CLAIMS COMMITTEE
MEETING AGENDA

Webinar/Teleconference
Wednesday, May 8, 2019
Call: (844) 368-3855 9:30 A.M.

CALL TO ORDER

ESTABLISHMENT OF QUORUM/INTRODUCTIONS

PUBLIC COMMENTS
This time is reserved for members of the public to address the Committee relative to matters of ICRMA that are not on the agenda. Persons wishing to address items on the agenda will be permitted to do so during the discussion of the item. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person, twenty minutes in total.

APPROVAL OF AGENDA AS POSTED OR AMENDED
As a matter of procedure, the Committee should approve the agenda.

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

A. Minutes of the March 13, 2019 Claims Committee Meeting ............................................................. 3
B. Minutes of the April 4, 2019 Special Claims Committee Meeting .................................................... 8
C. 2018/19 Claims Committee Attendance Record .............................................................................. 10
D. Update Workers’ Compensation Benchmarking Report Meetings ................................................. 11
   Action: Approve item A-B and direct staff to finalize, review and file items C-D.

OPEN SESSION
As to each agenda item, the Committee may take action and/or receive informational reports as appropriate.

A. Provide Settlement Authority for Downey Property Claim (Mike) .................................................... 13
   Action: Provide $149,912.90 in authority for resolution of Downey property claim.
B. Attorney Review Project (Sara) .............................................................................................................. 42
   Action: Review and provide direction.
C. Liability Program Update (Beth) .......................................................................................................... 45
   Action: Review and provide direction.
CLOSED SESSION
The Committee will hold a closed session to discuss any or all claims listed on the agenda. Members are reminded to destroy closed session materials after the meeting.

A. Discussion of Open Claims and Conference with Legal Counsel pursuant to Government Code Section 54956.95(a):
   - Lopez v. Glendora
   - Salcedo v. Baldwin Park

REPORT FROM CLOSED SESSION
Report from Closed Session: Pursuant to Government Code Section 54957.1, the Committee must report in open session any action taken in closed session.

CLOSING COMMENTS
This time is reserved to identify matters for future Committee business.

ADJOURNMENT

FUTURE MEETING
- July 10, 2019, Downey City Hall 2nd Floor Training Room

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact ICRMA at (949) 349-9879. Notification 48 hours before the meeting will enable ICRMA to make reasonable arrangements to ensure accessibility (28 CFR 35.102.35.104 ADA Title II).

Notice of teleconference meeting pursuant to Government Code Section 54953 (b) teleconferencing facilities will be available in the office of the risk manager at the following locations:

<table>
<thead>
<tr>
<th>City of Bell</th>
<th>City of Hawthorne</th>
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<td>6330 Pine Ave</td>
<td>4455 West 126th Street</td>
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<tr>
<td>Bell, CA 90201</td>
<td>Hawthorne, CA 90250</td>
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<td>11330 Bullis Road</td>
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A teleconference meeting of the Claims Committee was held on March 13, 2019.

**Members Present**

Vicki Cross, Chair  
Glendora (present; not voting)

Yvette Garcia, Vice Chair  
Downey

Sergio Ibarra  
Bell

Michael O’Kelly  
Fullerton

Alison Stevens  
Hawthorne

Sara Nazir  
Lynwood

**Members Absent**

NA

**Others in Attendance:**

RPA  
Beth Lyons (attended 9:40-10:55 a.m.)

Jennifer Achterberg

John Nielsen

Bob May (attended 9:40-10:44 a.m.)

Johnson Schacter & Lewis  
Luther Lewis

Carl Warren & Company  
Rose Nuno

Robert Tran (departed 11:07 a.m.)

Sara Peterson Consulting  
Sara Peterson (departed 10:29 a.m.)

Bottomline  
Michael Dissen (attended 9:40-10:28 a.m.)

Bill Frio (attended 9:40-10:28 a.m.)

1. **CALL TO ORDER**

   Chair Vicki Cross, Glendora, called the meeting to order at 9:40 a.m.

2. **ESTABLISHMENT OF QUORUM/INTRODUCTIONS**

   Introductions took place and it was determined a quorum was present.

3. **PUBLIC COMMENTS**

   Ms. Vicki Cross indicated she would chair the meeting today, but not be voting as the agenda was not posted within the timeline required by the Brown Act. Ms. Jennifer Achterberg proposed the possibility of including member agency representatives’ assistants or city clerks on email communicating the agenda shell for posting, in order to decrease the likelihood a member is unable to process the posting requirement in the future. Ms. Beth Lyons informed the committee regarding the resignation of Mr. Dwight Kunz from Carl Warren and Company. Ms. Rose Nuno will be interim Liability Program Manager until a replacement is proposed by Carl Warren.
4. APPROVAL OF AGENDA AS POSTED OR AMENDED
RPA staff informed the committee of a typo on the agenda page when compared to the memo on open session item F) Claims Committee Appointments for Expiring Terms. The agenda page stated the term year ended in 2020, however, the memo correctly stated the term ends in 2022.

Motion was made by Yvette Garcia, Downey, and seconded by Michael O’Kelly, Fullerton, to approve the agenda as amended. The motion carried unanimously by a roll call vote.

5. CONSENT CALENDAR
A motion was made by Yvette Garcia, Downey, and seconded by Michael O’Kelly, Fullerton, to approve the minutes of January 9, 2019 Claims Committee Meeting, Minutes of the January 14, 2019 Claims Committee special meeting, and direct staff to finalize; and to review and file the 2018/19 Claims Committee Attendance Record. The motion carried unanimously by a roll call vote.

6. OPEN SESSION
A. Feasibility Study Results regarding Bill Review Software
   The Committee previously provided direction to engage Bottomline to complete a feasibility study. Ms. Lyons introduced Mr. Michael Dissen who discussed the process in which bills were reviewed against the ICRMA LMPP to obtain objective information. Mr. Bill Frio discussed the results of the feasibility study which reviewed 26 invoices from five law firms. The total of the combined bills was $181,267.20. Upon analysis Bottomline recommended adjustments in the amount of $15,280.65, or 8.4% in savings.

   Ms. Lyons informed the committee Bottomline reports 24 firms are already active in its system, 12 are not in the system, and 2 are inactive. Mr. Dissen assured the committee the process for activating the 14 firms is straightforward, and could be accomplished directly between Bottomline, RPA staff and the firms, without additional communication required by ICRMA members. The expected timeline to move forward with the bill review service typically is 8-10 weeks with Bottomline performing the majority of the vendor communication and implementation logistics.

   A motion was made by Sara Nazir, Lynwood, seconded by Alison Stevens, Hawthorne, to direct RPA staff to move forward with implementation of Bottomline and present to the Board of Directors as part of the 2019-20 ICRMA Budget. The motion carried:
   Ayes: Downey, Fullerton, Hawthorne, and Lynwood
   Noes: Bell

B. Liability Defense Panel Review
   Ms. Rose Nuno presented an update on the Liability Defense Panel. Seven (7) attorneys were recommended for removal from the panel. One attorney recently retired from active litigation, while the other six (6) are not providing litigation services for ICRMA. Ms. Nuno continues to follow-up to request attorney responses to the surveys issued in 2018 as well as to seek additional information that will ensure appropriate counsel is identified and engaged based upon the type of litigation.
A motion was made by Yvette Garcia, Downey, and seconded by Michael O’Kelly, Fullerton, to recommend the Board approve the removal of the seven attorneys as presented, and directed staff to complete the survey data collection and update the defense panel listing for presentation to the Board. The motion carried unanimously by a roll call vote.

C. Review of Proposed 2019-20 Liability Memorandum of Coverage

In February, Mr. Luther Lewis of Johnson Schachter & Lewis, Coverage Counsel and interim General Counsel, Mr. Dwight Kunz, Liability Program Manager, Rose Nuno, assistant Liability Program Manager, Beth Lyons, Executive Director, and John Nielsen, Assistant Executive Director, completed a review of the Liability Memorandum of Coverage (MOC). Mr. Lewis reviewed the proposed changes to the Liability Memorandum of Coverage (MOC) for the 2019-20 program year. Many revisions were presented which included date changes to reflect the correct program year, removal of Baldwin Park as the city gave notice for termination effective 6/30/19, and additional language “cleanup” or clarification. Two recommended changes were discussed at length by the Committee.

The California State legislature broadened potential liability, regarding the acts of nonemployees, with respect to harassment of employees. Prior to January 1, 2019, employers could be held responsible for the acts of nonemployees, with respect to sexual harassment of employees. The nonemployees could include applicants, unpaid interns and volunteers, or contractors. The employer could be held liable if the employer, or its agents or supervisors, knew or should have known of the wrongful conduct and failed to take immediate and appropriate corrective action. Under SB 1300, effective January 1, 2019, employers can now be held responsible for the acts of nonemployees with respect to any harassment activity prohibited by FEHA, not just sexual harassment. As this date falls mid-coverage year in 2018-19, the Committee discussed amending the 2018-19 MOC, as well as adopting the changes for the 2019-20 MOC. The Broker reached out to the reinsurance carriers for 2018-19 to review the proposed changes, however, had not received responses from the reinsurance carriers regarding revising the 2018-19 coverage document as of the meeting date. RPA staff will continue to work with the Broker to obtain clear confirmation from the Reinsurance Carriers.

The Committee also reviewed additional language proposed for inclusion in the 2019-20 MOC regarding Member Contribution to Settlement. Member exposure for lost wages and benefits is not covered in the MOC. To resolve the litigation, a member’s contribution toward non-covered damages is regularly needed, which raises a potential conflict as to how much that contribution should be. This kind of economic damage is usually relatively easy to calculate. The following was used to clarify intent of new language by way of example only: if the defense economic expert opines that the minimum exposure (assuming full liability) for lost wages and benefits is $200,000, and defense counsel estimates that the Member’s potential liability is 50%, then the Member should offer $100,000 toward a potential settlement. The Member may fail to do so by offering only $25,000 toward settlement. In such a case, ICRMA could contribute the additional $75,000 in order to resolve the matter and cap the exposure. Then there are two options for resolution: 1.) The disagreement
regarding the value of uncovered damages could be submitted to binding arbitration. This
would be followed by an adjustment, as appropriate, between the Member and ICRMA. In
the example given, if the arbitrator determined that the reasonable value of uncovered
damages was $100,000, the Member would owe ICRMA an additional $75,000. 2.) As an
alternative, the Governing Board could also determine that the Member’s failure to offer/pay
a sum for non-covered damages, submit the issue to binding arbitration, or pay the arbitration
award, for example, constituted a failure to fully cooperate, which could result in a denial of
coverage.

_A motion was made by Yvette Garcia, Downey, and seconded by Michael O’Kelly, Fullerton,
to recommend Board adoption of the 2019-20 Liability Memorandum of Coverage as
proposed. The motion carried unanimously by a roll call vote._

D. Review of Proposed 2019-20 Workers’ Compensation Memorandum of Coverage
Mr. Luther Lewis of Johnson Schachter & Lewis, Coverage Counsel and interim General
Counsel, Mr. Robert Tran, Workers’ Compensation Program Manager, and Beth Lyons,
Executive Director, completed a review of the Workers’ Compensation Memorandum of
Coverage (MOC). The Committee reviewed the redline version of the document, which
included date changes to reflect the correct coverage year, the removal of Baldwin Park, and
the replacement of “shall apply” with “applies.”

_A motion was made by Sergio Ibarra, Bell, and seconded by Michael O’Kelly, Fullerton, to
recommend Board adoption of the 2019-20 Workers’ Compensation Memorandum of
Coverage as proposed. The motion carried unanimously by a roll call vote._

E. Proposed 2019-2020 Claims Committee Meeting Dates
Ms. Achterberg reviewed the proposed Claims Committee meeting dates for the 2019-20
program year. There was no discussion, or requested changes to the proposed dates.

_A motion was made by Michael O’Kelly, Fullerton, and seconded by Yvette Garcia, Downey,
to approve the meeting dates for the 2019-20 program year. The motion carried unanimously
by a roll call vote._

F. Claims Committee Appointments for Expiring Terms
Per the Bylaws the Claims Committee consists of 20% to 40% of the Board, up to a
maximum of seven members. Based on the Bylaws provision and the current size of the
Board, the Claims Committee may have up to six members. Sara Nazir’s and Michael
O’Kelly’s terms expire in June 2019. Both expressed willingness to serve another three-year
term expiring June 2022. Mr. John Nielsen expressed the Committee may want to consider
adding a member in the future with a focus in Administration based on the areas of
experience represented by the current members. Mr. O’Kelly informed the Committee his
title is Director of Administration, which is inclusive of finance.
A motion was made by Yvette Garcia, Downey, and seconded by Alison Stevens, Hawthorne, to recommend Board approval of Sara Nazir and Michael O’Kelly to serve terms expiring 2022. The motion carried unanimously by a roll call vote.

7. CLOSED SESSION
The Committee convened in closed session at 11:08 a.m.

8. REPORT FROM CLOSED SESSION
The Committee convened in open session at 11:17 a.m. Interim General Counsel Luther Lewis reported the Committee discussed Davie v. El Monte and Lopez v. El Monte, and no action was taken.

9. CLOSING COMMENTS
None

10. ADJOURNMENT
The meeting was adjourned at 11:19 a.m.
A meeting of the Claims Committee was held on April 4, 2019, in the City of Downey.

**Members Present**
- Vicki Cross, Chair, Glendora
- Yvette Garcia, Vice Chair, Downey
- Sergio Ibarra, Bell
- Michael O’Kelly, Fullerton
- Sara Nazir, Lynwood

**Members Absent**
- Alison Stevens, Hawthorne

**Others in Attendance:**
- Beth Lyons, RPA
- Jennifer Achterberg (via teleconference)
- John Nielsen (via teleconference, arrived 10:06 a.m.)
- Luther Lewis (via teleconference)
- Tom Boylan (departed at 11:17 a.m.)
- Rose Nuno (departed at 11:17 a.m.)
- Gordon Pennington (departed at 11:17 a.m.)

1. **CALL TO ORDER**
   Chair Vicki Cross, Glendora, called the meeting to order at 10:02 a.m.

2. **ESTABLISHMENT OF QUORUM/INTRODUCTIONS**
   Introductions took place and it was determined a quorum was present.

3. **APPROVAL OF AGENDA AS POSTED OR AMENDED**
   Motion was made by Yvette Garcia, Downey, and seconded by Michael O’Kelly, Fullerton, to approve the agenda as presented. The motion carried unanimously.

4. **PUBLIC COMMENTS**
   None

5. **OPEN SESSION**
   **A. Proposed Change to the Liability Program Manager**
   Ms. Beth Lyons provided an overview of the proposed staffing structure by Carl Warren.
   The committee asked for clarification regarding the job description for the Liability Program
Manager. Ms. Lyons shared the scope as expressed in the contract between ICRMA and Carl Warren, and based on the approved LMPP. In essence, the Liability Program Manager is responsible for broad oversight and monitoring responsibilities of claims that are reported to ICRMA.

Mr. Tom Boylan discussed the original Carl Warren proposal which suggested Gordon Pennington replace Mr. Dwight Kunz due to his extensive experience managing high-exposure claims. Upon review of the scope of work in the contract, staffing considerations, and the historical requirements of managing the Liability Program for ICRMA, Carl Warren revised its proposal regarding staffing. It instead proposed Ms. Rose Nuno serve as Liability Program Manager because she has worked with ICRMA claims for the last year and a half. Ms. Heather Mendez, who has several years of experience with Carl Warren and working with cities and counties in southern California, was proposed as the Assistant Liability Program Manager. Mr. Gordon Pennington was proposed to join the program in an oversight position as a resource for the team and ICRMA.

The Committee interviewed Ms. Nuno for nearly an hour to better understand her experience as well as her philosophy for the transition and management of the program. Carl Warren confirmed Ms. Nuno will be solely dedicated to ICRMA, and Ms. Mendez will transition from her current clients within a month and also be solely dedicated to ICRMA.

*A motion was made by Michael O’Kelly, Fullerton, seconded by Sara Nazir, Lynwood, to approve the proposed change in personnel working on the ICRMA account through the end of the current contract term between ICRMA and Carl Warren and Company. The motion carried unanimously.*

6. CLOSING COMMENTS
None

7. ADJOURNMENT
The meeting was adjourned by the Chair at 11:40 a.m.
Subject: 2018/19 Claims Committee Attendance Record

Action for consideration: Review and file

Background:
The Claims Committee (Committee) Attendance Record is presented for review. Pursuant to Article 11 Section B.4. of the Bylaws, attendance of Committee members is essential to ICRMA business.

A Claims Committee member missing two (2) meetings in a fiscal year shall be subject to Board review concerning forfeiture of his/her seat on the Committee.

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**Total:** 5  6  4  6  5  6  5  0

⭐️ Member Present, but unable to vote as location not posted within Brown Act purview.

Prepared by: Jennifer Achterberg, Project Coordinator
Subject: Member Benchmarking Reports for the Workers’ Compensation Program

Action for consideration: Receive and file.

Background:
At the January 2019 Claims Committee and February 2019 Board meetings, program management and loss control staff provided information regarding efforts with AdminSure and Origami to develop benchmarking reports. Since that time staff has worked with Origami to finalize the report template and present individual reports to the members.

Discussion

Custom Member Reports within Origami
We have successfully created customized reports within Origami for each ICRMA member. The reports illustrate current and periodic workers’ compensation claim trends. The overall goal is to support individual member city efforts to identify the main cost drivers that create the most frequent as well as most expensive losses, and ultimately empower each member with insight that allows focus on loss mitigation and prevention. During this development we have learned that several of the data fields still need cleanup. The average report is approximately 25 pages in length. Our desire is to reduce that number while still including salient information.

Member visits were conducted on:
- Monterey Park - March 12
- El Segundo - March 13
- San Fernando - April 22
- Glendora - April 22
- Lynwood - April 22
- Inglewood - April 23
- Hermosa Beach - 23

Member visits are still being coordinated with Baldwin Park and Huntington Park. These reports will be available to members annually. The Workers’ Compensation Program Manager and Risk Control Director reviewed the reports before distribution and added concise narrative analysis to summarize the report. The narrative provided findings and opportunities by department, causes of injury, nature of injury, and body parts.

Essentially, this will help identify developing trends and areas of focus, as well as progress and improvements.
Findings
As an outcome of the report development process, we found deficiencies in both older TPA data entry practices, and current TPA data entry, which create data mapping issues. We’ve worked with both AdminSure and Origami to improve these areas.

Areas of Improvement / To Do List:
The Benchmark Reports presented to the members in March and April 2019 have been received positively by the members. The reports highlighted areas that generated the highest concentration of cost-drivers in the categories of Department, Job Titles and Causes of Loss. The reports illuminated key cost-drivers in frequency of claims, percentage of aggregate incurred costs and average costs per claim.

Though, these initial reports have provided members useful information and a substantive perspective, additional data mapping is required, particularly in the areas of Job Titles and Departments.

We will receive from all active members a list of each Job Title for each department within the perspective city, then review this list to eliminate duplicative job titles. Additionally, all departments within the member cities will be identified to eliminate claims being coded and placed into a miscellaneous “Other Department.”

Next, we will work with Origami and AdminSure to convert “Text Fields” into “Data Fields,” specifically with Job Title data. Finally, we will identify claims listed in “Other Departments” and have them placed into the correct departments.

Once this is complete, the higher accuracy achieved within subsequent Benchmark Reports will provide each member a more precise understanding of where their perspective claim trends are generated and will also provide a future “benchmark” to gauge ongoing progress.

*Other Developments
As we continue to explore and create ways to improve both our processes and support of ICRMA Members, the ICRMA Workers’ Compensation Program Manager is scheduled to meet with the excess carrier, Safety National, this month to review online tools available. In particular, Safety National’s “Workers’ Compensation Tool Kit” will be demonstrated and evaluated. This online tool incorporates a holistic, claims handling tool box of cost saving calculators, claims handling tips, procedural checklists and much more.

Attachments: None

Prepared by: Robert Tran, Workers’ Compensation Program Manager
Bob May, Risk Control Director
Subject: Provide Settlement authority for final resolution of Downey Property Claim

Action for consideration: Provide authority in the amount of $149,912.90 for resolution of the Downey property claim.

Background:
A solo vehicle accident with a fixed object, a fire hydrant, resulted in large amounts of water flowing on the roadway at high pressure, thus creating a sinkhole.

Upon review by both AdminSure, ICRMA’s property/auto physical damage third party claim administrator, and a representative from Lloyds of London (ICRMA’s Property Carrier), both are in agreement this matter was a direct and accidental occurrence caused by a vehicle collision with the fire hydrant.

AdminSure confirmed the Replacement Cost Coverage includes roadways due to this type of accident, and the repairs are thus covered within the scope of the coverage documents for the Property program. Mr. Reed will be in attendance to review the attached document with the Committee.

Attachments: TPA Report – Investigations/Authority Request

Prepared by: Mike Reed, AdminSure
REPORT OF INVESTIGATION – AUTHORITY REQUEST

ICRMA First-Party Property
18201 Von Karman, Suite 200
Irvine, CA 92612

April 23, 2019

Attention: Ms. Beth Lyons, Senior Pool Administrator

Reference: Principal: City of Downey
Loss Date: June 16, 2018
Claimant(s): City of Downey
Our File Number: 18-137266

FACTS IN BRIEF: This claim stems from a solo vehicle accident wherein a private passenger automobile lost control and struck a fixed object, a fire hydrant, thereby causing water to flow onto the roadway at high pressure. The volume of water from the hydrant scalloped the asphalt and subsequently, the dirt beneath it so as to create a large sinkhole.

MEMBER/DEPARTMENT: City of Downey, Public Works Department located at 11111 Brookshire Ave, Downey, CA 90241 with phone (562) 904-7194. Our primary contact with the City is Melissa Villasenor-Galvan, Administrative Assistant with phone number (562) 904-7265.

DATE, TIME & PLACE: This accident occurred on June 16, 2018 @ 21:52 on Rives Avenue 34 feet South of Brunache Street in the City of Downey.

COVERAGE: Initially, this matter was described as a “sinkhole” and was sent to Mike Allen, Executive General adjuster with McLarens as the next layer of coverage through Lloyds of London for an opinion and we were asked to stand down and await their response / analysis.

After obtaining the police report and through subsequent discussion with Mike Allen, we agreed that the matter was a direct and accidental occurrence with a primary causal factor that started with the impact between an automobile and a fire hydrant, subsequently resulting in a massive flow of water that damaged City infrastructure including the hydrant, the roadway and an SCE Edison power pole.

As finally confirmed, this is Replacement Cost Coverage that is fully within the ICRMA coverage layer as described in the overlaying policy:

$2,000,000 Miscellaneous Unnamed Locations means unscheduled locations including … bridges, dams, catwalks, roadways, highways, culverts, parking lots and other owned paved lots …
OTHER INSURANCE: Although other insurance was available above the ICRMA level through Lloyds of London with Policy # B128413220W17, they made an exception in order to try find first party coverage and were considering settlement with the Member under a less favorable “water system blanket coverage” for infrastructure, that carries a 5% / $2,000,000.00 deductible or $100,000.00.

Considering the fact that the initial and primary causal factor was the impact to the hydrant connected to that water system, it was only proper that the underlying ICRMA coverage be primary which provided a greater benefit of the member.

The driver listed as the primary collision factor Franca Bowman, was insured through through the vehicle owner Harry Obienu’s insurance company Mercury Insurance and a claim has been established under Claim # CAPA-00877531.

INCIDENT DESCRIPTION / FACTS IN BRIEF: On June 16, 2018 @ 21:52 on Rives Avenue 34 feet South of Brunache Street in the City of Downey.

A 2005 Ford Expedition lost control and struck a fire hydrant after the driver, Franca Bowman, while driving southbound on Rives Avenue approaching Brunache @ 35 mph tried to avoid another vehicle speeding northbound that she felt was partially in her traffic lane. She swerved to the right, lost control and struck a wooden SCE pole and the City hydrant sheering it off and caused water to flow onto the roadway at high pressure. The volume of water from the hydrant scalloped the asphalt and subsequently, the dirt beneath it so as to create a large sinkhole while the other vehicle continued on and remains unidentified.
POLICE REPORT: Attached please find the PD Report # 18-41108 outlining the details of the accident and confirming facts in brief is attached to this report. The Primary Collision Factor was attributed to the driver Franca Bowman as CVC 22107 – unsafe tuning movement.

PHOTOGRAPHS: Photographs were obtained from the police department through the City of Downey while the photograph confirming repair was taken by the undersigned (see attached).

PROPERTY DAMAGE: The City sustained the following property damage loss:

The attached to this report is a compilation of City man hours and subcontractor hours combined in the efforts to address and clean up the sinkhole incident:

- $90,558.69   -- Downey Public Works
- 326.32   -- S&J Supply Company
- 374.50   -- S&J Supply Company
- 68,653.39   -- Williams Pipeline
- **$159,912.90** – Whole Loss & Damage

SETTLEMENT: As settlement of this matter lies within the Committee authority level, we are requesting the following authority in order to proceed with the resolution of this matter as below:

- $159,912.90 Repair Cost
- -10,000.00 Deductible
- **$149,912.90** Settlement Amount

LIABILITY EVALUATION: Absent physical contact with a second automobile and the identity of that driver, liability for this loss lies solely with the following person and her insurance policy:

Franca Bowman CDL: D6776747
720 E. Hardy Street Inglewood, CA 90301 Phone (310) 228-7227
Insurance: Mercury Insurance Company insuring vehicle owner Harry Obienu
Claim # CAPA-00877531

SUBROGATION: Notice of Subrogation has been made to Mercury Insurance on what is a low limit property damage liability policy with a $25,000.00 Limit, subject to apportionment between the City of Downey, CMR (a contractor with equipment on the SCE pole), Southern California Edison and Heidi & Joshua Guzman – owners of a damaged gate requiring $2,721.98 in repair.

Upon approval of settlement, supporting documents will be forwarded to Mercury Insurance for their response.

A check on ownership of the residence where Ms. Bowman and Mr. Obienu reside reveals that;

"Neither party listed on your report own property under that name, nor do they own the property where they reside."
**WORK TO BE COMPLETED:**

1. Obtain signature on Sworn Statement in Proof of Loss from the City of Downey
2. Order Settlement Check for First Party Damages from ICRMA First-Party Pool

**CLAIM STATUS/RESERVE:**

1. City of Downey  
   Open – Property  
   $160,000.00

**COMMENT:** Upon approval, we will move forward to obtain a signed Proof of Loss, request payment to the City of Downey less a $10,000.00 Deductible and then pursue subrogation upon settlement confirmation.

Sincerely,

[Signature]

Michael Reed  
First Party Claims  
AdminSure Inc.  
3380 Shelby Street  
Ontario, CA 91764-5566  
Phone 909-612-5644 | Fax 909-860-3995  
mreed@adminsure.com

cc: Arthur J. Gallagher & Company

cc: Melissa Villasenor-Galvan, Administrative Assistant – City of Downey

cc: Matt Anderson, Finance Manager
### Traffic Collision Report

**Location:**
- RIVES AV
- Intersection of S of BRUNACHE ST

**Party 1:**
- Driver's License Number: D6776747
- Name: FRANCA BOWMAN
- Street Address: 720 E. HARDY
- City: INGLEWOOD
- County: Los Angeles

**Party 2:**
- Driver's License Number: 
- Name: 
- Street Address: 
- City: 
- County: 

---

**Other:**
- Phone: (310) 228-7227
- Business Phone: 

---

**Vehicle Information:**
- Make: FORD
- Model: EXPEDITION
- Color: WHITE
- License Number: 7LFV627

---

**Vehicle Identification Number:**
- DOT: 
- MCMA: 

---

**Police Information:**
- Time: 2152
- Accident Date: 6/16/2018
- Day of Week: Saturday
- Officer: R. Truong

---

**Dispatch:**
- Dispatch Number: 
- Name: WARD, ROBIN 12323

---

**Reviewer:**
- Name: LOFQUIST, DREW 12476
- Date Reviewed: 6/18/2018
<table>
<thead>
<tr>
<th>PRIMARY COLLISION FACTOR</th>
<th>TRAFFIC CONTROL DEVICES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>SPECIAL INFORMATION</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>MOVEMENT PRECEDING COLLISION</th>
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<td>A CONTROLS FUNCTIONING</td>
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<td>L HAZARDOUS MATERIAL</td>
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<td></td>
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<tr>
<td>B OTHER IMPROPER DRIVING:</td>
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<td>B CELL PHONE HANDHELD IN USE</td>
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<td></td>
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<td>E HEAD-ON</td>
<td></td>
<td></td>
<td></td>
<td>E SCHOOL BUS RELATED</td>
<td></td>
<td></td>
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<td>E MAKING LEFT TURN</td>
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<tr>
<td>F OTHER:</td>
<td>F SIDESWIPE</td>
<td></td>
<td></td>
<td></td>
<td>F 75 FT MOTORTRUCK COMBO</td>
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<tr>
<td>G WIND</td>
<td>G HIT OBJECT</td>
<td></td>
<td></td>
<td></td>
<td>G 32 FT TRAILER COMBO</td>
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<td>G BACKING</td>
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<tr>
<td>H RAIN</td>
<td>H OVERTURNED</td>
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<td>H SLowing / STOPping</td>
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<td>H PASSING OTHER VEHICLE</td>
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See Attached Sketch
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<tr>
<th>Witness Only</th>
<th>Passenger Only</th>
<th>Age</th>
<th>Sex</th>
<th>Extent of Injury (<em>X</em> One)</th>
<th>Injured Was (<em>X</em> One)</th>
<th>Party Number</th>
<th>Seat Pos</th>
<th>Air Bag</th>
<th>Safety Equip</th>
<th>Ejected</th>
<th>Telephone</th>
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<tr>
<td>#</td>
<td></td>
<td>50</td>
<td>F</td>
<td>Severe Injury</td>
<td>X</td>
<td></td>
<td>L</td>
<td>G</td>
<td></td>
<td>0</td>
<td></td>
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</table>

**Name / D.O.B. / Address:**

FRANCA BOWMAN 6/24/1967, 720 E. HARDY, INGLEWOOD, CA, 90301 (310) 228-7227

**Describe Injuries:**

Laceration to left shin

**Transported By:**

Declined

**Taken To:**

N/A

**Victim of Violent Crime Notified:**

No

---

**Name / D.O.B. / Address:**

---

**Transported By:**

---

**Taken To:**

---

**Victim of Violent Crime Notified:**

No

---

**Name / D.O.B. / Address:**

---

**Transported By:**

---

**Taken To:**

---

**Victim of Violent Crime Notified:**

No

---

**Name / D.O.B. / Address:**

---

**Transported By:**

---

**Taken To:**

---

**Victim of Violent Crime Notified:**

No

---

**Name / D.O.B. / Address:**

---

**Transported By:**

---

**Taken To:**

---

**Victim of Violent Crime Notified:**

No

---

**Name / D.O.B. / Address:**

---

**Transported By:**

---

**Taken To:**

---

**Victim of Violent Crime Notified:**

No

---

**Witnesses Name / i.d. Number / M.O. / Day / Year:**

WARD, ROBIN 12323 6/16/2018

**Reviewer's Name / i.d. Number / M.O. / Day / Year:**

LOFQUIST, DREW 12476 6/18/2018
Area of Impact:

AOI-1 (P-1 vs Hydrant) approximately 34’ south of the south curb line of Brunache Ave and 1’ west of the west curb line of Rives Ave.

AOI-2 (P-1 vs Edison pole) approximately 36’ south of the south curb line of Brunache Ave and 1’ west of the west curb line of Rives Ave.

Skids:

None

Statements:

I spoke with P-1, Franca Bowman, at the scene of the collision. P-1 stated she was traveling southbound on Rives Ave approaching Brunache Ave at approximately 35 MPH. P-1 stated another vehicle was traveling northbound on Rives Ave at a high rate of speed. P-1 thought the vehicle was close to her lane so she swerved to the right. She meant to press on the brake pedal but pressed on the accelerator. P-1 then hit the fire hydrant and the light pole. P-1 described the other vehicle as a black SUV. P-1 stated the vehicle she saw was not in her direct lane but close to it. P-1 stated the other vehicle she saw did not collide into her.

Investigation and Opinion

I observed major collision damage to the front end of P-1’s vehicle. I observed the fire hydrant was completely sheered from the bolts and water was gushing from the ground. I observed the Edison pole was sheered from the base. The wood pole was splintered and the pole was being held up by the power lines. There were electrical lines down in the street.

Based on the statement provided and the damage at the scene, I determined this to be a vehicle verses fixed object type collision. P-1 was traveling southbound on Rives Ave when she veered to the right and collided into a hydrant and Edison pole.

The primary collision factor is P-1’s violation of CVC 22107 which states, “No person shall turn a vehicle from a direct course or move right or left upon a roadway until such movement can be made with reasonable safety and then only after the giving of an appropriate signal in the manner provided in this chapter in the event any other vehicle may be affected by the movement.”

Due to downed power lines, Downey dispatch contacted Southern California Edison for an emergency call out. The water district was also notified of the broken fire hydrant. It took several hours for Edison to render the scene safe. During that time, water continued to flow from the main. The extensive amount of water flooded the street. Water district personnel were unable to shut off the water due to the downed power lines and the vehicle disabled over the water main.

The extensive amount of water eroded the sidewalk, driveway of 12033 Rives Ave, and the...
southbound lane of Rives Ave. The soil erosion created a sinkhole and P-1's vehicle eventually sunk into the hole. P-1's vehicle was almost completely submerged in mud and water. Only the front end and roof were visible.

Once the scene was rendered safe, Titan tow responded to the scene and lifted the vehicle from the hole with a crane. P-1 had insisted in AAA towing her vehicle even after I explained to her that they would not have the equipment to remove the vehicle and the roadway had already been closed for over six hours. P-1's vehicle was impounded per CVC 22651 (b) – blocking roadway and creates hazard.

P-1 sustained a laceration to her left shin from the collision. P-1 was treated by Downey fire personnel and declined transportation to a hospital for additional medication treatment.

Action taken and recommended

I request P-1, Franca Bowman, be issued a citation for violation of CVC 22107 – unsafe turning movement.
PROOF OF LOSS

TO

INTERESTED UNDERWRITERS AT LLOYD'S

BY YOUR POLICY OF INSURANCE ABOVE DESCRIBED, YOU INSURED

INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY: CITY OF DOWNEY

according to the terms and conditions contained therein, the below mentioned property against loss from the following causes:

Property Insured: All Real and Personal Property

Against Loss From: All Risks of Physical Loss or damage

A vehicle collision with fire hydrant loss occurred at Rives Avenue and Brunache Street, Downey, CA on the 16th day of June, 2018, about the hour of ______ o'clock _____ M., which, upon the best of ______ knowledge and belief, was caused as follows:

VEHICLE COLLISION WITH FIRE HYDRANT

The actual cash value of the property described by aforesaid policy, the actual amount of loss or damage, the total insurance thereon at the time of said loss and damage as shown by annexed schedule, amount named in this policy, and the amount claimed under this policy are as follows:

<table>
<thead>
<tr>
<th>Cash Value</th>
<th>Whole Loss</th>
<th>Whole Insurance</th>
<th>Amount Named in This Policy</th>
<th>Amount Claimed Under This Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>$159,912.08</td>
<td></td>
<td></td>
<td></td>
<td>$59,212.08</td>
</tr>
</tbody>
</table>

I/WE HEREBY MAKE CLAIM UPON THE INSURERS HEREUNDER IN THE SUM OF $59,212.08 IN SETTLEMENT OF LOSS AND/OR DAMAGE REFERRED TO AND HEREBY AUTHORIZE ARTHUR J. GALLAGHER TO COLLECT THIS CLAIM AND I/WE AGREE THAT SETTLEMENT IN ACCOUNT SHALL BE A SUFFICIENT DISCHARGE TO THE UNDERWRITERS.

Except as noted below the property described, belonged, at the time of said loss or damage to said insured and no other person or persons had any interest therein; no assignment or transfer, or encumbrance of said property has been made and no change in the title, use, or possession of said property has occurred since the issuance of said policy.

In consideration of the payment to be made hereunder I/We hereby subrogate to said insurers all my/our right, title and interest in and to the property for which claim is being made hereunder, and agree to immediately notify McLarens, (for account of the Underwriters) in case of any recovery of the property for which claim is being made hereunder. I/We also agree to turn over to said McLarens, for account of the Insurers, any such recovery which may be made, or reimburse said McLarens, to the extent of the payment for such property which may be recovered.

The said loss or damage was not caused by design or procurement on my/our part; nothing has been done by or with my/our privily or consent, to violate the conditions of the policy, or render it void, nor articles are mentioned herein or in annexed schedules but such as were interested in the loss and insured under this policy, and belonging to me/us at the time of said loss or damage, no property saved has been in any manner concealed, and no attempt to deceive the said Insurers as to the extent of said loss, has in any manner been made.

SPECIAL CONDITIONS NOTE: Amount claimed is net applicable $100,000 deductible.

Any other information that may be required will be furnished on call, and considered a part of this proof.

It is expressly understood that the furnishing of this blank to the named or the preparing of Proofs by an adjustor, or any agent of the Insurers named in the policy is not a waiver of any rights of said Insurers.

WITNESS hand at

this _____ day of ______, 20___

State of ________________________________ S.S.

County of ________________________________

Personally appeared before me, the day and date above written signer of the foregoing statements, who made solemn oath to the truth of same, and that no material fact is withheld of which said Insurers should be advised.

(SEAL)

Notary Public

McLarens File No. 002.0476.06.A
AJG Claim No.: EW03617AA
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<th>Description</th>
<th>Amount</th>
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<tr>
<td>3/1/2018</td>
<td>Water System Rebuild on SoV</td>
<td>$66,666.69</td>
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<tr>
<td>3/1/2018</td>
<td>Team to repair water system &amp; restore damage</td>
<td>$15,327.00</td>
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<tr>
<td>3/1/2018</td>
<td>Williams Plumbing</td>
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<td>3/1/2018</td>
<td>Total</td>
<td>$142,026.69</td>
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**Note:**
- Date of Loss: June 15, 2018
- Vehicle Stuck: Home - Sink Hole Created
- Preliminary and Subject to Discussion
- Downey, California
- 12039 Paseo Avenue
- City of Downey
- Independent City Risk Management Authority
VENDOR: 126722  
WILLIAMS PIPELINE CONTRACTORS  
P.O. BOX 1120  
SOMIS, CA 93066

SHIP TO: UTILITIES DIVISION  
9252 STEWART & GRAY RD  
DOWNLEY, CA 90241

Req. No.:  
Dept.:  
Contact: DAN MUELLER/ LORENA POWELL  

Special instr: PER MEMO DATED 08/01/2018

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<th>Unit</th>
<th>Description</th>
<th>Unit Price</th>
<th>Ext. Price</th>
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<td></td>
<td>TIME AND MATERIAL COSTS TO REPAIR WATER SYSTEM AND RESTORE DAMAGES CAUSED BY SINKHOLE.</td>
<td></td>
<td>68,653.39</td>
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FY 17/18 *

Please make final payment (and) close PO

8/6/18

BILL TO: CITY OF DOWNEY  
ACCOUNTS PAYABLE  
P.O. BOX 7018  
DOWNEY, CA 90241  
accounts payable@downeyca.org

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<th>Account Number</th>
<th>Amount</th>
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<td>E 51-1-8874-0520</td>
<td>68,653.39</td>
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SUBTOTAL: 68,653.39
TAX: 0.00
FREIGHT: 0.00
TOTAL: 68,653.39

I hereby certify that I have received, verified, counted, and agreed to the articles stated above. The quantities and prices are correctly stated and to the best of my knowledge, this is a true and correct copy of the PO.

Date: 8/6/18  
Signature:  
RECEIVING COPY  
Authorized Signature:

Page 30 of 54
CITY OF DOWNEY

VENDOR: Williams Pipeline Contractors, Inc.
P.O. Box 1120.
Somis, CA 93066

PARTIAL PURCHASE ORDER

CURRENT P.O. #

ORIGINAL P.O. #

DATE:

INVOICE NO.

F.O.B. POINT

TERMS:

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<th>PRICE</th>
<th>UNIT</th>
<th>AMOUNT</th>
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<td>$68,653.39</td>
<td>LS</td>
<td>$68,653.39</td>
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*FY 17/18*

NOTE: Be sure to total all items listed on this partial P.O. Be sure Sales Tax is shown, if applicable. List invoice numbers, if available.

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<th>object</th>
<th>amount</th>
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<td>1/8674</td>
<td>0520</td>
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RECEIVED BY: [Signature]

DATE: 8/6/18

Page 31 of 54
WILLIAMS

PO Box 1129
Somis, CA 93066
Phone (805) 386-2393 Fax (805) 386-3047

DATE: August 1, 2018
INVOICE #: 600-1
FOR: Emergency Repair @ 12033 River Ave, Downey

WO#: WPCI Job #: 600

Bill To:
Lorena Powell
City of Downey
Department of Public Works
11111 Brookshire Ave
Downey, CA 90241

Billing No. 600-1

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<td>7/15/18</td>
<td>6,090.14</td>
</tr>
</tbody>
</table>

THANK YOU FOR YOUR BUSINESS!

TOTAL DUE $68,853.39

Due upon receipt
Make all checks payable to Williams Pipeline Contractors, Inc
If you have any questions concerning this invoice please call 805-386-2393
### Invoice

**INVOICE DATE** | **INVOICE NUMBER**
--- | ---
06/20/2018 | S100114767.001

**SHIP TO:**
DOWNY SHOP ACCT DOWNY, CITY OF UTILITIES
9222 STEWART & GRAY RD
DOWNY, CA 90241

**BILL TO:**
DOWNEY, CITY OF
9222 STEWART & GRAY RD
DOWNY, CA 90241

<table>
<thead>
<tr>
<th>CUST / JOB #</th>
<th>CUSTOMER PO NUMBER</th>
<th>REF NUMBER</th>
<th>SALESPERSON</th>
</tr>
</thead>
<tbody>
<tr>
<td>732</td>
<td>69-12931</td>
<td>Ryan Smith</td>
<td>Debra Duran</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>WRITER</th>
<th>SHIP VIA</th>
<th>TERMS</th>
<th>SHIP DATE</th>
<th>ORDER DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryan Ray</td>
<td>Will Call</td>
<td>Net 30 Days</td>
<td>06/20/2018</td>
<td>06/18/2018</td>
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</table>

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<th>SHIP QTY</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>EXT PRICE</th>
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<tbody>
<tr>
<td>1 ea</td>
<td>1 ea</td>
<td>MJ96 8&quot; DI MJ 90 ELL CL L/A DOM</td>
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<tr>
<td>1 ea</td>
<td>1 ea</td>
<td>MJR88 8&quot; X 6&quot; DI MJ RED CL L/A DOM</td>
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**INVOICE APPROVAL - OK TO PAY**

**NAME**
Leo Vargas

**SIGNATURE**

**DATE** 7/12/18

**ACCT. NO.** 51-1867740520

---

Invoice is due by 07/20/2018

Past Due invoices may be subject to 1.50% late charge.

<p>| | |</p>
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<tbody>
<tr>
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<td>S&amp;H Charges</td>
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<tr>
<td>Tax LA</td>
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<tr>
<td>Payments</td>
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<tr>
<td>Amount Due</td>
<td>374.50</td>
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Printed by: ADAN on 02/11/2018 4:08:50 PM

Page 33 of 54
### Invoice

**INVOICE DATE** 06/20/2018  
**INVOICE NUMBER** S100114750 002  
**PAGE NO.** 1 of 1

**BILL TO:**  
DOWNEY, CITY OF  
9252 STEWART & GRAY RD  
DOWNEY, CA 90241

**SHIP TO:**  
DOWNEY SHOP ACCT DOWNEY, CITY OF UTILITIES DIVISION  
9252 STEWART & GRAY RD  
DOWNEY, CA 90241

<table>
<thead>
<tr>
<th>CUST / JOB #</th>
<th>CUSTOMER PO NUMBER</th>
<th>REF NUMBER</th>
<th>SALESPERSON</th>
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<tr>
<td>732</td>
<td>69-12931</td>
<td>Rivex Sink</td>
<td>DEBRA DURAN</td>
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<thead>
<tr>
<th>WRITER</th>
<th>SHIP VIA</th>
<th>TERMS</th>
<th>SHIP DATE</th>
<th>ORDER DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RYAN RAY</td>
<td>WILL CALL</td>
<td>Net 30 Days</td>
<td>06/20/2018</td>
<td>06/18/2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ORDER QTY</th>
<th>SHIP QTY</th>
<th>DESCRIPTION</th>
<th>UNIT PRICE</th>
<th>EXT PRICE</th>
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</thead>
<tbody>
<tr>
<td>1ea</td>
<td>1ea</td>
<td>DS060207FF6H6H 6&quot; X 2'-07&quot; DI SPOOL FLG X FLG CL 6H X 8H</td>
<td>298.00/ea</td>
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**INVOICE APPROVAL - OK TO PAY**

**NAME** Lou Vargas  
**SIGNATURE**  
**DATE** 7/31/18  
**ACCOUNT NO.** 51-1-8974-0520

---

Invoice is due by 07/20/2018  
Past Due Invoices may be subject to 1.50% late charge.

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<td>Payments</td>
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Printed By: ACORN on 06/21/2018 4:06:58 PM
## TY OF DOWNEY PROJECT WORK AND COST REPORT

### Address
12033 Rives - Sinkhole

### Account #
51-1-8674-0520

### Date
6/16/17 to 6/26/18

### EQUIPMENT

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<th>Hourly Rate</th>
<th>Amount</th>
<th>LABOR</th>
<th>Hours</th>
<th>Rate</th>
<th>Amount</th>
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<td>56.6</td>
<td>$24.98</td>
<td>$1,411.37</td>
<td>Danny Salas</td>
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<td>$1,558.23</td>
<td>Chris Mataalli</td>
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<td>42.89</td>
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<td>Joe Navarro</td>
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<td>43.39</td>
<td>$873.77</td>
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<td>1</td>
<td>60</td>
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<td>$3,619.50</td>
<td>Nathan Bylama</td>
<td>32</td>
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<td>34.93</td>
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<td>36</td>
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<tr>
<td>3524 Sedan</td>
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<td>$22.02</td>
<td>$440.40</td>
<td>Carlos Regalado</td>
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<td>22.02</td>
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<td>4</td>
<td>$22.02</td>
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<td>Trash Pumps</td>
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<td>24.01</td>
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<td>A.C. Max Density HVEEM pre-mi-m</td>
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<td>$12,182.73</td>
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### Mileage Reimbursement

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<th>Miles</th>
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<tr>
<td>1</td>
<td>28</td>
<td>$0.55</td>
<td>$15.28</td>
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### MATERIAL and/or WORK done by Subcontractors

<table>
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<tr>
<th>Material/Work</th>
<th>Vendor/Subcontractor</th>
<th>Qty</th>
<th>Unit Cost</th>
<th>Amount</th>
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<tbody>
<tr>
<td>MUGVF# 8” UMLR FLG RWVG A2362 DI OL WSS SS T316 TRIM, 2” OPT</td>
<td>S&amp;J SUPPLY Co. INC</td>
<td>1</td>
<td>$1,075.00</td>
<td>$1,075.00</td>
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<tr>
<td>SB4628 8” SB 462 8.54-9.95 QUNTM CPlg 12” LG WP4FOXY ALLOY &amp;N</td>
<td>S&amp;J SUPPLY Co. INC</td>
<td>2</td>
<td>$450.00</td>
<td>$900.00</td>
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<tr>
<td>BNSSS#8” 8” T316 SS 150# B&amp;N SET 8 PCS - 3/4” X 3 1/4”</td>
<td>S&amp;J SUPPLY Co. INC</td>
<td>2</td>
<td>$55.00</td>
<td>$110.00</td>
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<tr>
<td>CRFG188 8” X 16” 150# CAT RBR P/F GSKT</td>
<td>S&amp;J SUPPLY Co. INC</td>
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<td>$7.50</td>
<td>$15.00</td>
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<tr>
<td>EMERFEE EMERGENCY FEE</td>
<td>S&amp;J SUPPLY Co. INC</td>
<td>1</td>
<td>$350.00</td>
<td>$350.00</td>
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<tr>
<td>IMJLSB 8” DI MJ LONG SIVJ LA IMP</td>
<td>S&amp;J SUPPLY Co. INC</td>
<td>3</td>
<td>$132.08</td>
<td>$396.24</td>
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<tr>
<td>S200 8” 8” STARGRIP KIT F/DI SERIES 30DOP</td>
<td>S&amp;J SUPPLY Co. INC</td>
<td>8</td>
<td>$53.00</td>
<td>$424.00</td>
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<tr>
<td>DIP 350JTBE 8” CL350 TJ DIP CL ACL AC</td>
<td>S&amp;J SUPPLY Co. INC</td>
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<td>$1,314.72</td>
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<td>IMJFTB 8” DI MAXFLG TEE CL LA</td>
<td>S&amp;J SUPPLY Co. INC</td>
<td>1</td>
<td>$231.28</td>
<td>$231.28</td>
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<tr>
<td>AFTER HOUR STREET SWEEPING</td>
<td>NATIONALWIDE ENVIRONMENTAL SERVICES</td>
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<td>$2,667.00</td>
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<td>$4,818.02</td>
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### Tax

- 481.80

### Total Cost of Materials

- 7,956.82

### Total Cost of Vehicles/Equipment, Materials

- $41,705.59

### Other Contract Services

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<td>Ocean Blue Environmental</td>
<td>$1,163.60</td>
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</table>

### Total Cost of Service

- $2,445.75

### NO TAXES WERE ADDED TO NATIONALWIDE SERVICES

### TOTAL COST OF LABOR

- 67%: $11,849.55

### Total Cost of Labor

- $33,459.59

### Total

- $41,705.59

- 20% Mark-up on Labor (Non-Direct Administrative Costs)

- $6,691.92

- 15% Mark-up on Equipment, Material, Work (Non-Direct Overhead Costs)

- $6,255.84

### NO TAXES WERE ADDED TO NATIONALWIDE SERVICES

### TOTAL THIS REPORT

- $90,558.69
July 17, 2018

CITY OF DOWNEY
11111 BROOKSHIRE AVE
DOWNEY, CA 90241

RE: OUR INSURED:
OUR CLAIM NUMBER:
DATE OF LOSS:

HARRY OBIENU
CAPA-00877531
JUNE 16, 2018

Dear CITY OF DOWNEY:

We have received a report of your loss. I am your Claims Representative and the assigned claim number is listed above. We are currently conducting an investigation of this matter. Our investigation will include confirming coverage for our insured and determining liability for the accident.

If we determine that our insured is a percentage liable, we may suggest or recommend a repair facility in your area. Please understand it is your right to have all repairs completed at a repair facility of your choice. We have enclosed a Notice of Auto Body Repair Rights, as required by California Insurance Code Section 758.5.

If you are presenting a claim for damages, we must first confirm coverage and liability must be determined prior to making any commitment or payment.

We will cover a reasonable replacement vehicle during the time your vehicle is in the body shop undergoing repair. If your vehicle is declared a total loss, rental reimbursement may end after the company offers settlement instead of repairs. Please be aware we do not cover mileage, gas, drop fees and we may not be responsible for insurance charges.

So that you might minimize your expenses and avoid any unnecessary delays, you may wish to submit your claim(s) to your own insurer for immediate settlement. Your insurer, in turn, will contact us to discuss the resolution of any claims against our insured.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Mercury Insurance Company

Natalie Cazares
Claims Department
888-263-7287, ext. 22655
Notice of Auto Body Repair Rights

California Insurance Code SECTION 758.5 requires us to provide you with the following information:

"WE ARE PROHIBITED BY LAW FROM REQUIRING THAT REPAIRS BE DONE AT A SPECIFIC AUTOMOTIVE REPAIR DEALER. YOU ARE ENTITLED TO SELECT THE AUTO BODY REPAIR SHOP TO REPAIR DAMAGE COVERED BY US. WE HAVE RECOMMENDED AN AUTOMOTIVE REPAIR DEALER THAT WILL REPAIR YOUR DAMAGED VEHICLE. WE RECOMMEND YOU CONTACT ANY OTHER AUTOMOTIVE REPAIR DEALER YOU ARE CONSIDERING TO CLARIFY ANY QUESTIONS YOU MAY HAVE REGARDING SERVICES AND BENEFITS. IF YOU AGREE TO USE OUR RECOMMENDED AUTOMOTIVE REPAIR DEALER, WE WILL CAUSE THE DAMAGED VEHICLE TO BE RESTORED TO ITS CONDITION PRIOR TO THE LOSS AT NO ADDITIONAL COST TO YOU OTHER THAN AS STATED IN THE INSURANCE POLICY OR AS OTHERWISE ALLOWED BY LAW. IF YOU EXPERIENCE A PROBLEM WITH THE REPAIR OF YOUR VEHICLE, PLEASE CONTACT US IMMEDIATELY FOR ASSISTANCE."

Page 39 of 54
July 17, 2018

CITY OF DOWNEY
11111 BROOKSHIRE AVE
DOWNEY, CA 90241

RE: OUR INSURED:
OUR CLAIM NUMBER: HARRY OBIENU
DATE OF LOSS: CAPA-00877531
CLAIMANT: JUNE 16, 2018
CITY OF DOWNEY
SCE

Dear CITY OF DOWNEY:

We would like to resolve this claim. To help us do so, we request the following:

Pending your subrogation demand.

We will continue to adjust this claim and will keep you informed of our progress.

Please feel free to contact me if you would like to discuss this matter.

Sincerely,
Mercury Insurance Company

Natalie Cazares
Claims Department
888-263-7287, ext. 22655
## Property Detail Report

**For Property Located At:**

720 E HARDY ST, INGLEWOOD, CA 90301-4360

### Owner Information
- **Owner Name:** LIVINGSTON EARL CJ/LIVINGSTON HAZEL M
- **Mailing Address:** 4542 EL PRIETO RD, ALTADENA CA 91001-3734 C922
- **APN:** 4024-042-013
- **Alternate APN:**
- **Subdivision:** 550
- **Tract #:** 550
- **School District:** INGLEWOOD
- **School District Name:** INGLEWOOD
- **Munic/Township:**

### Location Information
- **County:**
- **Census Tract / Block:**
- **Legal Description:** TRACT # 550 E 50 FT OF LOT 13 LOS ANGELES, CA
- **Legal Book/Page:** 17-34
- **Legal Lot:** 13
- **Legal Block:**
- **Market Area:** 102
- **Neighbor Code:**

### Owner Transfer Information
- **Recording/Sale Date:** 09/23/1982
- **Sale Price:** $80,509
- **Document #:** 903295
- **Deed Type:** DEED (REG)
- **1st Mtg Document #:**
- **1st Mtg Amount/Type:**
- **1st Mtg Int. Rate/Type:**
- **2nd Mtg Amount/Type:**
- **2nd Mtg Int. Rate/Type:**
- **Price Per SqFt:**
- **Multi/Split Sale:**

### Last Market Sale Information
- **Prior Sale Information**
- **Prior Rec/Sale Date:**
- **Prior Sale Price:**
- **Prior Doc Number:**
- **Prior Deed Type:**

### Property Characteristics
- **Gross Area:** 6,473
- **Living Area:** 6,473
- **Parking Type:**
- **GARAGE:** 1560
- **Construction:** WALL FURNACE STUCCO
- **Garage Area:**
- **Garage Capacity:**
- **Parking Spaces:**
- **Basement Area:**
- **Finish Bsmnt Area:**
- **Basement Type:**
- **Roof Type:**
- **Foundation:**
- **Roof Material:**
- **Other Improvements:** Building Permit
- **Building Permit:**
- **# of Stories:** 2

### Site Information
- **Zoning:** INRM
- **Lot Area:** 8,979
- **Land Use:** APARTMENT
- **Site Influence:**
- **Res/Comm Units:**

### Tax Information
- **Total Value:** $516,200
- **Land Value:** $117,974
- **Assessed Year:** 2017
- **Assessed Value:** $398,226
- **Tax Year:** 2017
- **Total Taxable Value:** $516,200
- **Tax Year:** 2017
- **Property Tax:** $8,798.63
- **Tax Area:** 4575
- **Tax Exemption:**

---

http://pro.realquest.com/jsp/report.jsp?&client=&action=confirm&type=getreport&recordn... 8/20/2018
Subject: Attorney Review Project Update

Action for consideration: Receive and provide direction

Background:
At its December 2018 meeting, the ICRMA Board of Directors directed staff to proceed with the ICRMA defense panel review in 2019. The purpose of the review is to:

- Assess attorney performance against select measures
- Assess degree to which attorneys are following the LMPP
- Present the results in a fashion that allows the board of directors to:
  - Hold attorneys accountable to ICRMA policy
  - Track attorney performance over time
  - Oversee panel effectiveness in ICRMA and member objectives
  - Manage composition of the panel

The parameters used to identify the project dataset included:

- Claims with a 7/1/2008 – present (10-year window) loss date
- Claims that were litigated and that closed between 7/1/2014 – 12/31/2018

When we reported to the ICRMA Board of Directors, this data still needed significant clean up. Both TPAs assisted in this process. We then reviewed the resulting data for appropriate exclusions or additions to the set. As a result, we adjusted for coding errors and multiple-claim occurrences with varying dispositions. The current project data, includes 742 claim records.

What follows here is a summary of that dataset.

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<th>Distribution of Claim Records by Fiscal Year of Loss &amp; Type of Coverage</th>
<th>08-09</th>
<th>09-10</th>
<th>10-11</th>
<th>11-12</th>
<th>12-13</th>
<th>13-14</th>
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<th>15-16</th>
<th>16-17</th>
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<td>1</td>
<td>2</td>
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<td></td>
<td>10</td>
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<tr>
<td>Other Bodily Injury</td>
<td>3</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td></td>
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<tr>
<td>Other Property Damage</td>
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<td>11</td>
<td>17</td>
<td>62</td>
<td>80</td>
<td>77</td>
<td>52</td>
<td>33</td>
<td>4</td>
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<tr>
<td>Other Personal Injury</td>
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<td>1</td>
<td>12</td>
<td>6</td>
<td>17</td>
<td>14</td>
<td>24</td>
<td>16</td>
<td>12</td>
<td>4</td>
<td>107</td>
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<tr>
<td>Auto Liability Other</td>
<td>6</td>
<td>7</td>
<td>17</td>
<td>21</td>
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<td>26</td>
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<td>Total</td>
<td>13</td>
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<td>56</td>
<td>101</td>
<td>145</td>
<td>157</td>
<td>131</td>
<td>87</td>
<td>27</td>
<td>4</td>
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</table>

Distribution of Claim Records by Member City

<table>
<thead>
<tr>
<th>City</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alhambra</td>
<td>66</td>
</tr>
<tr>
<td>Azusa</td>
<td>15</td>
</tr>
<tr>
<td>Baldwin Park</td>
<td>27</td>
</tr>
<tr>
<td>Bell</td>
<td>12</td>
</tr>
<tr>
<td>Colton</td>
<td>19</td>
</tr>
<tr>
<td>Culver City</td>
<td>37</td>
</tr>
<tr>
<td>Downey</td>
<td>39</td>
</tr>
<tr>
<td>El Monte</td>
<td>74</td>
</tr>
<tr>
<td>El Segundo</td>
<td>17</td>
</tr>
<tr>
<td>Fullerton</td>
<td>44</td>
</tr>
<tr>
<td>Glendora</td>
<td>23</td>
</tr>
<tr>
<td>Hawthorne</td>
<td>37</td>
</tr>
<tr>
<td>Hermosa Beach</td>
<td>13</td>
</tr>
<tr>
<td>Huntington Park</td>
<td>26</td>
</tr>
<tr>
<td>Inglewood</td>
<td>94</td>
</tr>
<tr>
<td>Lynwood</td>
<td>24</td>
</tr>
<tr>
<td>Manhattan Beach</td>
<td>24</td>
</tr>
<tr>
<td>Monrovia</td>
<td>13</td>
</tr>
<tr>
<td>Monterey Park</td>
<td>32</td>
</tr>
<tr>
<td>Redondo Beach</td>
<td>45</td>
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<tr>
<td>San Fernando</td>
<td>18</td>
</tr>
<tr>
<td>South Gate</td>
<td>29</td>
</tr>
<tr>
<td>Upland</td>
<td>14</td>
</tr>
<tr>
<td>Law Firms by Total Claim Count &amp; Total Paid</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Summary of Law Firms by Total Claim</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Count &amp; Total Paid</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Damages</strong> $97,105,342**</td>
<td></td>
</tr>
<tr>
<td><strong>ALAE</strong> $2,583,174**</td>
<td></td>
</tr>
<tr>
<td><strong>Legal Expense</strong> $33,330,817**</td>
<td></td>
</tr>
</tbody>
</table>

| 1. McCune & Harber, LLP                      |
| 2. Carpenter, Rotmans & Dumont, LLP         |
| 3. Burke, Williams & Sorensen, LLP          |
| 4. Manning & Kass, Ellrod, Ramirez, Trester LLP |
| 5. Oливarez Madruga Lemieux O'Neill, LLP    |
| 6. Small Claims                              |
| 7. Law Offices of Leech & Associates        |
| 8. Jones & Mayer                             |
| 9. City of Inglewood                        |
| 10. Alvarado Smith, APC                     |
| 11. City of Hawthorne                        |
| 12. Tafoya & Garcia LLP                     |
| 13. Lewis Brisbois Bisgaard & Smith LLP     |
| 14. Alderman & Hilgers, LLP                 |
| 15. Unknown                                  |
| 16. George L. Mallory, Jr. & Associates     |
| 17. Lynberg & Watkins, APC                  |
| 18. Law Office of Robert J. Gokoo            |
| 19. Best Best & Kreiger, LLP                 |
| 20. Aleshire & Wynder, LLP                  |
| 21. Wolfe & Wyman, LLP                      |
| 22. Artiano & Associates                    |
| 23. Ferguson Praet & Sherman                |
| 24. Alvarez-Glasman & Colvin                |
| 25. Liebert Cassidy Whitmore                |
| 26. Hensley Law Group                       |
| 27. Ford, Walker, Haggerty & Behar          |
| 28. Bergman Dacey Goldsmith                 |
| 29. Dounmanian & Associates                 |
| 30. Jenkins & Hogan (BB&K as of 2018)       |
| 31. Lawrence Beach Allen & Choi, PC         |
| 32. Law Offices of Damian D. Capozzola      |
| 33. Michel & Associates, P.C.               |
| 34. Atkinson, Andelson, Loya, Ruud & Romo   |
| 35. Rippete Law, P.C.                       |
| 36. Albright, Yee & Schmit                  |
| 37. Richards, Watson & Gershon              |
| 38. Rutan & Tucker, LLP                     |
| 39. Carico Macdonald Kil & Benz LLP         |
| 40. Vanderford & Ruiz LLP                   |
| 41. Shute, Mihaly & Weinberger LLP          |
| 42. Lawrence, Worden, Rainis & Bard, PC     |
| 43. Gutierrez, Fiero & Erickson             |
| 44. Harris & Associates                     |
| 45. Kutak Rock LLP                          |
| 46. Law Office of Kenneth E. Meyer          |
| 47. Scott J. Grossberg, PC                  |
| 48. Drociak, Yeager and Associates          |
| 49. Law Offices of Daniel A. Gibalevich     |
| 50. The Sohagi Law Group                    |
| 51. Boornazian, Jensen & Garthe             |
| 52. Bergener Mirejovsky                     |
| 53. Arent Fox                               |
| 54. Law Offices of Jonathan D. Winters      |
| 55. Tyson & Mendes LLP                      |
| 56. Hunt Ortmann Palffy Nieves Darling & Mah, Inc |
At the May Claims Committee meeting, we will present *preliminary* analysis of this data – calculating expense ranges, averages, and ratios by claim/occurrence for each law firm. We will then discuss the work of Phase 2, specifically the structure of the final report cards to be developed over the summer as well as the claims/occurrences that will be analyzed more closely for compliance with the LMPP, e.g.:

- Billing standard compliances
- Annual proof of insurance
- Timely case analysis and subsequent reports
- Initial case valuation and budget of defense costs compared to actual

**Note:** The board has made clear that the review process:

- Will be based on data contained in ICRMA records
- Will use quantifiable (objective) measures
- Will not entail subjective review of case files or client communications by the consultant, ICRMA staff, or members

We will assess both the timeline for this phase and what analysis can/cannot be completed given available data as part of the May 8 Claims Committee discussion.

**Attachments:** None

**Prepared by:** Sara Peterson, Consultant  
Beth Lyons, Executive Director
Subject: Liability Program Structure Review

Action for consideration: Review the Liability Program Structure and provide direction

Background:
At its meeting on April 11, the Board of Directors reviewed elements of the Liability Program, offered feedback and direction, and asked that the Claims Committee review program structure alternatives and provide additional feedback to the Board.

Effective July 1, 2016, the Board entered into a three-year contract with Carl Warren and Company for Liability and Workers’ Compensation Program Management services for an annual fee of $330,000. In the fall, the Board asked RPA to review program alternatives. The president appointed an ad hoc committee which met in February to discuss claim auditor suggestions as well as expectations for the remainder of the contract.

A few days prior to the ad hoc meeting, the sale of Carl Warren was announced. Subsequent to that announcement, ICRMA learned Dwight Kunz was no longer with Carl Warren & Company. Because Mr. Kunz was designated as a “key personnel,” his replacement required ICRMA approval. Carl Warren proposed Rose Nuno for the position of Liability Program Manager. At a special meeting, the Claims Committee met with Ms. Nuno and ultimately extended ICRMA’s approval for her to serve as Liability Program Manager through the end of the contract term.

At the April Board meeting, a variety of options with regard to program structure were discussed including: best practices, member needs, cost, claim auditor feedback, necessary skill set, and the marketplace. The Board provided feedback and directed RPA staff to work with both AdminSure and Carl Warren to develop blanket contracts for primary TPA services with the goals of eliminating individual member contracts and keeping pricing similar to current. Negotiations with both TPAs are underway.

The ICRMA-recommended TPA template contract, which Carl Warren implemented with members in 2014 (AdminSure did not implement the pricing model), includes the following pricing:

<table>
<thead>
<tr>
<th>Item</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incident only (no claim)</td>
<td>$50</td>
</tr>
<tr>
<td>Record only, will not appear on the loss run, but will be available for tracking purposes.</td>
<td></td>
</tr>
<tr>
<td>Property Damage, no bodily injury, not litigated.</td>
<td>$375</td>
</tr>
<tr>
<td>Not including appraisal cost.</td>
<td></td>
</tr>
<tr>
<td>Property Damage, no bodily injury, litigated</td>
<td>$1,350</td>
</tr>
<tr>
<td>Not including appraisal cost.</td>
<td></td>
</tr>
<tr>
<td>Bodily Injury, not litigated</td>
<td>$750</td>
</tr>
<tr>
<td>Bodily Injury, litigated</td>
<td>$1,750</td>
</tr>
</tbody>
</table>
Staff anticipates the contract with Carl Warren will be in place by early June. The contract with AdminSure is proving more challenging, however, due to the large variances in member fees. In other words, the fees of multiple members do not match the open case load when evaluated on a flat fee basis (see attached AdminSure analysis). AdminSure states the fees for multiple members need to be adjusted in order to reflect the current workload associated with the liability claims, regardless of whether a blanket contract is implemented or not.

AdminSure also expressed a desire to use flat fee pricing, based upon an average number of claims, for the following reasons:

- Flat fee is one simple number for more stable and accurate budgeting
- AdminSure is moving all clients to flat fee pricing as contracts are renegotiated/RFPs won
- Flat Fee uses an average monthly claim volume and thus, the “risk” is shared by both the member and TPA (claim counts average out, i.e. some months are over, some months under)
- Life of Claim has led to underreporting to varying degrees (some members are willing to ignore the ICRMA requirement that all claims be reported and handle claims in-house in an attempt to “save money”)
- Tracking Life of Claim pricing is more complicated and presents greater administrative burden
  - Life of Claim does not cover all TPA costs if a change in status flag is missed
- AdminSure provides and stores historical records and are the institutional memory of claims (an often unrecognized or uncompensated item)
- The entire flat fee can often be less than one month of legal expense on one liability case

If a flat fee is implemented, the changing claim environment must also be contemplated in the contract. This can be managed by adding a provision to the contract to address average claim count changes. For example, if the open caseload decreases or increases by greater than 10% (based on the previous June 1 through May 31 data), the member’s fee would be adjusted accordingly. Regardless of the pricing model selected, both TPAs are proposing an increase of no more than 3% per year, beginning in fiscal year 2020-21, to reflect inflation/cost of living adjustments.

The Committee is asked to discuss the pros/cons of using a flat fee pricing model, and member fee variances, and provide feedback.

The Board also asked that the following be explored by the Claims Committee:
1. Separate the Liability and Workers’ Compensation Program Management into distinct contracts
2. Integrate the WC program manager into the AdminSure single TPA contract
3. Explore a single TPA for the liability program
   a. Request qualifications/proposals from the two current TPAs
   b. Still need a program manager (options include TPA assigning program manager as part of the contract, RPA hiring staff, or ICRMA hiring independent contractor)
4. Explore concept of RPA providing staff to serve as liability & WC program managers

Note: RFP options require extension of the contract with Carl Warren for several months
Attachments:  Carl Warren & Company Contract - Exhibit A (Scope of Services)
AdminSure pricing analysis

Prepared by:  Beth Lyons, Executive Director
EXHIBIT A

Scope of Claims & Litigation Management Services

CWC agrees to provide the following services to the satisfaction of the Board of Directors of ICRMA:

** Work flow and assignment of responsibilities related to data management and analysis (B.7 below) for both RPA and Carl Warren will be reassessed and adjusted as appropriate prior to the start of each program year. This includes a preliminary assessment and assignment of duties between RPA and Carl Warren during the transition period as noted in Service Addendum B.2. In addition all parties anticipate a data cleanup project will be planned during the transition period as noted in Service Addendum B.2. during which time related responsibilities will be clarified as well. If there are additional costs associated with a data cleanup project, those will be presented to the board.**

A. Executive-Level Leadership

1) Provide executive leadership to ICRMA and its Governing Board for all claims and litigation in line with strategic priorities, while implementing Board policies and ensuring continuous improvement as a pool.
   a. Maintain effective communication and services to ICRMA members, service providers and interested parties
   b. Keep the Governing Board informed with regular reports and updates on the status of all ICRMA claims and litigation matters as well as the need for and timing technical assistance

2) Provide executive-level analysis and recommendations to the ICRMA Governing Board – to avoid unnecessary disputes, legal expenses and/or unnecessary financial risk to ICRMA – regarding:
   a. Changes or proposed changes in statutes, rules and regulations and case law affecting its programs
   b. Problem areas or trends and recommend solutions
   c. Analysis of coverage issues as requested
   d. Selection of service providers as appropriate
   e. Appropriate reserves
   f. Resolution of claims
   g. Assignment of appropriate defense counsel
   h. Other analysis or assistance as appropriate for effective, healthy operations

3) Provide oversight of the activities of TPAs, the defense panel, and other providers of claims and litigation related services to ICRMA and its member cities.

B. Ongoing Management

Oversee and manage all claims within the scope of ICRMA programs, in line with ICRMA governing documents, agreements, established policies and procedures, strategic goals, industry standards, and legal constraints.
1) **Policy & Regulatory Compliance**
   a. Carry out the policies of the Governing Board
   b. Assist with periodic revisions of policies, procedures and governing documents as necessary
   c. Ensure compliance with all relevant laws and regulatory requirements
   d. Assist in the development of policies and procedures relating to each of ICRMA’s programs
   e. Cooperate with requests for information and documents requested by regulators
   f. Report claims in compliance with Medicare, Medicaid, and SCHIP Extension Act (MMSEA) Section 111.
   g. Prepare and submit all reports related to claims and litigation management required by Government Code and required by ICRMA Boards and Committees.
   h. Assist as necessary in ICRMA’s preparation and submission of all regulatory filings in accordance with applicable laws and regulations

2) **Administration of Programs**
   a. Develop and prepare underwriting guidelines and procedures
   b. Monitor the status of ICRMA’s programs
   c. Maintain all required statistical information on the member agencies and their claims within Origami including correspondence and documentation for immediate access by ICRMA administration.
   d. Maintain on-call service on a 24-hour, 7 days per week basis via a 24-hour phone number, or the phone numbers of key personnel who will be available.
   e. Attend meetings at the request of ICRMA and/or Member Cities.
   f. Conduct seminars at the request of ICRMA and/or Member Cities.
   g. Provide ICRMA and its members with ongoing information on the progress of individual claims, recommended loss prevention actions and other cost control measures regarding any ICRMA programs.
   h. Make observations and recommendations in regards to claims handling; provide input on regulatory or legislative changes or industry trends that effect liability, potential liability or property claims.
   i. Provide the following Structured Return-to-Work Program Services ("SRTWP"), which includes oversight of Company Nurse (members report directly to Company Nurse) and Return to Work Now (tracking takes place through this contract/company)
      - Manage program at least as follows:
         i. Input Company Nurse reports (daily)
         ii. Call clinics for status on new reports and diaries/review & input emailed status reports
         iii. Review TPA claim notes for medical/RTW status (daily)
         iv. Call/email ICRMA member contacts to determine modified duty
         v. Send modified duty letters to physicians periodically
         vi. Provide member refresher training on the SRTWP (Go to Meeting)
         vii. Meet with specific clinics/physicians at member request
         viii. Provide regular updates regarding the SRTWP program
      - Monitor the service, agreements, and performance of
i. 24/7 nurse triage service provider (currently Company Nurse) as identified in sections IV and V of the current agreement including annual contract negotiation and payment approval

ii. SRTW tracking software (currently RTW Now) as identified in sections 4 and 5 of the current agreement including annual contract negotiation and payment approval

• Update 24/7 nurse triage of any changes to member contacts, protocols, or changes in designated industrial clinics and/or medical providers

• Enter into SRTW software all new industrial injuries reported through 24/7 nurse triage and identify work restrictions and RTW opportunities

• Monitor all limited duty or Temporary Disability cases until such time as the injured employee returns to full duty, work restrictions have or will likely become permanent, or the employee has exhausted the member’s limited duty policy

• Assist ICRMA members

  i. In developing or customizing policies and/or procedures

  ii. With identifying and assessing industrial clinics and/or designated medical providers

• Coordinate with the employee, the member, the medical provider, and the TPA regarding work restrictions and the availability of modified or transitional work

j. Track return-to-work opportunities and compliance;

• Provide quarterly status reports

• Request, compile and provide the ICRMA with data for cost benefit analysis of the program annually

3) Claims Management

a. Request and review Coverage Counsel opinion letters.

b. Request and review all claims reported to CWC, which will or may potentially expose ICRMA, including, but not limited to, coverage verification, investigation, reserving, evaluation, litigation management, and preparation of periodic claims status reports to the Authority.

c. Institute reporting procedures and forms whereby member cities and/or its claims administrators report claims which will or may potentially expose ICRMA. *These reporting procedures are contained in ICRMA’s Litigation Management Policies and Procedures for reporting to ICRMA.*

d. Report any and all reported claims to ICRMA’s excess carriers that will or may potentially expose ICRMA in excess of its shared risk layer, if any for that fiscal year.

e. Attend all Board meetings and Claims Committee meetings as required by ICRMA.

f. Maintain a claim file within Origami on each reported claim. *The claim files will be ICRMA’s property and will be available for inspection by ICRMA upon request.*

g. Provide written statistical and loss experience reports concerning the claims status at least annually.

h. Engage with ICRMA’s prior approval the services of persons such as defense counsel and investigators.
i. Be available for consultation on claims and related issues potentially involving ICRMA as necessary

4) **Litigation Management**
ICRMA’s or Member’s legal counsel will handle litigation of claims. However once litigation has commenced, CWC will work in conjunction with assigned counsel in defense of the claim and remain the point of contact for ICRMA during the entire pendency of the litigation, including, but not limited to:


b. Ensure compliance with ICRMA’s Policies and Procedures.

c. Recommend settlements and further litigation strategy subject to the supervision of ICRMA’s administrator and/or General Counsel

d. Attend mediations, settlement conferences and any other hearings or court dates as necessary

e. Assist in gathering documents for production requests

f. Ensure that defense counsel is properly reporting to ICRMA and ICRMA’s excess carriers, subject to any conflicts of interests and review and recommend payment of all reasonable litigation expenses.

5) **Meeting Management & Support**
Prepare for and staff all ICRMA Claims (or its successor) Committee meetings as determined by the Governing Board, including preparation and timely delivery of requested agenda materials.

6) **Service to Membership**
Provide appropriate service and assistance to member cities with respect to ICRMA business as required.

a. Advise members on risk management matters

b. Assist members in obtaining services from ICRMA vendors

c. Ensure coordinated response to coverage questions with Program Managers and ICRMA Counsel

d. Respond to member requests for assistance at meetings in communication with the ICRMA administrator

e. Coordinate annual renewal process including oversight of member exposures and withdrawal requests

7) **Data Management & Analysis**

**Work flow and assignment of responsibilities related to data management and analysis (B.7 below) for both RPA and Carl Warren will be reassessed and adjusted as appropriate prior to the start of each program year. This includes a preliminary assessment and assignment of duties between RPA and Carl Warren during the transition period as noted in Service Addendum B.2. In addition all parties anticipate a data cleanup project will be planned during the transition period as noted in Service Addendum B.2. during which time related responsibilities will be clarified**
as well. If there are additional costs associated with a data cleanup project, those will be presented to the board.**

a. Support any necessary data cleanup projects and the vendors supporting them as required following the transition and the immediate period of months thereafter (see Service Addendum B.2.)

b. Annually compile loss data, by program, as submitted from ICRMA member city TPAs using ICRMA Universal Data Specifications, or ensure such compilation takes place as required

c. Verify data quality and communicate any problems to the Program Managers, TPAs and/or Members

d. Integrate the pool layer claims data with the underlying claims data provided by the primary TPAs

e. Combine data into a single location for ICRMA claims by program in order to complete “roll-up” for multiple coverages, claimants and suffixes and the separate primary and pool layers for reporting and analysis

f. Provide a standardized loss data to actuary for annual actuarial studies (ICRMA and individual member) and to ICRMA’s broker for excess insurance/reinsurance placements

8) Record Management & Transparency

Use ICRMA’s claim system, Origami, to actively monitor all claims and/or litigation that are ICRMA reportable or that may have a significant impact on ICRMA programs, and use the computerized claims management information system to input all claims reported including development of necessary forms and training.

Ensure implementation of processes and procedures relating to the protection of electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security, and electronic data retention, across vendors as per the standards for Accreditation with Excellence by the California Association of Joint Powers Authorities.

C. General Expectations

Provide appropriate staff, equipment, supplies and technological support for all of the above; support services required to satisfactorily carry out the terms of this Agreement.

Perform other duties pursuant to and in accordance with the Governing Documents itemized in Exhibit C and all applicable laws and regulations of the State of California and the United States of America.

Actively participate in industry activities (e.g., conferences) in order to develop professionally and maintain visibility for ICRMA as a pool. In doing so, maintain contacts with public agency risk managers and the insurance industry by participating in appropriate risk management and pool management related trade organizations.
CWC, when mutually agreed by ICRMA and CWC, may perform additional services. Additional fees may be negotiated on a case-by-case basis for these additional services.
<table>
<thead>
<tr>
<th>City</th>
<th>Last Contract Revision Date</th>
<th>Contract Escalator, Yes/No</th>
<th>If Yes, Contract Escalator Amount or %</th>
<th>Average Caseload Over 2 Years</th>
<th>Model Type</th>
<th>Current Pricing 2018/2019</th>
<th>Proposed Pricing for 2019/2020</th>
<th>Difference 19/20 vs. 18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Monte</td>
<td>June, 2015</td>
<td>Yes</td>
<td>5%</td>
<td>79</td>
<td>Flat Fee</td>
<td>$59,040</td>
<td>$82,476</td>
<td>$23,436</td>
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<td>El Segundo</td>
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<td>3%</td>
<td>26</td>
<td>Flat Fee</td>
<td>$35,378.04</td>
<td>$27,144</td>
<td>$8,234.04</td>
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<td>N/A</td>
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<td>$24,102</td>
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<td>$22,560</td>
<td>$23,244</td>
<td>$684</td>
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<tr>
<td>Hermosa Beach</td>
<td>July, 2013</td>
<td>No</td>
<td>NA</td>
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<td>Flat Fee</td>
<td>$15,600</td>
<td>$18,792</td>
<td>$3,192</td>
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<tr>
<td>Inglewood</td>
<td>July, 2014</td>
<td>Yes</td>
<td>3% Per Year</td>
<td>149</td>
<td>Flat Fee</td>
<td>$57,396</td>
<td>$155,556</td>
<td>$98,160</td>
</tr>
<tr>
<td>Lynwood</td>
<td>July, 2016</td>
<td>No</td>
<td>N/A</td>
<td>55</td>
<td>Flat Fee</td>
<td>$41,400</td>
<td>$57,420</td>
<td>$16,020</td>
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</table>