of coverage to be pooled and/or purchased may be made by the **Committee**, but remains ~~is~~ at the discretion of the **Board**.

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ARTICLE III: PROGRAM ELEMENTS

A. PROGRAM YEARS

1. Each **program year** shall be accounted for separately. The income and expenses of each **program year** shall be accounted for separately from any other **program year's** income or expenses.
2. A **program year** shall not be closed until at least ten years of age if, at such time the **Board** authorizes closure, being convinced that all known claims for the year are closed and the probability of further claims being discovered is minimal. Any closed years, however, may be reopened if deemed necessary and approved by the **Board**.

B. RETAINED LIMITS

1. The PWCP shall annually establish the **limit of coverage** for the pool. The underlying coverage of the PWCP shall provide **Participants' retained limits** of \$0, \$150,000, \$250,000, ~~\$50,000 and~~ ~~and~~ ~~\$500,000~~ \$100,000 per occurrence, or other limits as modified by resolution. The **Participants** may annually select their **retained limits**. The amount of each loss, including expenses, which is less than the **retained limit** chosen by the applicable **Participant**, shall be paid by the **Participant**.
2. A **Participant** with either element of public safety, law enforcement and/or fire departments, may not have a \$0 retained limit. ~~Rather, the Participant shall maintain a minimum retention of \$10,000. Rather, the Participant will be evaluated based on total percentage of payroll as it compares to the average payroll of the total of program Participants; based on this calculation, the Participant will be permitted to select a retained limit not lower than the categories represented in Attachment "A".~~
32. ~~A Participant's total payroll regardless of whether or not it has a public safety element, will also define the Participant's level of retained limit based on the categories represented in Attachment "A".~~
43. A **Participant** may alter its **retained limit** only at the inception of a **program year** upon ~~thirty—ninety (9030)~~ ~~thirty—ninety (9030)~~ days' advance written notice. The ~~Board~~ ~~Participants Committee, together,~~ with a ~~two-thirds~~ ~~2/3's~~ vote, and by providing 60 days advance written notice to ~~the the specific Participant,~~ may require ~~a that~~ **Participant** at the inception of the **program year** to take a **retained limit** different than ~~the that~~ **Participant's retained limit** in the expiring **program year**.
54. The amount of each loss, including expenses, which is less than the **retained limit** chosen by the **Participant** shall be paid by the **Participant**. ~~Payments less than the retained limit may be made out of the PWCP and billed to the Participant. Those amounts of each loss that are less than the retained limit chosen by the Participant may be paid on behalf of the Participant from the pay-as-you-go reserve fund. If~~ a **Participant** directly pays any claim within its **retained limit**, such **Participant**

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shall report all such payments to the PLAN JPA, ~~to ensure better claims control and actuarial analysis.~~

C. DEPOSIT PREMIUMS

1. Annually, each **Participant** shall pay a **deposit premium** to the **Authority** for each **program year**. Such **deposit premiums** shall consist of the amount needed to cover excess insurance or reinsurance premiums (if any), administrative expenses and actuarially determined losses, plus a margin for added confidence as recommended by the **Committee** and approved~~determined~~ by the **Board**. Except, that in the case of costs dependent on the number of claims incurred by a **Participant**, those costs may be paid initially out of the PWCP and billed to the **Participants** incurring those costs.
2. The **deposit premium** shall be calculated for each **Participant** by taking the **Participant's** estimated payroll, multiplied by the **Board**-adopted rate per \$100 of annual payroll and adjusted by an experience modification factor.
- ~~23.~~ The **deposit premium** shall be calculated for each **Participant** by taking the **Participant's** estimated payroll, by class code, and multiplied by the **Board**-adopted rate per \$100 of annual payroll. The Board-approved rate will consider the non-public safety rate as the base rate and the "public safety" rate as that of 2.5 times the base rate. The ~~e~~Estimated payroll is calculated using the most recent two quarters of actual payroll, annualized for the remainder of the year with an inflation factor of five percent. The ~~deposit premium shall be adjusted based upon the **Participant's** experience modification (ex mod).~~ An annual audit of a **Participant's** payroll may be conducted by the **Authority**.
- ~~34.~~ The **deposit premium** shall also include:
 - (a). All volunteers declared or otherwise required to be covered. The value of the volunteers' service shall be based upon a flat rate per volunteer; and
 - (b). All other persons engaged in work that could make the **Authority** liable under Part I (workers' compensation insurance) of the MOC. If the **Participant** does not have payroll records for these persons, the contract price remuneration for their services and materials may be used as the premium basis. This paragraph will not apply if the **Participant** gives the **Authority** proof that the employers of these persons lawfully secured their workers' compensation obligations.
- ~~45.~~ The excess insurance or reinsurance premiums (if any) shall be allocated among the **Participant's** using deposit premium calculation with the experience modification using estimated payroll.
- ~~56.~~ The administrative expenses charged to each **Participant** shall be calculated as follows: Sixty percent (60%) of the amount calculated is allocated by each **Participant's** relative percentage of payroll; forty percent (40%) of the amount calculated is allocated equally to each **Participant** allocated by estimated payroll.

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D. EXPERIENCE MODIFICATION

1. Each **Participant** shall be evaluated each year for an experience modification adjustment factor that shall be applied to the **deposit premium**.
2. The calculation of the adjustment shall include the actual **loss experience** of the individual **Participant** as it relates to the average **loss experience** of the group as a whole. Such **loss experience** shall not consider loss years that are more than five years old. The losses shall be valued as of December 31 and limited to \$25,000 per claim. For example, when calculating ex-mod for 19/20, loss data from July 1, 2013, through June 30, 2018, valued at December 31, 2018, would be considered. The criteria that shall be used is the relationship of actual average loss experience over the period being rated as it relates to the average payroll for the same period.
3. The experience modification factor shall be adjusted for a credibility factor, which shall be set at 75% for the **Participant** with the greatest payroll and shall not be less than a minimum of 10%.
4. The experience modification factor shall be adjusted depending on whether **Participants** have payroll that includes "public safety" or do not include public safety.
5. Unless a change is recommended by an actuarial firm and approved by a 2/3 vote of the **Participants Committee**, the formulas for calculating the experience modification factors shall be as follows:

$$\begin{array}{l} \text{Experience} \\ \text{Modification Factor for} \\ \text{Participants with} \\ \text{Public Safety} \end{array} = \frac{[\text{Credibility Factor}] * [\text{Total Loss Rate of Participants}] + [1 - \text{Credibility Factor}] * [\text{Loss Rate of Participants with Public Safety}]}{1}$$

$$\begin{array}{l} \text{Experience} \\ \text{Modification Factor for} \\ \text{Participants without} \\ \text{Public Safety} \end{array} = \frac{[\text{Credibility Factor}] * [\text{Total Loss Rate of Participants}] + [1 - \text{Credibility Factor}] * [\text{Loss Rate of Participants without Public Safety}]}{1}$$

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2. The calculation of the adjustment shall include the actual **loss experience** of the individual **Participant** as it relates to the average **loss experience** of the group as a whole. Such **loss experience** shall not consider loss years that are more than five years old. The losses shall be valued as of December 31 and limited to \$25,000 per claim. For example, when calculating ex-mod for 19/20, loss data from July 1, 2013, through June 30, 2018, valued at December 31, 2018, would be considered. The criteria that shall be used is the relationship of actual average loss experience over the period being rated as it relates to the average payroll for the same period.
3. The ex-mod shall be limited to a minimum of 75% and maximum of 125%.

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E. DIVIDENDS AND ASSESSMENTS

1. DIVIDENDS

- (a). At the end of each **fiscal year**, a dividend calculation shall be performed for all open **program years**. Each year thereafter there shall be an additional dividend calculation made until such time as the **program year** is closed. Any dividends available to be declared and returned to the **Participants** will ~~be at the discretion of the Board provided that the total dividend to be distributed from all qualifying program years shall not reduce the total equity for all program years below a discounted 90% confidence level require a majority vote of the Participants.~~
- (b). Calculation
 - i. Dividends may not be declared from a **program year** until five years after the ~~end~~close of that **program year**.
 - ii. Dividends may be declared only at such time as the PWCP has equity, with liabilities actuarially stated, discounted at a 90% confidence level. The calculated amount shall represent the maximum dividend available to be declared.
 - iii. The dividend shall be reduced if any of the five succeeding years (after the five years eligible for dividend calculation) have negative equity, with liabilities actuarially stated at a discounted 90% confidence level.
 - iv. Dividends may only be declared if the equity at the 90% confidence level is five times the current Self-Insured Retention of the PWCP.

2. ASSESSMENTS

Assessments may be levied on the **Participants** for the risk sharing layer of any **program year(s)**, ~~as recommended by the Committee and as approved by the Board~~ at such time that an actuary finds that the assets of the PWCP, as a whole, do not meet the expected discounted losses of the PWCP. Each **Participant's** share of the assessment shall be allocated based upon the **deposit premiums** collected for the risk sharing layer of each respective **program year** being assessed. If such assessment is not sufficient to relieve the pool of its actuarially determined deficit in the year of the assessment, ~~such~~ assessments shall be levied each subsequent year until the actuarially determined deficit is relieved. The timing of payment shall be determined by the ~~Board-Participants~~ at the time of assessment.

Equity from the risk sharing layer may be exchanged between eligible **program years** if sufficient funds are available. The transfer of equity will be performed so that the individual **Participant's** share of equity is separately applied so as to maintain the integrity of each **Participant's** balance.

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F. EXCESS COVERAGE

1. The **Board** shall ensure that each **program year** is provided with excess workers' compensation coverage for the **Participants**. It is the intent and purpose of the **Authority** to continue to provide such coverage to the **Participants**, provided that such coverage can be obtained, and the coverage is not unreasonably priced. This coverage may be obtained from an insurance company, by participating in another pool established under the Government Code as a joint powers authority, or offered through another PWCP pooling procedure. If the coverage is purchased from an insurance company, such insurance company shall have an A.M. Best Rating Classification of A- or better and an A.M. Best Financial Rating of VII or better or their equivalents.
2. The **Authority**, through the PWCP, shall provide, where economically practical, ~~at least \$10,000,000 of total combined limits coverage up to the statutorily required limit for workers' compensation coverage. Total combined limits are the maximum this PWCP will pay for each injury or illness, regardless of whether the liability arises from Workers' Compensation Laws under Part I or Part II of the PWCP MOC.~~
3. Premiums for such coverages shall be paid by the PWCP from the proceeds received as **deposit premiums** from the **Participants**.
4. The **Board** may, from time to time, alter excess coverage based on insurance market conditions, available alternatives, costs, and other factors. The **Board** shall place excess coverage with the two competing objectives of security and minimizing costs to the PWCP as a whole.

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G. PAY-AS-YOU-GO ~~RESERVE FUND FOR PAYMENT OF CLAIMS~~

1. ESTABLISHMENT OF FUND

- (a) ~~For claims which are incurred by the Participants and for which no deposit premium was paid for the year of coverage, PLAN the Authority shall pay all losses from \$1 and then charge the members back monthly for the amounts within their Retained Limit, so paid.~~

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2. ACCOUNTING AND REPLENISHMENT OF FUND

- (a) ~~There shall be a separate accounting of the deposits for each Participant. These monies, although invested with the rest of the Authority's funds, shall not be allocated investment earnings and shall remain in the control of the Authority. Every four years, through the budget process, the amount to be held by the Authority on behalf of each Participant may be adjusted.~~

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- (b) ~~Payments from the fund shall be initiated by sending a check requisition form to the Third Party Administrator. Upon receipt, the Third Party Administrator shall execute payment and charge the payment to the requesting Participant's account.~~

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- (c)(a) ~~Each month, a register of payments made on behalf of each Participant shall be sent to the Participant for whom payments were made from the fund by the Authority. Accompanying the register will be an invoice for the amounts needed to replenish the fund to its original amount. The Participants shall have thirty (30) days from the date of said invoice to make repayments to the fund.~~

ARTICLE IV: ADMINISTRATION

A. BOARD

1. Discussion of developments and performance of the PWCP may occur as part of any scheduled **Board** meeting.
2. The **Board** shall have the responsibility and authority to carry out and perform all functions, and make all decisions, affecting the PWCP, consistent with the powers of the **Authority** and not in conflict with the **Agreement**, the Bylaws, or the **MOC**.

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B. EXECUTIVE COMMITTEE

1. The Executive Committee shall have the responsibility and authority to carry out and perform all other functions and make all other decisions affecting the PWCP, provided that such functions and decisions are consistent with the powers of the **Authority** and are not in conflict with the **Agreement**, the Bylaws, or the **MOC**.
2. The **Executive Committee** shall meet at least twice a year to review the developments and performance of this PWCP. The **Executive Committee** shall review, study, advise, make recommendations to the **Board**, and/or take any action which the **Executive Committee** believes to be in the best interests of the PWCP and its **Participants**, provided that such action is not prohibited by law or is not an action reserved unto the **Board**.

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C. WORKERS' COMPENSATION COMMITTEE

PARTICIPANTS

1. The **Participants** shall have the responsibility and authority to carry out and perform all other functions and make all other decisions affecting the PWCP not otherwise prohibited by the **Board** or Executive Committee, provided that such functions and decisions are consistent with the powers of the **Authority** and are not in conflict with the **Agreement**, the Bylaws, or the **MOC**.

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G.D. ADMINISTRATOR

The **Administrator** shall be responsible for:

1. The overall operation of the PWCP;
2. Monitoring the status of the PWCP and its operations, the development of losses, the program's administrative and operational costs, service companies' performance, and brokers' performance;
3. Assisting the **Board** in selecting brokers, actuaries, auditors, and other service companies;
4. Promoting the programs to prospective new participants;

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5. Preparing, distributing, and maintaining all records of the PWCP, including its MPD and MOC as these may be amended from time to time; and
6. Preparing Certificates of Coverage and Waivers of Subrogation as may be required by the **Participants** in the PWCP.

~~D.E.~~ **WORKERS' COMPENSATION PROGRAM MANAGER'S DUTIES**

The **Workers' Compensation Program Manager (WCPM)** shall:

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1. Generally, oversee all workers' compensation claims administration and management and report to the **Administrator**;
2. Develop for **Board** approval performance standards for **Third Party Administrators**;
3. Maintain files on all claims reported to the **Authority**;
4. Recommend to the **Board** the setting of reserves for those cases that are likely to penetrate to pooled funds;
5. Upon the reporting of each claim that has an expectation of exceeding the minimum incurred loss threshold set by the **Board**, review said claim for the **Authority** and report said claims to the **Board** at the next scheduled meeting;
6. Review the progress of all reported claims for the **Authority** and, if directed by the **Board**, propose reserve changes, and/or take control and assume settlement authority for the claim;
7. Recommend claim settlements to the Board for approval;
8. Annually, prepare a detailed report on the PWCP, showing the activity by **program year** and the cumulative activity of all years, including number of claims, losses which have been incurred by each **Participant**, and the losses which have been shared through pooling;
9. Assist the **Participants** in training their personnel in the correct procedures for timely and accurately reporting claims;
10. As required, provide advice and assistance to **Participants**;
11. Work with the **Third-Party Administrators**, including but not limited to the following:
 - (a) Periodically review Third-Party **Administrators'** claims files. The review should include the new indemnity claims reported, claims currently open and reported twelve months prior, and those claims for which a **Participant** has requested a specific review;
 - (b) Provide guidance to the **Third-Party Administrator** on the management of problem or complex claims;
 - (c) Advise, where needed, on the selection of legal representation in anticipation of litigation;
 - (d) Monitor and evaluate the effectiveness of the defense firms and the

management of the litigation;

- (e) Monitor and evaluate the effectiveness of medical treatment as respects claims costs, especially those involving complex medical issues;
 - (f) Evaluate, where needed, recommendations for settlement of claims;
 - (g) Mediate differences, if any, between the **Third-Party Administrator** and a **Participant**; and
 - (h) Review the performance of the **Third-Party Administrators'** personnel assigned to the **Authority's** account with special emphasis in the handling of "open claims."
12. Approve in writing, when deemed appropriate, waivers of subrogation and, if necessary, request approval from the excess carrier to waive subrogation.

ARTICLE V: CLAIMS ADMINISTRATION

A. CLAIMS PROCEDURES MANUAL

1. A **Workers' Compensation Claims Procedures Manual (Manual)** including reporting procedures, forms, and other vital information shall be adopted by the **Board** and provided to all **Participants**.
2. All **Participants** shall be held accountable for understanding and abiding by the procedures stated in the Manual, as well as any changes thereto.

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B. CLAIMS AUDIT

1. At least once every two years, the adequacy of claims adjusting for both the **Authority** and the **Participants** shall be examined by an independent auditor who specializes in claims auditing.
2. The Executive Committee shall approve the claims auditor. The costs of such claims audit shall be paid by the **Authority**.
3. The claims audit report shall address the issues of both adequacy of claims procedures and accuracy of claims data. The report shall be filed with the **Authority** and sent to each **Participant**.

C. CLAIM SETTLEMENT AUTHORITY

1. Each **Participant** shall have settlement authority for all claims, including attorney fees and other costs, which do not exceed 100% of the **Participant's retained limit**. The WCPM will review these claims from time to time and may offer recommendations to the **Participant's Third-Party Administrator** and the **Participant** regarding settlement. This provision does not apply to claims for Medicare eligible or beneficiary claimants; **Participants** shall immediately notify the WCPM once a claimant has been identified as Medicare eligible or a Medicare beneficiary.
2. The WCPM shall have settlement authority for all claims up to the PWCP's retention level. The **Administrator** and the WCPM will ensure that the **Participant** is kept informed regarding these claims and will take into consideration the **Participant's** desires in any settlement process. The WCPM will provide an annual report to the Board on settlement authority extended. WCPM may be appealed to the **Board** within 30 days after notice of the decision to the **Participant**. The decision of the **Board** shall be final.
3. If the **Authority** determines that a conflict of interest may or does exist in the **Third-Party Administrator's** handling of a claim or claims, the **Authority** has the right, in its sole discretion, to take any action, and give the **Third-Party Administrator** any instruction, which the **Authority** deems necessary to minimize or eliminate the conflict of interest.

4. If the **Participant** waives its rights to subrogation on a claim covered under, or which may be covered under, the PWCP MOC, and if the amount of the claim exceeds the **Participant's retained limit** (and therefore comes within the **Authority's** layer), then the **Authority's** coverage shall not apply to the claim and the **Authority** shall not be liable for any indemnity, reimbursement, payment, or costs on the claim exceeding the member's **SIR**, unless the **Authority's** WCPM approves the waiver of subrogation in writing.
5. The exclusion of coverage for waiver of subrogation shall apply only to a waiver of subrogation made or approved by a **Participant** after the date of the injury or illness that resulted in the claim. This exclusion shall not apply to a waiver of subrogation contained in an agreement or contract that was approved by the **Participant** prior to the date of the injury or illness that resulted in the claim.

D. DISPUTES

1. Any matter in dispute between a **Participant** and the **Administrator** or WCPM shall be heard by the ~~Board Committee~~ whose decision may be appealed to the **Board** within thirty (30) days of the ~~Committee's~~ decision. The decision of the ~~Executive Committee~~ or, if appealed, the decision of the **Board** shall be final.

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ARTICLE VI: PARTICIPATION

A. ELIGIBILITY AND APPLICATION

1. ELIGIBILITY

- (a) The applicant must commit to at least three full **program years** of participation in this PWCP.
- (b) Any **Member Entity** may apply to participate in the PWCP by providing an adopted resolution of its governing body and such other information/materials as may be required. The applicant's resolution ~~shall~~should commit the applicant to three full years of participation in the PWCP, if accepted, and consent to be governed for workers' compensation matters in accordance with the MPD, the MOC and other documents and policies adopted by the **Board**. The resolution may also state the **retained limit** desired by the applicant.
- (c) The application for participation shall be submitted at least ~~thirty-one-hundred eighty (18030)~~ days prior to the date of the last **Board** meeting of the **program year** to ensure that the State Certificate of Consent to Self-Insure is received prior to the inception date, and that the **Board-Committee** has adequate time to review and evaluate the acceptability of the applicant. It is recommended that an applicant enter the PWCP only at the commencement of a new **program year**. If an applicant chooses to enter the PWCP at any other time, the **deposit premium** for the remainder of the **program year** will be prorated. The new **Participant** will begin coverage on the date that is mutually acceptable to the **Participant** and the **Board-Committee**; however, the new **Participant** will be required to share losses with the other members of the PWCP for the entire **program year**.

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2. APPROVAL OF APPLICATION

The **Board-Committee** shall, after reviewing the resolution and other underwriting criteria, determine the acceptability of the exposures presented by the applicant and shall advise the applicant in writing of its decision to accept or reject the request within 10 days after the decision has been made. _

B. PARTICIPANTS' DUTIES

1. The **Participants** shall provide payroll, using the State DE-9 form, and all other requested information in conformance with the policies adopted by the **Board**.
2. The **Participants** shall disclose activities not usual and customary in their operation.
3. The **Participants** shall at all times cooperate with the **Authority's Administrator**, **WCPM**, **Third Party Administrator**, and loss control personnel, regarding claims handling and underwriting activities of the **Authority**.
4. Each year the **Authority** shall bill **Participants** for a workers' compensation **deposit premium** for the next **program year**. The billings shall be due and payable in accordance with the Bylaws.
5. Billings may be made to **Participants** for a **program year** found to be actuarially unsound. All billings for payments to bring a **program year** into an actuarially sound condition are due and payable upon receipt.
6. Former **Participants** in the PWCP shall be required to pay all applicable billings for the **program years** in which they participated. Delinquent billings, together with penalties and interest, shall be charged and collected from the **Participant** in accordance with the Bylaws.
7. Penalties and interest shall be charged against any amounts delinquent in accordance with the Bylaws.

C. TERMINATION

1. VOLUNTARY TERMINATION

- (a). A **Participant** which has not maintained its participation in the PWCP for three full **program years** shall not be permitted to withdraw from the PWCP prior to the end of its three-year commitment period and shall be obligated for payment of premiums for these three years.
- (b). A **Participant** which has maintained its participation in the PWCP for three full **program years** may terminate its participation if, at least six months before the next **program year**, a written request to terminate participation is received from the **Participant**.
- (c). Any **Participant** seeking to terminate its participation without proper and timely notice shall be responsible for the full cost of the next year's premium. The notice will be deemed effective for the year following the year in which the additional premium is paid.

2. INVOLUNTARY TERMINATION

- (a) The **Board Committee** may initiate termination of a **Participant** from the PWCP for the following reasons:
- (i) Termination as a **Member Entity** of the **Authority**;
 - (ii) Declination to cover the **Participant** by the entity providing excess coverage;
 - (iii) Nonpayment of **premiums**, assessments, or other charges;
 - (iv) Frequent late payment of **premiums**, assessments, and/or other charges, including interest and penalty charges;
 - (v) Failure to timely provide requested underwriting information;
 - (vi) Consistent poor loss history relative to the pool;
 - (vii) Substantial change in exposures which are not acceptable in this PWCP;
 - (viii) Financial impairment which is likely to jeopardize this PWCP's ability to collect amounts due in the future; and/or
 - (ix) Revocation of Certificate to Self-Insure.
 - (x) Refusal to participate in loss control activities.

The **Committee** shall present their recommendation to the **Authority's Board of Directors**. The **Board's** determination of the existence of any of these conditions shall be final.

- (b) The **Board** shall have the authority, upon a two-thirds approval, to authorize a termination notice be sent to a **Participant**. Such notice shall be sent at least ~~60~~90 days prior to the effective date of termination.

D. CONTINUED LIABILITY UPON TERMINATION

1. Termination of participation, whether voluntary or involuntary, in future program years does not relieve the terminated Participant of any benefits or obligations of those program years in which it participated. These obligations include payment of assessments, retrospective adjustments, or any other amounts due and payable.

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ARTICLE VII: TERMINATION AND DISSOLUTION OF THE PWCP

2. The PWCP may be terminated and dissolved at any time by a vote of two-thirds of the **Participants**. However, the PWCP shall continue to exist for the purpose of disposing of all claims, distributing assets, and all other functions necessary to conclude the affairs of the PWCP.
3. Upon termination of the PWCP, all assets of the PWCP shall be distributed only among the **Participants**, including any of those which previously withdrew pursuant to Article VI, in accordance with and proportionate to their **deposit premiums** and assessments paid during the term of participation. The **BoardCommittee** shall determine such distribution within six months after the last pending claim or loss covered by the PWCP has been finally resolved and there is a reasonable expectation that no new claims will be filed and make its recommendation to the Board.

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ARTICLE VIII: AMENDMENTS

1. This MPD may be amended by a ~~two thirds (2/3rds)~~'s vote of the ~~Participants~~ **Committee** present and voting at the meeting ~~and may make their recommendation to the Executive Committee, provided prior written notice, as provided within the Agreement, has been given to the Board.~~

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December 4, 2025

Agenda Item 8.C.

ADMINISTRATIVE MATTERS

SUBJECT: Update to PLAN JPA Bylaws to Reflect the Formation of a Workers' Compensation Committee

BACKGROUND AND HISTORY:

On June 26, 2025, the PLAN Board of Directors approved the formation of an ad-hoc committee to guide the structuring of the primary workers' compensation program (PWCP). This committee proved itself flexible and efficient to making recommendations and decisions.

The PWCP is a unique coverage program within PLAN as it will be considered the first program where participation of PLAN's members is optional. With that said, the participants are in a unique situation where the decisions made by the Executive Committee and subsequently the Board may not involve the input and/or vote of participating members in the PWCP. Therefore, having a committee for the PWCP would allow the participants to have direct influence on the programs, coverage options, and underwriting considerations that directly impact them as members.

This committee would have no more power or authority than that which is granted to all other committees as established in the Bylaws and any other governing documents. Any conflict that may arise will be decided in favor of the JPA Agreement and Bylaws in that order.

Consistent with the PLAN JPA Bylaws, committees can only be established by a Board approved resolution.

RECOMMENDATION:

Staff recommends the Board of Directors approve the update to the Bylaws and Resolution 2025-04 establishing the Primary Workers' Compensation Committee.

REFERENCE MATERIALS ATTACHED:

- PLAN JPA Bylaws (redlined)
- Resolution establishing the Primary Workers' Compensation Program committee.

BYLAWS

OF THE

POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY
(PLAN JPA)

July 1, 2019

Updated: July 1, 2023

Updated: December 5, 2024

Updated: July 1, 2025

Updated: December 4, 2025

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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 at least 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 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. *Pursuant to Article VIII, Alternate Directors may be appointed to and serve on any Board Committees, except for the Executive Committee. All other provisions of these Bylaws relating to Directors shall 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.

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- 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 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 or Alternate Directors, as provided in Article VII, Section 4, 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 five 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. 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.
5. 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.
- ~~e. Workers' Compensation Committee. A standing committee consisting of all participating members of the Primary Workers' Compensation Program, but at no time having more than seven (7) Directors or alternate Directors appointed by the Board and shall be charged with the duties and responsibilities of reviewing and making recommendations to the Board on the results of PLAN JPA's claims audit, loss history report, and other program considerations.~~
6. _____

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ARTICLE IX - OFFICERS

1. Officers. The officers of PLAN JPA shall be the President, Vice President, Secretary, and a Treasurer. All officers shall be Directors with the exception of Secretary, which is best served by the current board-appointed General Manager.
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.

Pooled Liability Assurance Network Joint Powers Authority

Resolution No. 2025-04

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY
ESTABLISHING A WORKERS’ COMPENSATION COMMITTEE**

WHEREAS, the Pooled Liability Assurance Network Joint Powers Authority (“Authority”) has established a workers’ compensation coverage program to be offered to its members;

WHEREAS, the coverage program is scheduled to begin offering coverage to member employees on January 1, 2026;

WHEREAS, the Authority has contemplated the structure and operations of the Primary Workers’ Compensation Program.

WHEREAS, the Authority has determined the need for the establishment of a committee to manage the details and particulars of the program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. Pursuant to the Bylaws of the Authority, the Board of Directors approves of the establishment of a workers’ compensation committee that may consist of Director or alternate Directors of all the participants of the program but not exceeding seven (7) Directors.
2. The committee will operate within the PWCP Master Program Document and may not conduct any business that conflicts with the JPA Agreement or the Bylaws. Should any conflict arise, the matter will default to the JPA Agreement and then the Bylaws in that order.

PASSED AND ADOPTED by the Board of Directors of the Pooled Liability Assurance Network Joint Powers Authority, County of Sacramento, State of California, on December 4, 2025, by the following vote:

AYES _____
NOES _____
ABSENT _____
ABSTAIN _____

APPROVED:

President

ATTEST:

Secretary

December 4, 2025

Agenda Item 8.D.

ADMINISTRATIVE MATTERS

SUBJECT: Consideration of Addendum to Administrative Contract Regarding the Addition of the Workers' Compensation Program

BACKGROUND AND HISTORY:

With the creation of the primary workers' compensation coverage program, the workload for staff has changed in both amount and scope. In addition, the administrative staff will add a position, Workers' Compensation Program Manager.

Attached is an addendum outlining a modest fee increase for the period from 01/01/2026 to 06/30/2026. It should be noted the primary administrative contract is scheduled to expire on June 30, 2026, and Sedgwick intends to offer a complete proposal, including the additional work considered for the workers' compensation program.

The cost increase is approximately \$48,922.16 for the first six (6) months of the program, from 01/01/2026 - 06/30/2026.

Staff is asking for the Executive Committee's consideration of the contract addendum. It has been reviewed by PLAN's Board Counsel and is pending a legal review by Sedgwick's legal team.

RECOMMENDATION:

Staff makes no recommendation as it has a financial interest in the outcome.

REFERENCE MATERIALS ATTACHED:

- Addendum #1 – Scope of Work and Fee Increase

**AMENDMENT ~~#1One~~ TO THE AGREEMENT FOR PROGRAM
ADMINISTRATION SERVICES**

This Amendment ~~#1One~~ to that certain Agreement for Pool Administration Services dated as of July 1, 2021 (the "Agreement") is entered into by and between Pooled Liability Assurance Network Joint Powers Authority ("PLAN" or "Client") and Sedgwick Claims Management Services, Inc. ("Sedgwick").

WITNESSETH

WHEREAS, PLAN has created a Pooled Workers' Compensation Program (PWCP) to become effective January 1, 2026;

WHEREAS, the program is governed by Memorandum of Coverage Form No. PLAN 20260101-20260630 WC which sets for the terms, conditions, and limitations of coverage provided under the PWCP;

WHEREAS, Client desires Sedgwick to oversee and manage the PWCP;

NOW, THEREFORE, in consideration of the Agreement recitals and the mutual covenants and conditions contained herein, the Parties acknowledge that the Agreement is hereby amended as follows:

1. Exhibit A "Services" shall be modified to include Section H for worker's compensation program services.

A. Workers' Compensation Program Services.

1. Administer the workers' compensation program, which includes coordinating and managing the program.
2. Prepare and maintain governing documents of the program.
3. Attend all meetings as necessary and provide the Board with legislative updates.
4. Coordinate selection of a third-party claims administrator firm (TPA) as needed.
5. Prepare and negotiate the contract for third party claims administration which is to include the claims administration performance standards set forth by the Board and the workers' compensation excess provider.
6. Conduct quarterly claims oversight reviews and provide a report to the Board addressing contract and performance standards compliance as well as claims handling for the TPA(s).

7. Communicate with individual members regarding workers' compensation claims issues.
8. Communicate with the TPA(s) as required to address claims handling.
9. Prepare and maintain the workers' compensation claims procedures manual.
10. Review and amend performance standards as needed for Board approval.
11. Coordinate the selection of the claims auditor as needed. Review and comment on the audit findings.
12. On behalf of PLAN, act as liaison with the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), or other excess joint powers agency or excess insurance

2. Section 5 "Payments" shall be modified to include:

- C. The addition of the Primary Workers' Compensation Program (PWCP) and consideration of the increase in administrative services will cause the annual fee to increase. The client agrees to the following fee structure based on the actual participants in the PWCP.

For the period of January 1, 2026 – June 30, 2026, the total fee increase is \$48,922.16.

The cost structure is based on the following methodology:

- Flat administrative fee of \$2,000 per participant (at start of participation only)
- Flat participation fee of \$8,000 per participant
- .0004 multiplied by total participant payroll

The total number of participants for the upcoming period described above is four (4) PLAN JPA members.

The total projected payroll for the participants is \$22,305,400 for the period described above.

All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this ~~A~~ amendment #1 and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

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IN WITNESS WHEREOF, the parties hereto have caused this ~~Amendment #1~~Addendum to be executed on the dates shown below.

Pooled Liability Assurance Network
Joint Powers Authority

Sedgwick Claims Management Services, Inc.

By_____

By_____

Title_____

Title_____

Date_____

Date_____

December 4, 2025

Agenda Item 8.E.

ADMINISTRATIVE MATTERS

SUBJECT: Consideration of Resolution to Lend Funds from the Liability Program to the Primary Workers' Compensation Program

BACKGROUND AND HISTORY:

The Primary Workers' Compensation Program (PWCP) will be funded by the participants of the program. Staff has determined the costs based on member exposures, loss histories, and additional program costs. These costs have been factored into the budget moving forward.

The payment process for incurred expenses will be operated through the Third-Party Administrator (TPA) on the program. The TPA will use a trust account with funds supplied by the program participants. However, there will be some costs that need to be covered immediately. Those costs include payments on claimant files, excess coverage program costs, among others.

The PWCP has not yet developed any program equity that can cover these costs as would typically be done. Both the Liability Program and the Property Program are structured and funded to build equity to sustain upfront as well as periodic and at times unexpected costs. Those costs are "back-filled" by the participants through annual contributions.

To provide sufficient liquidity for the PWCP for initial costs incurred in the program, Staff has determined that a loan of \$1,000,000 would be appropriate. This loan will cover the initial costs of claim funding in the trust account, excess insurance, and other costs of the program which will be incurred before funding from members is received. This loan will be repaid to the Liability Program as the PWCP achieves sufficient equity and liquidity.

A loan of funds from one program to another has a precedent within PLAN. On June 21, 2023, the Board approved a one-time loan from the Liability Program to the Property Program to correct historical funding deficiencies. This loan was paid back by every member, through increased member contributions over the next three (3) program years. In order to prevent this type of deficiency from occurring again, the funding confidence level (CL) was increased over the same amount of time. Currently, the Property Program is financially stable and continues to grow in strength as a result.

All expenses for the PWCP will be charged to the program (funded by the participants) or invoiced directly back to the member incurring said costs.

RECOMMENDATION:

Staff recommends the Board of Directors approve Resolution 2025-05 lending funds between programs.

REFERENCE MATERIALS ATTACHED:

- Resolution 2025-05 approving the loan of funds from the Liability Program to the newly formed Primary Workers' Compensation Program.

**POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY
(PLAN JPA)**

Resolution No. 2025-05

THE PURPOSE OF THIS LOAN OF FUNDS BETWEEN THE LIABILITY PROGRAM AND THE NEWLY FORMED PRIMARY WORKERS' COMPENSATION PROGRAM (PWCP) IS TO ALLOW EXPENSES THAT ARE INCURRED AT THE START OF THE COVERAGE PERIOD TO BE IMMEDIATELY PAID, BEFORE MEMBER CONTRIBUTIONS ARE RECEIVED.

WHEREAS, in 2026, PLAN JPA will begin to provide workers' compensation coverage for its member agencies.

WHEREAS, the newly formed PWCP has not developed surplus funds to provide funding for immediate program related costs.

WHEREAS, the PLAN bylaws authorize borrowing of funds and assessments for the purpose of making up shortfalls in any of its programs.

NOW, THEREFORE, BE IT RESOLVED THAT:

The PLAN Board of Directors seeks to build and maintain coverage programs that are viable from each program year to the next, and that can economically sustain themselves.

The Board of Directors authorizes a transfer of \$1,000,000 from the Liability Program to the Primary Workers' Compensation Program, to be used for any and all business of the program; this shall be considered borrowing between programs that will not incur finance fees nor interest.

The borrowing between programs will be repaid, either in its entirety or in installments, at any time before July 1, 2030.

The Board of Directors of the Pooled Liability Assurance Network Joint Powers Authority adopted this resolution on this 4th day of December 2025, by the following vote:

AYES: 0

NOES: 0

ABSENT: 0

ABSTAIN: 0

Rebecca Mendenhall, PLAN JPA President

ATTEST:

Eric Dahlen, PLAN JPA General Manager

December 4, 2025

Agenda Item 8.F.

CONTRACTS

SUBJECT: LAWCX Membership Agreement for PLAN's Excess Workers' Compensation Program Coverage

BACKGROUND AND HISTORY:

During the process of building the structure for the PLAN Workers' Compensation coverage program, the ad-hoc committee vetted information regarding excess coverage up to statutory limits required by the State of California. Solutions involving excess coverage pools compared to more traditional excess policies were evaluated.

Given the newness of this program and the lack of program equity it was determined that taking on the lowest possible pool level self-insured retention. The Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) offers an SIR as low as \$250,000 per claim. Traditional insurance policies were offering as low as \$1,000,000 per claim up to \$5,000,000 per claim. Each of these options has benefits and drawbacks. However, developing an affordable program was the top priority followed by other concerns and requirements.

LAWCX is a public agency risk-sharing pool that has been providing service for more than 25 years. Currently LAWCX provides excess coverage to PLAN's sister JPA, Shared Agency Risk Pool, SHARP.

Additionally, LAWCX provides access to coverage up to \$5,000,000 per claim through its membership in Public Risk Innovation, Solutions, and Management (PRISM).

PLAN was approved as a member of LAWCX at their November 4, 2025, Board of Directors meeting.

Both PLAN and LAWCX are managed by Sedgwick's pooling division.

RECOMMENDATION:

Staff makes no recommendation as it has a financial interest in the outcome.

REFERENCE MATERIALS ATTACHED:

- LAWCX – JPA Agreement 2009

JOINT EXERCISE OF POWERS AGREEMENT

LOCAL AGENCY WORKERS' COMPENSATION EXCESS

JOINT POWERS AUTHORITY

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JOINT POWERS AGREEMENT

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JOINT EXERCISE OF POWERS AGREEMENT
TO ESTABLISH, OPERATE, AND MAINTAIN A
JOINT PROGRAM
FOR WORKERS COMPENSATION EXCESS PROTECTION

THIS AGREEMENT is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code, relating to the joint exercise of powers, between the agencies signatory hereto, and also those which may hereafter become signatory hereto, for the purpose of operating an agency to be known and designated as Local Agency Workers' Compensation Excess Joint Powers Authority ("Authority").

WITNESSETH:

WHEREAS, it is to the mutual benefit of the parties herein subscribed and in the best public interest of said parties to join together to establish this Joint Powers Agreement to accomplish the purposes hereinafter set forth; and

WHEREAS, the development, organization, and implementation of such an Authority is of such magnitude that it is desirable for aforesaid parties to join together in this Joint Powers Agreement in order to accomplish the purposes hereinafter set forth; and

WHEREAS, the signatories hereto have determined that there is a need, by agencies, for a joint program for "Workers' Compensation Excess" protection; and

WHEREAS, it has been determined by such signatories that a joint program for "Workers' Compensation Excess" protection is of value on an individual and mutual basis; and

WHEREAS, Title 1, Division 7, Chapter 5, Article 1, of the California Government Code authorizes joint exercise by two or more agencies of any power common to them; and

WHEREAS, it is the desire of the signatories hereto to jointly provide for a joint program for "Workers' Compensation Excess" protection for their mutual advantage and concern; and

WHEREAS, it is the desire of the signatories hereto to study and from time to time to incorporate other forms of risk management into a joint program such as that described herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER AGENCIES, each of the parties hereto does agree with each of the other parties as follows:

1. CREATION OF THE JOINT POWERS ENTITY

A Joint Powers Entity, separate and apart from the agencies signatory hereto, shall be and is hereby created and shall hereafter be designated as the Local Agency Workers' Compensation Excess Joint Powers Authority ("Authority").

2. FUNCTIONS OF THE AUTHORITY

A. The Authority is established for the purposes of administering this Agreement, pursuant to the Joint Powers provisions of the California Government Code, and of providing the services and other items necessary and appropriate for the establishment, operation, and maintenance of a joint group program for "Workers' Compensation Excess" to benefit the "Members", and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other joint programs.

B. THE FUNCTIONS OF THE AUTHORITY ARE:

- (1) To provide a joint program and system, as described in this Agreement, the Bylaws, and the Memorandum of Coverage and give to each "Member", of the Authority, "Workers' Compensation Excess".
- (2) To perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other development as necessary for the payment and handling of all claims against "Members" reimbursable under the "Workers' Compensation Excess".
- (3) To pursue "Member's" right of subrogation against a third party when the Authority decides such action is appropriate.
- (4) To enter into contracts.
- (5) To obtain insurance coverage for the "Members" and/or the Authority as determined appropriate by the Board of Directors.
- (6) To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of a joint program of the "Workers' Compensation Excess" including, but not limited to, the acquisition of facilities and equipment, the employment of personnel, and the operation and maintenance of a system for the handling of the joint program.
- (7) To incur debts, liabilities, and obligations necessary to accomplish the purposes of this agreement.
- (8) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any governmental entity.
- (9) To invest surplus reserve funds as deemed appropriate by the Board of Directors and as subject to law.

- (10) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other joint programs.
- (11) To establish new programs as deemed appropriate by the Board of Directors.
- (12) To sue and be sued in the name of the Authority.
- (13) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.

3. **POWERS OF THE AUTHORITY**

The Authority shall have the power and authority to exercise any power common to the agencies which are "Parties" to this Agreement, provided that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of the Authority shall be subject to the restrictions upon the manner of exercising such powers by an agency having the same status as a Member Agency or Joint Powers Authority except as otherwise provided in this Agreement.

4. **TERM OF THE AGREEMENT**

This Agreement shall be effective and binding on any signatory thereto upon execution. This Agreement shall continue in effect until lawfully terminated as provided herein and in the Bylaws. In the event of a reorganization of one or more of the agencies participating in this Agreement, the successor in interest or successors in interest to the obligations of any such reorganized agency may be substituted as a "Party" or as "Parties" to this Agreement, subject to approval by a two-thirds (2/3) weighted vote of the "Parties" to this Agreement.

5. **GOVERNING DOCUMENTS**

A. **THE AGREEMENT**

If there is a conflict between this Agreement and any other document of the Authority, this Agreement shall control over such other document. Such other document shall have the effect as if the provisions in conflict with this Agreement were null and void.

B. **BYLAWS**

The Authority shall be governed pursuant to certain Bylaws, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, and by such amendments to the Bylaws as may from time to time be adopted. Wherever in this Agreement "Bylaws" are referred to, said Bylaws shall be those set forth in Exhibit A, as may be amended. Each "Party" to this Agreement agrees to comply with and be bound by the provisions of said Bylaws and further agrees that the Authority shall be operated pursuant to this Agreement and said Bylaws.

Procedures for amending the Bylaws shall be as provided in the Bylaws so long as they are not inconsistent with this Agreement.

C. **MEMORANDUM OF COVERAGE**

The Authority shall provide coverage according to a Memorandum of Coverage. The Authority and each "Member" shall be bound by the terms and conditions of such Memorandum of Coverage.

Each Memorandum of Coverage shall have an effective date and apply as if a new Memorandum were adopted annually, unless otherwise expressly stated. The Memorandum of Coverage may be amended by endorsement. The procedure for such amendment shall be described in the Bylaws.

D. OTHER DOCUMENTS

The Authority may adopt any other document, such as claims procedures manual, risk management manual, etc., as may be necessary and proper for the establishment, operation, and maintenance of a joint program of "Workers' Compensation Excess". Such documents shall be adopted by a two-thirds (2/3) weighted vote of the "Parties" present at a meeting of the Board of Directors.

6. ORGANIZATION

A. BOARD OF DIRECTORS

- (1) A Board of Directors is hereby established to direct and control the Authority.
- (2) Each "Party" of the Authority shall be entitled to a seat on the Board of Directors and shall appoint to the Board of Directors one (1) representative and one (1) alternate who shall be designated in writing. Said representative and said alternate must be an employee or authorized agent of the "Party" and shall serve at the pleasure of the "Party" by whom appointed.
- (3) Each "Party" shall be entitled to cast weighted votes allocated by the Authority based upon the total payroll of the members represented. Total payroll shall be the actual ending payroll of the previous fiscal year. Where the "Party" is a Joint Powers Authority, the total payroll shall be the payroll of the participants in the Workers' Compensation program of that Joint Powers Authority. All weighted votes allocated to each "Party" shall be cast together and cannot be split. Weighted votes shall be allocated as follows:

<u>PAYROLL (,000)</u>		<u>VOTES ALLOCATED</u>
\$1	-	\$ 35,000
\$35,001	-	\$ 75,000
\$75,001	-	\$125,000
OVER \$125,000		
		1
		2
		3
		4

Weighted votes may be cast only by a representative or, if the representative is absent, by an alternate designated in writing per paragraph B.

- (4) Meetings
 - a. The Board of Directors shall hold regular meetings as prescribed in the Bylaws, but in no event shall hold less than two (2) regular meetings a year.
 - b. Other meetings may be held as described in the Bylaws with proper notice given as described in the Bylaws.
 - c. All Board meetings shall be conducted in accordance with the Ralph M. Brown Act (Sections 54950, et. seq.) of the California Government Code and the Roberts Rules of Order.

- (5) The Board of Directors may delegate any authority which is not reserved exclusively for the Board by this Agreement or the Bylaws.

B. **EXECUTIVE COMMITTEE**

An Executive Committee may be formed by the Board of Directors to administer and operate the risk management programs of the Authority. The Committee shall have such authority, except those exclusively reserved to the Board, as necessary and proper for the administration of the programs of the Authority within the policies established by the Board of Directors.

C. **OTHER COMMITTEES**

The Board of Directors or the Executive Committee may establish other committees as may be deemed expedient in the establishment or implementation of a program.

D. **OFFICERS**

- (1) President and Vice President

At the first Board of Directors meeting, the Directors shall elect a President and Vice President from among its members as prescribed in the Bylaws. Such President and Vice President shall serve such terms as stated in the Bylaws. Subsequent Presidents and Vice Presidents shall be elected as described in the Bylaws.

- (2) Other Officers

The President shall appoint a Secretary and a Treasurer who shall serve as described in the Bylaws.

The Board may create an office as deemed appropriate for the operations of the Authority and the President shall appoint one to serve in such office.

- (3) Any person elected or appointed as an officer may be removed from such office by a majority of the weighted votes of the Board of Directors.

7. **MEMBERSHIP IN THE AUTHORITY**

- A. Each "Party" to this Agreement and any "Members" represented by the "Party" must be an agency permitted to self-insure in the State of California and eligible for membership in the Authority as defined in the Bylaws. Each "Party" becomes a "Member" of the Authority and shall be entitled to the rights and privileges of membership, and shall be subject to the obligations of membership, as provided in this Agreement and in the Bylaws.
- B. Each "Party" to this Agreement shall participate and continue to participate in the "Workers' Compensation Excess" program for a period of not less than three (3) full program years.
- C. This Agreement shall be binding upon the original "Parties" to this Agreement on the effective date of this Agreement.
- D. Upon two-thirds (2/3) weighted vote of the "Parties", any agency, that is eligible for membership as defined in the Bylaws and is not a "Party" hereto, that desires to join the Authority created hereby,

may become a "Member" hereof by executing a copy of this Agreement whereby said agency agrees to comply with the terms of this Agreement, the Bylaws, and the Memorandum of Coverage. This Agreement shall be binding upon the agency effective as of the date of such execution.

- E. Each "Member" shall be subject to a retained limit per occurrence for "Workers' Compensation Excess" as selected by the "Party" and approved by the Board of Directors.
- F. Each "Member" participating in a program year with funds in excess of its obligation shall have a right to a portion of such funds pursuant to the Bylaws. Each "Member" participating in a program year with obligations in excess of the funds for that program year shall be obligated to pay any assessments charged by the Authority pursuant to the Bylaws.

8. **WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP**

- A. Any "Party" to this Agreement which has been a "Party" of the Authority for at least three (3) full program years may voluntarily terminate this Agreement as to itself and withdraw from membership in the Authority. Such termination and withdrawal of membership shall become effective subject and according to the conditions, manner, and means set forth in the Bylaws.
- B. A "Party" may be involuntarily terminated from the Authority upon a two-thirds (2/3) weighted vote of the other "Parties" to this Agreement.
- C. Withdrawal or termination of a "Party" shall not absolve such "Party" of liabilities arising out of participation in a program.

9. **TERMINATION OF AGREEMENT**

This Agreement may be terminated effective at the end of any fiscal year by a three-fourths (3/4) weighted vote of the "Parties" present at a Board of Directors meeting, provided, however, that the Authority and this Agreement shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.

10. **DISPOSITION OF PROPERTY AND FUNDS**

- A. In the event of the dissolution of the Authority, the complete rescission, or other final termination of this Agreement by the agencies then a "Party" hereto, any property interest remaining in the Authority following a discharge of all obligations shall be distributed to the "Parties" in the same relationship as their total contributions over all program years to the total contributions of all "Parties" over all program years.
- B. In the event a "Party" withdraws from this Agreement, any property interest of that "Party" remaining in the Authority following discharge of all obligations shall be disposed of as provided for in the Bylaws. Obligations, as referred to herein, shall include, but not be limited to, all payments required by law together with all "Reserves" which have been established for the purpose of paying incurred claims together with any other legal obligations incurred by the Authority pursuant to this Agreement.

11. **AMENDMENTS**

This Agreement may be amended, after sixty (60) days notice to the "Parties", by a two-thirds (2/3) weighted vote of the "Parties". However, this Agreement may not be amended without a unanimous vote until three (3) years after its effective date. For purposes of this paragraph, amendment shall not include termination of the Agreement. Any such amendment shall be effective upon the date of final execution thereof, unless otherwise provided in the amendment.

12. **AUDITS AND ACTUARIAL ANALYSIS**

At the end of each fiscal year, the Authority shall have a financial audit by a qualified, independent Certified Accountant. A report from the Accountant shall be distributed to each and every "Party" to this Agreement.

The Authority shall have an audit of its claims performed at least once every two (2) years. Such audits shall be performed by an independent individual or company qualified to perform such audits. A report of the findings of such audit shall be distributed to each and every "Party" to this Agreement.

The Authority shall have an actuarial study performed at least once every two (2) years. Such actuarial study shall be performed by a qualified actuary and the findings of such a study shall be distributed to each and every "Party" to this Agreement.

13. **SEVERABILITY**

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

14. **LIABILITY**

A. If a "Member" or the Authority is held liable upon any judgment for damages caused by an act or omission that is subject to Sections 895, et. seq., of the California Government Code and makes payments in excess of its "Pro Rata Share" on such judgment, such "Member" of the Authority is entitled to contribution from each of the other "Parties" to the Agreement. A "Member's" "Pro Rata Share" shall be determined in the same manner as for the disposition of property and funds as provided in the Agreement and the Bylaws.

B. The Authority may insure itself, its directors, officers, and employees, to the extent deemed necessary or appropriate by the Board of Directors, against loss, liability, and claims arising out of or connected with this Agreement.

15. **ENFORCEMENT**

The Authority is hereby given authority to enforce this Agreement. In the event the Authority brings suit against a "Member" for breach of this Agreement and a judgment is rendered for the Authority, the "Member" shall pay all costs incurred by the Authority as a result of such suit, including reasonable attorney's fees as fixed by the court.

16. **DEFINITIONS**

The terms used herein and in the Bylaws shall have the following meanings:

A. "Claims Service" shall mean a claim adjuster or claims adjusting company as may be engaged by the Board of Directors for the purpose of determining losses and payments with respect to the Claims Fund.

B. "Contribution" shall mean money payable by a "Party" to the Authority for the purpose of funding for losses and administrative expenses of the Authority.

C. "Workers' Compensation Excess" shall mean coverage for Workers' Compensation and Employers'

Liability claims in excess of "Parties" retained limit as further defined in the Memorandum of Coverage.

- D. "Loss Reports" shall mean a report showing claims under a "Member's" "Workers' Compensation Excess" including current status.
- E. "Member" shall mean any "Party" to this Agreement, and if such "Party" is a joint powers authority and the participants if its Workers' Compensation program.
- F. "Memorandum of Coverage" shall mean the document stating the scope of the "Workers' Compensation Excess" as adopted by the Board of Directors.
- G. "Party" shall mean a signatory to the Agreement.
- H. "Program Year" shall mean that period of time, normally July 1 to the following June 30, designated by the Board of Directors as one (1) coverage period.
- I. "Agency" shall mean a special district, city, county, or joint powers Authority comprised largely of the above agencies.
- J. "Reserves" shall mean those parts of the "member's" "Contributions" held by the Authority to make expected future payments on "Workers' Compensation Excess" claims, whether known or unknown.
- K. "Joint Program" shall mean the group purchasing of insurance or the funding of loss to be paid by the group.
- L. "Pro-Rata Share" shall mean each "Member's" financial "Contribution" in proportion to the total of all "Member's" "Contributions" for each fiscal year.

IN WITNESS WHEREOF, the "Parties" hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

Party: _____

Date: _____

By: _____

Title: _____

December 4, 2025

Agenda Item 9.A.

FINANCIAL MATTERS

SUBJECT: Dividend Discussion

BACKGROUND AND HISTORY:

This agenda item is to allow the PLAN JPA Board of Directors to make recommendations based on the prior day's Strategic Planning Discussion related to the PLAN JPA dividend policy.

RECOMMENDATION:

Staff recommends the PLAN Board:

- *Direct Staff to draft an allocation formula policy and update the appropriate governing documents accordingly.*
- *Direct Staff to work with PLAN JPA's contracted actuarial firm to prepare an allocation report showing the total amount available to be distributed to each member using the most recent actuarial assessments of ultimate loss and audited financial data as of June 30, 2025.*

REFERENCE MATERIALS ATTACHED:

- Dividend Estimate - Liability Program

Dividend Calculation:**Equity by Program Year:**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 and Prior</u>
Annually Allocated Amounts:							
Contributions	\$ 27,275,800	\$ 22,473,839	\$ 19,630,455	\$ 16,725,154	\$ 12,775,098	\$ 10,389,030	\$ 8,899,743
Investment Income	3,422,170	2,536,737	867,017	(1,817,829)	187,807	2,147,430	2,000,298
Annual Expenses	(20,873,968)	(17,726,546)	(13,520,043)	(12,350,697)	(6,852,757)	(5,117,782)	(3,855,016)
Claims Paid (Net of Recoveries)	-	(17,877)	(987,109)	(1,922,802)	(5,364,696)	(4,648,790)	(1,335,004)
Claim Liabilities at Expected CL, Discounted	(7,372,199)	(7,918,310)	(3,630,595)	(3,549,935)	(4,358,508)	(1,334,534)	255,297

Extraordinary Items:

Transfers in from Previous Program Years	-	-	-	-	-	-	39,987,264
Assessments	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(757,522)	(420,130)
Restatement of Equity	-	-	-	1,006,907	-	-	-

Adjustments for Prior

Prior: Dividend (Payable as of 6/30/2018)							(248,076)
Prior: Claims Paid (Net of Recoveries)							(33,982,206)
Prior: Revaluation of Claims Liabilities (6/30/2018 vs. 6/30/2025)							18,070,067
Equity	\$ 2,451,803	\$ (652,156)	\$ 2,359,726	\$ (1,909,202)	\$ (3,613,056)	\$ 677,832	\$ 29,372,238

Total Equity (Program Year Basis)	\$ 28,687,185
Total Equity (F/S Basis)	\$ 28,708,516
Reconciling Difference	\$ (21,332)
Negative Equity Years	\$ (6,174,414)

Calculation:

Total Assets	\$ 58,053,047	To be updated once 2025 Audited Financials Complete.
Total Claims Liability 90% CL, Discounted	\$ (40,114,000)	
Other Liabilities	\$ (262,221)	
Equity w/ losses at 90% CL (Maximum Available Dividend)	\$ 17,676,826	
Negative Equity Years	\$ (6,174,414)	
Net Available Dividend	\$ 11,502,412	

December 4, 2025

Agenda Item 9.B.

FINANCIAL MATTERS

SUBJECT: Amendment to 2025/26 Budget

BACKGROUND AND HISTORY:

Miguel Beas, Senior Accountant, will be in attendance to provide an update on the PLAN JPA 2025/26 Budget. The updates include items related to the formation of PLAN JPA's Workers' Compensation Program.

Pool Layer Funding:

- Pool Layer Funding is calculated by using estimated payroll for 2025/26 (halved to account for six months of activity), ex-mod, a balancing factor, and a deductible factor.
- The amount billed for the pool layer will depend on each member's selected SIR, which, if no notice of the selection is given to PLAN JPA prior to January 1st, will default to the lowest SIR available to the member.

Excess Insurance Costs:

- Excess Insurance, provided by LAWCX, attaches at a Pool SIR of \$250,000 and is allocated based on estimated payroll.

Administration + Other Direct Expenses:

- Administration and other direct expenses include additional pool administration costs, fixed-fee third-party administration costs, additional actuarial fees, additional risk control costs, and an estimate for regulatory fees imposed by the Department of Industrial Relations and is allocated based on estimated payroll.

Additional variable costs related to third-party administration fees, claim payments under Members' SIR, and claim payments for tail claims not covered by PLAN JPA will be billed back to the Members incurring those costs.

The amended budget is attached to this staff report. Billing of the members participating in the PLAN JPA Workers' Compensation Program will occur on January 1, 2026.

RECOMMENDATION:

Staff recommends that the Board of Directors approve the PLAN JPA Amended Budget.

REFERENCE MATERIALS ATTACHED:

- PLAN JPA Amended Budget 2025-26

PLAN JPA

2025/2026 Draft Operating Budget - Workers' Compensation

Workers Compensation Program Contribution Schedule

Pool Funding @ 85% Confidence Level

Primary Pool from 1st Dollar ~ LAWCX Excess from \$250,000

Members	Member SIR	Payroll 2025-26 (est.)	Funding for Losses SIR-\$250K	Excess Insurance LAWCX	Administration + Other Direct Expense	2025/26 Workers Comp Budget
	Note 1	Note 2	Note 3	Note 4	Note 5	
Atherton	\$10,000	\$ 4,002,050	\$ 121,798	\$ 80,022	\$ 17,479	\$ 219,299
Half Moon Bay	\$0	\$ 2,917,150	\$ 53,344	\$ 58,329	\$ 12,741	\$ 124,414
Hillsborough	\$10,000	\$ 7,985,300	\$ 361,158	\$ 159,667	\$ 34,877	\$ 555,702
San Carlos	\$0	\$ 7,400,900	\$ 215,996	\$ 147,982	\$ 32,324	\$ 396,303
Total		\$ 22,305,400	\$ 752,297	\$ 446,000	\$ 97,421	\$ 1,295,718

Notes:

Note 1: Member Selected Self-Insured Retention, which may be \$0, \$10K, \$25K, \$50K or \$100K (members with public safety must select an SIR of at least \$10K).

Note 2: Estimated Payroll is same as used in the 2025/26 Board Approved Budget, but prorated to 50% of program year (for period 1/1/2026 to 6/30/2026).

Note 3: Pool funding between member SIR to \$250,000 at the 85% confidence level, after application of ex-mod, ex-mod balancing factor, and deductible factor. Loss rate at 85% confidence level, ex-mod by member, and deductible factor from Actuarial Study dated November 13, 2025.

PLAN JPA

2025/2026 Draft Operating Budget - Workers' Compensation

	2025/26
Revenues:	
Contributions	\$ 1,295,718
Total Revenues	1,295,718
Expenses:	
Claims Expense	752,297
Insurance Expense (LAWCX)	446,000
Third Party Administrator	13,500
Risk Control	16,000
Program Administration	48,922
Actuarial Studies	11,570
Department of Industrial Relations Self-Insurance Fee	7,429
Total Expenses	1,295,718
Budgeted Net Income (Loss)	\$ -

PLAN JPA

2025/2026 Operating Budget, Amended for Workers' Compensation Program

Summary of Contributions by Program

Member	60% CL Liability Program	85% CL Property Program	85% CL Workers' Compensation Program	80% CL EPL Liability	2025/26 Total Contributions
				Note 1	
American Canyon	\$ 681,808	\$ 350,271	\$ -	\$ 53,021	\$ 1,085,099
Atherton	\$ 436,838	\$ 118,498	\$ 219,299	\$ 63,212	\$ 837,847
Benicia	\$ 1,312,261	\$ 881,370	\$ -	-	\$ 2,193,631
Burlingame	\$ 1,444,721	\$ 881,592	\$ -	\$ 156,459	\$ 2,482,772
Campbell	\$ 1,543,440	\$ 380,466	\$ -	-	\$ 1,923,906
Colma	\$ 205,890	\$ 105,898	\$ -	-	\$ 311,788
Cupertino	\$ 1,688,728	\$ 415,372	\$ -	-	\$ 2,104,099
Dublin	\$ 2,078,918	\$ 789,869	\$ -	-	\$ 2,868,787
East Palo Alto	\$ 868,308	\$ 142,773	\$ -	-	\$ 1,011,081
Foster City	\$ 1,060,681	\$ 568,788	\$ -	-	\$ 1,629,470
Half Moon Bay	\$ 445,299	\$ 97,307	\$ 124,414	-	\$ 667,020
Hillsborough	\$ 742,632	\$ 293,641	\$ 555,702	\$ 93,736	\$ 1,685,711
Los Altos Hills	\$ 312,101	\$ 71,146	\$ -	\$ 34,008	\$ 417,255
Los Gatos	\$ 1,103,502	\$ 252,262	\$ -	\$ 111,026	\$ 1,466,790
Millbrae	\$ 827,052	\$ 478,287	\$ -	-	\$ 1,305,339
Milpitas	\$ 2,636,222	\$ 888,682	\$ -	-	\$ 3,524,904
Morgan Hill	\$ 1,727,051	\$ 602,908	\$ -	-	\$ 2,329,960
Newark	\$ 1,427,114	\$ 541,228	\$ -	-	\$ 1,968,342
Pacifica	\$ 1,394,510	\$ 874,963	\$ -	-	\$ 2,269,473
Portola Valley	\$ 171,115	\$ 64,945	\$ -	-	\$ 236,061
Ross	\$ 141,036	\$ 29,344	\$ -	-	\$ 170,380
San Bruno	\$ 1,807,589	\$ 509,100	\$ -	-	\$ 2,316,690
San Carlos	\$ 1,107,041	\$ 301,396	\$ 396,303	\$ 81,967	\$ 1,886,707
Saratoga	\$ 903,013	\$ 173,615	\$ -	-	\$ 1,076,628
South San Francisco	\$ 1,970,573	\$ 1,532,074	\$ -	-	\$ 3,502,648
Suisun City	\$ 1,109,227	\$ 224,085	\$ -	\$ 72,253	\$ 1,405,565
Tiburon	\$ 433,838	\$ 61,657	\$ -	-	\$ 495,495
Woodside	\$ 256,334	\$ 44,498	\$ -	\$ 14,963	\$ 315,795
Total	\$ 29,836,843	\$ 11,676,038	\$ 1,295,718	\$ 680,645	\$ 43,489,244

Notes:

Note 1: EPL coverage is through Employment Risk Management Authority (ERMA).

FINANCIAL MATTERS

SUBJECT: Update to PLAN JPA Captive

BACKGROUND AND HISTORY:

Forming a captive insurance company (Captive) for PLAN JPA may yield benefits for PLAN JPA. Particularly, a Captive, which would be under the control of PLAN JPA Board Members, may yield higher investment return. This would allow for an increased discount rate for the pool layer funding amounts, decreasing the contribution required for pool layer funding in future years. Additionally, the increase in investment return on PLAN JPA's surplus investment holdings could be used to offset contributions required to ensure that the pool is adequately funded.

At the June 26, 2025, PLAN Board Meeting, Staff was directed to begin forming a Captive for PLAN JPA, pending an analysis from Board Counsel, Marc Zafferano.

Through PLAN JPA Staff's meetings with Mr. Zafferano, actuarial and risk consultants, we have determined that there are additional risks which should be considered before PLAN JPA moves forward with the formation of a Captive. The risks identified include investment risk, systemic risk, opportunity risk, legal risk, and political risk. These risks, and ways to mitigate them, are discussed below.

Investment Risk: the risk that investments held in assets owned by the Captive will be subject to a decrease in value.

- California JPAs that form Captives primarily do so to provide additional flexibility by investing in equity securities. These types of securities are subject to a greater risk of loss due to business cycle events.

This risk can be mitigated by selection of a more conservative investment mix between equity and fixed income investments.

Systemic Risk: the risk of a breakdown of an entire system rather than simply the failure of individual parts.

- PLAN JPA's excess carrier for the Liability Program includes CARMA. CARMA uses a Captive to hold its investments for a portion of its assets, representing the last four fiscal years of its operations. If there were significant claim activity for those years for PLAN JPA or CARMA coinciding with a significant market downturn, then PLAN JPA and/or its membership may face assessments.

December 4, 2025

Agenda Item 9.C
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This risk can be mitigated by communication between the CARMA Captive board and the PLAN JPA Captive board, and selection of a diversified investment portfolio between the two pools.

Opportunity Risk: the risk of potential loss or adverse consequences an organization may encounter by not pursuing available opportunities or failing to capitalize on favorable circumstances that could contribute to its growth, innovation, and competitive advantage.

- PLAN JPA's surplus in available funds may represent additional capital for a Captive, or it may represent available funds for a dividend to PLAN JPA membership. The more funds retained in PLAN JPA's Captive, the greater potential upside in market returns. However, holding funds in the Captive would limit the funds available to be distributed amongst the members through a dividend.

This risk can be mitigated by careful distribution of available dividends.

Legal Risk: the risk of financial or reputational loss resulting from any type of legal issue.

- Mr. Zafferano has determined that while there is no explicit statutory or case law that either authorizes the creation of a captive, or that prohibits it, several California risk pools have created and operated captives with no known adverse legal consequences to date.

This risk can be mitigated by action in accordance with legal advice of board counsel.

Political Risk: the risk that political decisions, events, or conditions will significantly affect the profitability of a business actor or the expected value of a given economic action.

- Currently, California JPAs are largely self-regulated and are not generally subject to regulation under the Department of Insurance or taxing authorities. If there is a change in California or federal politics which subject them to additional scrutiny, then the return on investment through a Captive may be diminished. In particular, if the PLAN JPA Captive were subject to regulatory scrutiny by the Department of Insurance or subject to the insurance gross premiums tax on insurers doing business in California, additional investment returns would be undercut by additional costs.

This risk can be mitigated by flexible decision-making that passes governmental scrutiny at levels below and above PLAN JPA.

At its October 27, 2025, Executive Committee Meeting, the Executive Committee reaffirmed its approval of the formation of the PLAN Captive.

RECOMMENDATION:

Staff recommends the Board of Director reaffirm its approval of the formation of the Captive.

REFERENCE MATERIALS ATTACHED:

None

December 4, 2025

Agenda Item 9.D.

FINANCIAL MATTERS

SUBJECT: Loss Run Reconciliation and Over Billing

BACKGROUND AND HISTORY:

At the end of each fiscal quarter, Staff compares the activity recorded in the PLAN JPA General Ledger against the quarterly loss runs received from Carl Warren. Reconciling differences are investigated.

As part of the fiscal year-end reconciliation, Staff identified instances in which members appear to have been overbilled.

Overbilling appears to have occurred due to the failure of the prior TPA to account for the application of the member deductible threshold on an occurrence basis rather than a claims basis. PLAN JPA Staff is working with the current and former TPA to confirm. If confirmed, funds will be returned to the members that have been overbilled as part of PLAN JPA's special check run, to occur the first week of December 2025.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

RISK CONTROL MATTERS

SUBJECT: 2025/26 Risk Control Update

BACKGROUND AND HISTORY:

The Board of Directors reviewed and approved the 2025/2026 Risk Control Service Plan on June 26, 2025. Previous strategic planning sessions, along with conversations and interactions with PLAN JPA members, provided direction for the proposed risk control service plan for 2025/2026. This report contains some of the highlights of the risk control services provided.

Risk Control Services on Request

Risk Control staff continues to provide training and program development using virtual and in person platforms. A list of the services that have been provided and scheduled for the 2025/2026 program years and is attached to this report. Additionally, three (3) members (Cupertino, Los Gatos, and San Carlos) have included PLAN JPA Risk Control staff in their regularly scheduled safety/risk management committee meetings.

PLAN JPA Risk Control staff confirmed Alliant Insurance Services is able provide up to seven (7) days of service, per year, for Infrared Electrical Services. A four-year rotating schedule has been developed, and reminder emails were sent out 09/10/2025 reminding the current members to get schedule this service with Alliant services. The Town of Woodside and Foster City have scheduled. The Town of Los Gatos have expressed interest. The members listed below are in the queue for this program year.

Campbell	
Foster City	Scheduled
Los Gatos	Responded
Milpitas	
San Carlos	
Suisun City	
Woodside	Scheduled

Focused Member Services

In an effort to mitigate PLAN JPA's risk, staff was directed to conduct loss analyses for 10 members and develop and implement services plans for each member based on the loss analyses results. Ten members have been identified based on the 2025/2026 ex-mod rate. Risk Control has begun the loss analyses for these members. To date all 10 members have been completed. Risk Control will set up a meeting with the member to discuss the recommended services and findings. The goal will be to help them reduce their loss experience and their ex-mod.

Development of Focused Self-Assessments Materials

Risk Control staff continues to build and refine documents for focused self-assessment and companion best practice documents. Four focused assessments were approved by the Board on June 26, 2025. The focused assessments will be bent out each quarter after they are developed. The first of four focused assessment was sent out August 18, 2025. This assessment and prior assessments can be accessed on the Sedgwick Risk Control website. Below is the schedule for the four focused assessments.

- Stormwater Loss Prevention & Management – Sent August 18, 2025
- Cyber Risk Management Practices – October to December 2025
- Asset Management – January to March 2026
- Wildfire Risk Management – April to June 2026

Defensive Driving

Defensive driving is offered regionally and to individual members utilizing virtual platforms. The next scheduled virtual webinar is TBD. Behind-the-wheel driver evaluations are also available to PLAN JPA members. These evaluations can be scheduled by contacting the Risk Control Manager.

Regional Training

The Risk Control Service Plan incorporates at least four (4) regional training sessions, including the 2025 Sewer and Stormwater Summit. PLAN JPA members continue to participate, with higher-than-average attendance, due to them being an online training as it eliminates travel time. Other webinars that have been provided or are scheduled include:

- Dangerous Conditions of Roadways – August 20, 2025
- Sidewalk Safety – August 27, 2026
- Sewer and Stormwater Summit – October 09, 2025
- Tree Work Safety Training – TBD
- Defensive Driver Training – TBD
- Cyber Risk – April 07, 2026

Additional regional training opportunities will be reviewed and scheduled upon request.

December 4, 2025

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Oversight of the Risk Management Grant Fund Reimbursements

The Risk Control Manager continues to review the submissions for Grant Fund Reimbursements to ensure submissions are within the program guidelines and submitted by authorized personnel as well as providing guidance as needed regarding proposed expenditures. From 7/1/2025 to 11/03/2025, four (4) PLAN JPA members (Atherton, Benicia, Los Gatos, & Ross) submitted requests for reimbursements. The Grant Fund currently contains a balance of \$1,078,495.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

December 4, 2025

Agenda Item 11.A.

STATE OF THE MARKET

SUBJECT: State of the Market

BACKGROUND AND HISTORY:

PLAN's insurance broker, Seth Cole, Senior Vice President with Alliant Insurance Services, will be in attendance to discuss the current State of the Market in anticipation of the 2026/27 Program Year renewal.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

December 4, 2025

Agenda Item 12.A.

CLAIMS MATTERS

SUBJECT: Litigated Claim Trends Presented by Carl Warren

BACKGROUND AND HISTORY:

General liability third-party administrator representatives, Carl Warren, will be present to provide an overview of PLAN JPA's litigated claims data within the Liability Program.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None

December 4, 2025

Agenda Item 12.B.

CLAIMS MATTERS

SUBJECT: Defense Counsel Spend Metrics

BACKGROUND AND HISTORY:

Litigation Management will be present to provide an overview of PLAN JPA's Panel Counsel.

RECOMMENDATION:

None.

REFERENCE MATERIALS ATTACHED:

None