



**LOCAL AGENCY WORKERS' COMPENSATION
EXCESS JOINT POWERS AUTHORITY
(LAWCX)**

Deficit Curing and Assessment Plan

Approved June 5, 2018

**LOCAL AGENCY WORKERS' COMPENSATION EXCESS
JOINT POWERS AUTHORITY
(LAWCX)**

DEFICIT CURING AND ASSESSMENT PLAN

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I. Background

LAWCX is an excess workers' compensation pool established in 1993 to cover claims between member's and the pool's self-insured retentions. Member retentions have ranged from \$150,000 to \$1 million, and LAWXCX has maintained the retentions shown in Table 1.

Table 1 – Self-Insured Retention History

| Program Year | LAWCX Retention |
|---------------------|------------------------|
| 1993-1999 | 500,000 |
| 2000-2001 | 350,000 |
| 2002 | 500,000 |
| 2003 | 1,000,000 |
| 2004-2006 | 2,000,000 |
| 2007 to present | 5,000,000 |

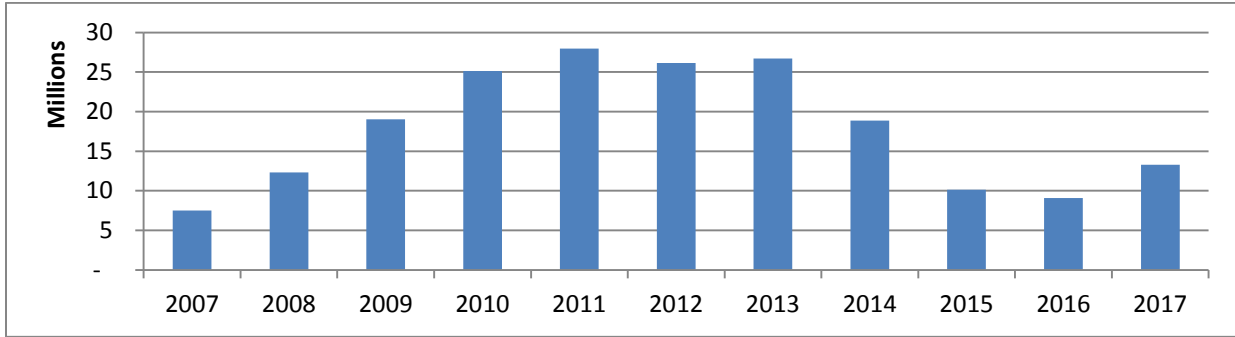
LAWCX maintains three separate pools: the \$150k pool, the \$250k pool (also known as the Primary Pool), and the mid-layer pool. The \$150k pool was available from 1999 through 2015 and all members with a \$150,000 retention participated in this layer. The \$250k pool has existed since LAWXCX's inception and all members participate in this layer. The mid-layer pool began in 2006 and all members participate in this layer. The pools have been funded through annual member contributions which included an additional margin to cover the risk of adverse loss development. The mid-layer pool, however, was funded to a pre-determined target of \$5 million from 2006 to 2010, with contributions resuming in 2016.

One important measure of LAWXCX's financial health is the amount of net position maintained in total, for each pool, and by program year.

Net Position: Also known as "Surplus" or "Equity" represents the assets that remain after deducting all claim liabilities at the stated confidence level.

As shown in Chart 1, LAWXCX maintained approximately \$13.3 million in surplus with liabilities stated at the expected confidence level as of June 30, 2017, a significant reduction from \$27 million in 2013.

Chart 1 – Historical Net Position



The reduction was due predominantly to the emergence of multiple large claims during the period of 2014 through 2016, causing a deficit in the mid-layer pool which covers claims incurred between \$2 million and \$5 million. In response to the mid-layer deficit, the Board resumed annual funding in the mid-layer pool beginning with the 2015/16 program year. This decision has resulted in approximately \$1.5 million in annual funding; however, the action addressed only the funding in the mid-layer pool which is separate and apart from LAWCCX’s two other pools. These pools have experienced a mixture of surplus and deficit years since inception.

Program Year: The period of time, generally July 1st to the following June 30th designated by the Board of Directors as the coverage period. The contributions, interest income, losses, and expenses attributable each program year are tracked to determine the net position by program year.

Chart 2 and 3 displays the net position by program year for the \$150k and \$250k pools as of June 30, 2017. The program year data represents the surplus or deficit that remains after subtracting the remaining liabilities at the expected confidence level from the available assets attributable to each specific program year.

Chart 2 - \$150k Pool Net Position by Program Year

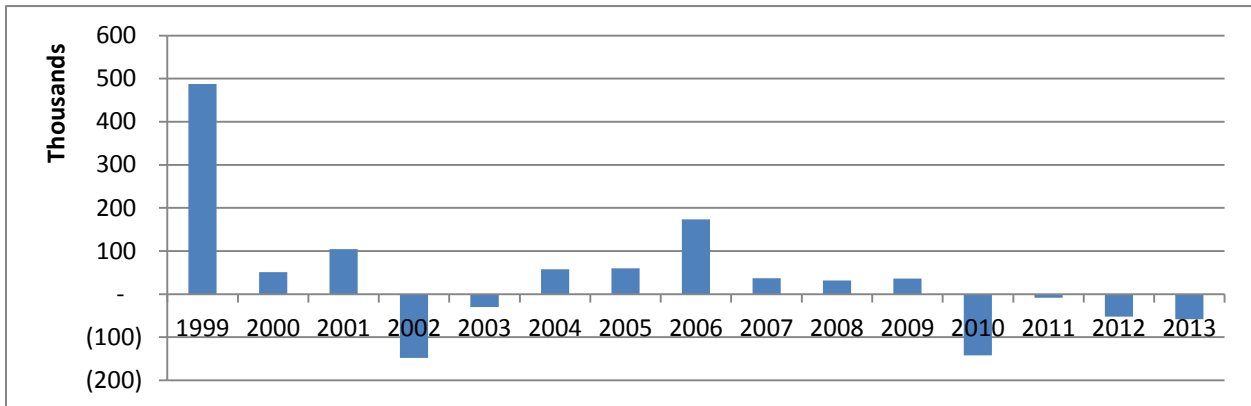
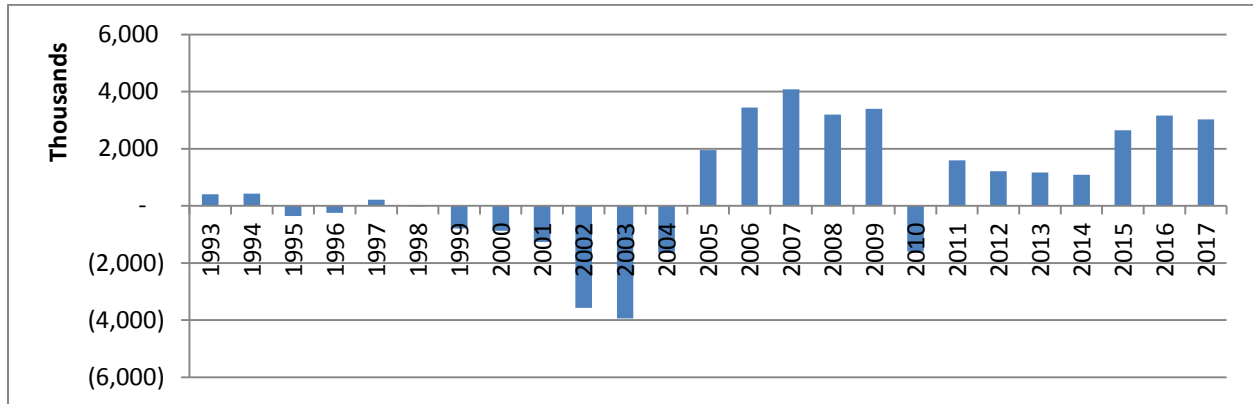


Chart 3 - \$250k Pool Net Position by Program Year



In the \$150k pool, the total net position for all years is \$598,000 and only four years are experiencing deficits totaling \$440,000. The \$250k pool maintains a total net position of \$16.7 million, but has deficits in ten program years totaling \$14.3 million. These deficits have existed for many years and assessments have been levied in attempts to return them to surplus status. Favorable loss development in the \$250k pool will not return these program years to positive surplus positions. Assessments were levied in the \$250k pool for 16 consecutive years in order to fund these deficit years, but ceased in 2016 in order for the Board to re-examine the adequacy of the assessment plan. It was discovered that during the course of the 16 years, the existing assessment plan provided additional funding of \$8.3 million, however, its structure only provided funding to a few of the oldest program year deficits (through 1998/99). Under this model, the assessments would have continued for many years without the certainty of an established end date. In addition, there was an inability to transfer surplus from older program years to cover any portion of the deficit years.

II. Deficit Curing Plan (Plan)

In order to provide a comprehensive solution to provide the funding needed to return the deficit program years in the \$250k pool to a surplus position, and make use of surplus in the older years, staff and the Executive Committee developed this deficit curing plan (Plan). The Plan will provide the funding necessary to return the deficit years to surplus status based on actuarial estimates as of June 30, 2017, and increase LAWCX's overall net position to levels aligning with its target equity policy.

It should be noted the Plan is not in response to liquidity concerns or inadequacy of current program year contributions. It is designed to address program deficits in the twelve oldest program years. Nine of the ten most recent program years maintain surplus at the expected confidence level, and LAWCX's liquidity position is strong, with \$85 million in cash and investments as of June 30, 2017, and average annual claim payments of \$6.5 million. The older deficit program years will not return to surplus status through favorable loss development alone. In addition, certain former members participated in the older deficit years and are obligated to participate in funding those deficits despite withdrawing from LAWCX.

A. Plan Elements

The Plan includes six primary steps which are described in detail throughout this section:

Step 1: Amend bylaws to provide for the transfer of surplus to deficit years;

Step 2: Identify range of program years to include in the Plan;

Step 3: Calculate the surplus and deficit in each program year at the approved confidence level;

Step 4: Allocate surplus and deficit in each program year to members;

Step 5: Transfer program year surplus in excess of approved levels to deficit program years on a member-by-member basis; and

Step 6: Levy a long-term assessment to members who participated in the remaining deficit program years.

Step 1: Bylaw Amendment

In June 2017, the Board approved an amendment to the LAWCX Bylaws to allow for the transfer of surplus from positive program years to offset deficit program years. Having access to surplus in excess of Board determined levels reduces the amount that is ultimately collected through member assessments. The following is the relevant section from the amended LAWCX bylaws:

Article VIII, Section 5 (C) \$150,000 AND PRIMARY POOL

Each pool year shall operate separately from every other pool in regard to its assets, liabilities, and obligations.

- A. Should the total liabilities and obligations, including actuarially expected claims costs, for any **Program Year** of a pool exceed the total assets of that year, the **Board of Directors** may assess the **Parties** participating in that pool's **Program Year** for any or all such deficiency. If an assessment is made, it shall be borne by the **Parties** in the same relationship as their **Pool Contributions** for each pool's **Program Year** as it relates to the total of all the **Parties' Pool Contributions** for that pool's **Program Year**.
- B. Should the total assets of any pool's **Program Year** exceed the liabilities and obligations of that year, including actuarially expected claims costs of that year, the **Board of Directors** may return any or all of the excess assets to the **Parties** in the same relationship as each **Party's Pool Contribution** for the **Program Year** as it relates to the total of all the **Parties' Pool Contributions** for that **Program Year** provided that the reserves of the pooled program as a whole have an actuarially determined confidence level of at least ninety percent after such return of assets.
- C. If an assessment is made against the Parties in a **Program Year**, the **Board of Directors** may approve the transfer of surplus assets, in an amount to be determined by the **Board of Directors**, from another **Program Year** in which total assets exceed total liabilities and obligations. The transfer shall be made only to the **Parties** being assessed and only in the same relationship as each **Party's Pool Contribution** in the **Program Year** from which the assets are being transferred relates to the total of all the **Parties' Pool Contributions** for that **Program Year**.

Step 2: Select Target Program Years

The Plan only includes program years 1993 through 2008, and therefore excludes newer years that could still experience significant loss development. This age was selected as much of the claims development has occurred by the tenth year. Changes will occur on the open and active claims in these years, but the level of uncertainty in the ultimate loss estimates is expected to be less than in the newer, undeveloped program years. The Plan calls for claim estimates to be monitored regularly in order to determine whether modifications are necessary. The selected program years are shown in Table 1 with the net position stated at the expected confidence level.

Table 1 – Net Positon of Target Program Years

| Program Year | Net Positon @ Expected CL | Program Year | Net Positon @ Expected CL |
|---------------------|--------------------------------------|---------------------|--------------------------------------|
| 1993 | 410,000 | 2003 | (4,000,000) |
| 1994 | 422,000 | 2004 | (1,600,000) |
| 1995 | (356,000) | 2005 | 2,000,000 |
| 1996 | (241,000) | 2006 | 3,400,000 |
| 1997 | 218,000 | 2007 | 4,000,000 |
| 1998 | (17,000) | 2008 | 3,200,000 |
| 1999 | (799,000) | | |
| 2000 | (876,000) | | |
| 2001 | (1,300,000) | | |
| 2002 | (3,600,000) | | |

Step 3: Setting Net Positon at Approved Confidence Level

The net positon for each program year is re-stated to determine the surplus or deficit when the claim liabilities are stated at the 80% confidence level. The 80% confidence level is a more conservative estimation of the unpaid claim liability and therefore provides a greater cushion for absorbing increases in ultimate loss estimates after the Plan is implemented. Any program years with surplus remaining at the 80% confidence level will be available for transfer to the deficit program years. The deficit program years will be funded up to the 80% confidence level either through surplus transfer or assessment such that all program years will be funded to the same level. These estimates are updated annually and will be reviewed by Staff and the Executive Committee.

80% Confidence Level: An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 80% confidence level refers to an estimate for which there is an 80% chance the amount will be sufficient to pay loss costs.

Table 2 shows the net positon by program year after stating the liabilities at the 80% confidence level.

Table 2 – Net Position of Target Program Years at 80% Confidence Level

| Program Year | Unpaid Loss and LAE at Expected CL | Net Position @ Expected CL | Adjustment for 80% CL (1.421 x unpaid loss at Expected CL) | Net Position @ 80% CL | Eligible for Surplus Transfer |
|---|---|-----------------------------------|---|------------------------------|--------------------------------------|
| 1993 | 163,597 | 410,186 | (68,874) | 341,312 | Yes |
| 1994 | 26,460 | 421,547 | (11,140) | 410,407 | Yes |
| 1995 | 385,732 | (355,966) | (162,393) | (518,359) | n/a |
| 1996 | 477,116 | (240,832) | (200,866) | (441,698) | n/a |
| 1997 | 367,379 | 217,981 | (154,666) | 63,315 | Yes |
| 1998 | 299,611 | (16,533) | (126,136) | (142,669) | n/a |
| 1999 | 745,838 | (798,763) | (313,998) | (1,112,760) | n/a |
| 2000 | 328,153 | (876,402) | (138,152) | (1,014,555) | n/a |
| 2001 | 292,000 | (1,265,928) | (122,932) | (1,388,860) | n/a |
| 2002 | 1,036,069 | (3,571,375) | (436,185) | (4,007,560) | n/a |
| 2003 | 1,678,075 | (3,946,955) | (706,470) | (4,653,425) | n/a |
| 2004 | 3,482,039 | (1,644,162) | (1,465,939) | (3,110,100) | n/a |
| 2005 | 3,121,115 | 1,950,781 | (1,313,990) | 636,792 | Yes |
| 2006 | 2,060,306 | 3,438,329 | (867,389) | 2,570,941 | Yes |
| 2007 | 2,856,981 | 4,081,510 | (1,202,789) | 2,878,721 | Yes |
| 2008 | 3,505,773 | 3,197,224 | (1,475,931) | 1,721,293 | Yes |
| Total Surpluses at 80% CL: \$8,622,781 | | | | | |
| Total Deficits at 80% CL: (\$16,389,987) | | | | | |
| Net Deficit at 80% CL: (\$7,767,206) | | | | | |

A maximum of \$8.6 million of surplus will be eligible for transfers, however, the actual amount will be less since certain members only participated in surplus years or have more surplus than allocated deficits.

Step 4: Allocate Surplus and Deficit in Each Program Year to Members

Determining the amount of eligible surplus transfers and assessments starts with an allocation of surplus and deficit balances at the 80% confidence level by member. The net position at the 80%

confidence level calculated in Table 2 is allocated to the members who participated in those years proportionately based on their original contribution paid in that program year. This methodology is set forth in LAWCX's Bylaws and the formula is as follows:

$$\begin{array}{c} \textbf{Formula for Allocation of Surplus and Deficit by Member} \\ \\ \textbf{Member's Original Program Year Contribution} \\ \textit{Divided by} \\ \textbf{Total Program Year Contributions} \\ \textit{Equals} \\ \textbf{Proportionate Share of Program Year Contributions} \\ \textit{Times} \\ \textbf{Total Program Year Surplus or Deficit} \\ \textit{Equals} \\ \textbf{Member's Share of Program Year Surplus or Deficit} \end{array}$$

The historical member contributions and calculation of proportionate share by member and program year are presented in Exhibit A. The allocation of program year surplus and deficit by member is presented in Exhibit B.

Step 5: Transfer Surplus to Deficit Years on a Member by Member Basis

The next step is determining if surplus can be transferred to deficit program years by member. The process involved reviewing each member's allocated deficits and determining whether there is also allocated surplus eligible for transfer. For members participating in both surplus and deficit program years, the surplus will be transferred to the deficit year until surpluses are exhausted or all allocated deficits are cured. Surplus cannot be transferred from one member to another. It should be noted some members participated in only deficit or surplus years. As a result, some members will receive larger assessment than in past years, will be assessed for the first time, or will not be assessed at all. Exhibit C presents the allocation of surplus for each member.

B. Determine the Assessment Amount

As shown in Table 3, eligible surplus of \$6.9 million was transferred and resulted in a reduction to the total deficits from \$16.4 million to \$9.5 million.

Table 3 – Impact of Surplus Transfer and Assessment Amount

| | Total Deficits in Program Years 1993-2008 before Surplus Allocation <i>(in millions)</i> | Less: Surplus Eligible for Transfer <i>(in millions)</i> | Total Assessment <i>(in millions)</i> |
|-----------------|---|---|--|
| Total | \$16.4 | (\$6.9) | \$9.5 |
| Current Members | \$12.5 | (\$6.4) | \$6.1 |
| Former Members | \$3.9 | (\$0.5) | \$3.4 |

The remaining deficits of \$9.5 million will be funded through a long-term assessment of current and former participants of the deficit program years. Since LAWCX maintains a strong liquidity position, the assessment will be collected over ten (10) years. The total annual assessment is approximately \$950,000, which is shown by member in Exhibit D. By way of comparison, the prior assessment plan was collected in \$600,000 installments. The first assessment installment will be billed on July 1, 2019, and due on August 15, 2019. This start date was chosen to allow members ample time to incorporate the financial impact into their agency budgets. The total amount of the assessment becomes an obligation of the member upon approval by the Board of Directors. Details of the assessment and payment terms are highlighted below.

| <u>Assessment At-A-Glance</u> | |
|--------------------------------------|---|
| Total Assessment: | \$9,515,590 |
| Annual Installment: | \$951,590 per year |
| Program years being assessed: | 1995/96; 1997/98; 1999/00; 2000/01; 2001/02; 2002/03; and 2003/04 |
| First Invoice Issued: | July 1, 2019 |
| First Installment Due: | August 15, 2019 |
| Discount for Prepayment | A 10% discount will be applied to a member’s total assessment if the entire balance is paid by August 15, 2019 |
| Penalty for Late Payment | A penalty of \$500 will be billed to any member whose annual installment payment is not received within 90 days of the due date stated on the invoice |

C. Periodic Review of Plan Performance

The Plan will be reviewed annually by Staff and the Executive Committee following completion of the fiscal year financial statements and receipt of the annual actuarial analysis containing updated estimates of ultimate loss costs. Proposed Plan modifications, if any, will be presented to the Board of Directors for review and approval.

APPENDIX A
Frequently Asked Questions

Appendix A

FRQUENTLY ASKED QUESTIONS

1. Why is LAWCX implementing a deficit curing Plan?

Program years 1994/95, 1995/96, 1996/97, 1997/98, 1998/99, 1999/00, 2000/01, 2001/02, 2002/03, and 2003/04 are in a deficit position meaning the original contributions in those years were not sufficient to cover the claims and expenses attributable to those years. Additional funding is required in order to bring the assets in these program years to a level sufficient to cover the unpaid liabilities and a reasonable risk margin.

2. How does the Plan work?

The Plan contains two parts:

A. Part A involves:

- a. Identifying the range of program years to be addressed;
- b. Calculate the surplus and deficit in each program year at the approved confidence level;
- c. Allocate surplus and deficit in each program year to members; and
- d. Transfer program year surplus from any positive years to deficit years on a member-by-member basis

B. Part B involves a long term assessment to collect the remaining program year deficits.

3. Which program years are included in this deficit curing plan?

The Plan addresses program years ten years or older only.

4. What is the target funding for the years included in the Plan?

The target funding for all program years in the Plan is the 80% confidence level, meaning on average, there is an approximate 80% chance the funding will be sufficient.

5. If there are program years with surplus at the 80% confidence level, can that surplus be used to fund the deficit years?

Yes. The Plan includes the transfer of surplus in excess of the 80% confidence level to a deficit year on a member-by-member basis. The Bylaws were amended in 2017 to allow for this transfer.

6. How will the surplus transfer be accomplished?

The surplus and deficit balances in each program year are allocated individually to each member who participated in the target program year proportionately based on the original contributions in those program years. Surplus allocated to a member in positive years will be transferred to

allocated deficits for that member until the available surplus for that member is exhausted or all allocated deficits are cured through the surplus transfer.

7. What happens if a member is not allocated surplus or the surplus is not enough to cover the allocated deficits?

An assessment will be levied to fund the remaining deficits allocated to members after all available surplus is allocated.

8. My agency only participated in the surplus years. Will our surplus be transferred and will be assessed?

No. A member that participated in only the surplus years will not have their surplus transferred and will not be assessed. This does not relieve the member of future obligations that arise out of any of those program years.

9. How were the assessments calculated?

After the surplus allocation is complete the remaining allocated deficits will be combined and assessed to members.

10. How long is the assessment Plan?

The assessment will be collected over ten (10) years.

11. When is the assessment invoice due?

The assessment invoices will be dated July 1, 2019, and will be due by August 15, 2019.

12. Will a “discount” be offered if the assessment is paid in full?

Yes. Members will be given a 10% discount only if the total allocated assessment is paid in full by August 15, 2019.

13. Is there a penalty for late payment of the assessment installment invoice?

Yes. A \$500 penalty will be billed to members whose assessment installment is not received within 90 days of the due date stated on the invoice.

14. What is the impact of future claims development?

Given the uncertainty in claim cost estimates, there is the possibility of either favorable or unfavorable claim development. The Plan will be reviewed annually to determine whether the development is significant enough to warrant a revision to the Plan. We do not anticipate making changes to the Plan for the first three years.

15. Our agency paid assessments to LAWCX in the past. What happened with those assessments?

LAWCX assessed its members for 16 consecutive years through 2016 and collected approximately \$8.3 million in assessments during that time. Those assessments were deposited into the oldest deficit program years and served to reduce the amount of the deficits being assessed as part of this Plan.

16. Does LAWCX maintain sufficient liquidity to cover its ongoing obligations for claims?

Yes. The deficit curing Plan is not being implemented due to a liquidity need. LAWCX maintains sufficient cash and investments to meet its ongoing obligations.

17. Our agency hasn't had any losses, why do we have to pay such a high percentage of the assessment?

- a. LAWCX is a risk sharing organization and as such, shares in all of the losses and expenses during the member's participation period.
- b. In accordance with the LAWCX governing documents, surpluses and deficits are allocated to members in each program year proportionately based on the original contribution paid for that year.
- c. Each member's contribution is based on payroll, loss history, and selected self-insured retention. Those contributions are used to allocate the surpluses and deficits to each member.

18. Do former members have to pay the assessment?

Yes. Current and former members are treated the same when allocating surpluses and deficits, transferring surplus, and determining assessments. Withdrawing from LAWCX does not relieve a member from obligations incurred during their participation.

19. What is being done to protect against the risk of future assessments?

The Plan has been designed with the goal of significantly reducing the need for future assessments, and includes a cushion to minimize the need for such. The Plan's performance will be reviewed periodically but changes are not anticipated for the first three years.

EXHIBIT A
Contributions by Program Year

LAWCX
Deficit Curing Plan
Contributions by Program Year

| Member: | 1993 | % | 1994 | % | 1995 | % | 1996 | % | 1997 | % | 1998 | % | 1999 | % | 2000 | % | 2001 | % | 2002 | % | 2003 | % | 2004 |
|------------------------|----------------|-------------|------------------|-------------|------------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|
| Alameda | 46,587 | 6% | 45,935 | 4% | 48,275 | 4% | 43,701 | 5% | 48,996 | 6% | 41,145 | 6% | 55,484 | 6% | 71,879 | 7% | 81,354 | 7% | 116,769 | 6% | 231,722 | 5% | 380,776 |
| Albany | 8,141 | 1% | 8,001 | 1% | 9,640 | 1% | 7,902 | 1% | 7,158 | 1% | 6,492 | 1% | 8,029 | 1% | 10,514 | 1% | 10,987 | 1% | 15,705 | 1% | 0 | 0% | 0 |
| Albany CSJPA | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1,007 | 0% | 1,614 | 0% | 2,470 | 0% | 0 | 0% | 0 |
| ACWA/JPIA | 90,980 | 11% | 98,332 | 9% | 140,961 | 12% | 17,747 | 2% | 20,824 | 2% | 20,513 | 3% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| ABAG | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 24,069 | 1% | 44,116 | 1% | 68,391 |
| BCJPIA | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 359,602 | 8% | 778,901 |
| Benicia | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 47,410 | 1% | 76,211 |
| Brisbane | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 8,774 | 1% | 14,164 | 1% | 0 | 0% | 0 |
| CCCSIF | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 319,060 | 7% | 518,536 |
| CHWCA | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| CSJVRMA | 164,327 | 20% | 178,940 | 17% | 204,931 | 17% | 162,692 | 19% | 170,770 | 20% | 143,082 | 20% | 189,297 | 21% | 151,639 | 15% | 133,620 | 12% | 250,866 | 13% | 634,924 | 14% | 1,019,071 |
| Clovis | 0 | 0% | 0 | 0% | 24,990 | 2% | 21,940 | 3% | 22,584 | 3% | 19,392 | 3% | 26,756 | 3% | 37,089 | 4% | 43,102 | 4% | 62,292 | 3% | 125,206 | 3% | 191,655 |
| Coronado | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 39,372 |
| CCCTA | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 28,361 | 1% | 56,204 | 1% | 74,680 |
| PERMA | 64,643 | 8% | 88,839 | 9% | 95,783 | 8% | 81,941 | 10% | 55,439 | 6% | 51,024 | 7% | 64,792 | 7% | 82,153 | 8% | 0 | 0% | 0 | 0% | 0 | 0% | 357,773 |
| Desert Hot Springs | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1,524 | 0% | 2,780 | 0% | 3,055 | 0% | 2,922 | 0% | 5,118 | 0% | 0 | 0% | 0 | 0% | 0 |
| East Bay Parks | 15,756 | 2% | 33,912 | 3% | 35,348 | 3% | 30,711 | 4% | 32,997 | 4% | 25,839 | 4% | 31,727 | 3% | 42,813 | 4% | 50,070 | 4% | 78,454 | 4% | 137,796 | 3% | 215,967 |
| Encinitas | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 59,712 |
| Emeryville | 12,234 | 1% | 11,673 | 1% | 12,838 | 1% | 12,105 | 1% | 13,323 | 2% | 11,244 | 2% | 14,685 | 2% | 12,631 | 1% | 12,972 | 1% | 19,121 | 1% | 0 | 0% | 0 |
| MESA | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 5,277 | 1% | 7,832 | 1% | 11,230 | 1% | 0 | 0% | 0 |
| FASIS | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| Fremont | 69,917 | 8% | 70,706 | 7% | 75,247 | 6% | 69,157 | 8% | 75,720 | 9% | 66,154 | 9% | 91,140 | 10% | 116,748 | 11% | 136,104 | 12% | 216,328 | 11% | 278,645 | 6% | 299,015 |
| Gilroy | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 67,739 | 1% | 78,826 |
| Livermore | 29,364 | 4% | 28,267 | 3% | 28,547 | 2% | 25,263 | 3% | 26,500 | 3% | 28,224 | 4% | 30,804 | 3% | 35,499 | 3% | 42,625 | 4% | 67,468 | 3% | 148,285 | 3% | 170,844 |
| Lodi | 25,087 | 3% | 27,873 | 3% | 26,376 | 2% | 22,012 | 3% | 26,628 | 3% | 21,757 | 3% | 27,720 | 3% | 32,189 | 3% | 45,602 | 4% | 67,689 | 3% | 132,333 | 3% | 190,050 |
| Los Gatos | 0 | 0% | 0 | 0% | 0 | 0% | 8,214 | 1% | 8,807 | 1% | 9,244 | 1% | 13,091 | 1% | 17,593 | 2% | 21,070 | 2% | 33,637 | 2% | 67,968 | 1% | 97,123 |
| MBASIA | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| MCLAIA | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 33,360 |
| Merced | 0 | 0% | 22,749 | 2% | 24,131 | 2% | 21,785 | 3% | 22,305 | 3% | 17,984 | 3% | 23,022 | 3% | 31,343 | 3% | 35,582 | 3% | 52,074 | 3% | 99,941 | 2% | 156,277 |
| Morgan Hill | 0 | 0% | 7,906 | 1% | 10,951 | 1% | 9,082 | 1% | 8,698 | 1% | 7,355 | 1% | 9,438 | 1% | 12,764 | 1% | 17,558 | 2% | 28,044 | 1% | 57,438 | 1% | 86,538 |
| Newark | 0 | 0% | 0 | 0% | 16,524 | 1% | 15,541 | 2% | 19,311 | 2% | 16,036 | 2% | 21,204 | 2% | 28,639 | 3% | 34,186 | 3% | 51,879 | 3% | 101,434 | 2% | 158,903 |
| Pacific Grove | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 12,602 | 1% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| Palm Springs | 16,645 | 2% | 29,848 | 3% | 32,338 | 3% | 27,637 | 3% | 27,637 | 3% | 23,980 | 3% | 31,772 | 4% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| PARDEC | 54,249 | 6% | 50,082 | 5% | 54,033 | 4% | 7,124 | 1% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| PARSAC | 0 | 0% | 95,364 | 9% | 100,164 | 8% | 86,194 | 10% | 40,108 | 5% | 29,895 | 4% | 37,475 | 4% | 47,436 | 5% | 58,292 | 5% | 114,423 | 6% | 360,126 | 8% | 551,250 |
| Piedmont | 7,304 | 1% | 7,754 | 1% | 8,194 | 1% | 7,391 | 1% | 7,811 | 1% | 6,401 | 1% | 8,349 | 1% | 11,509 | 1% | 14,158 | 1% | 20,735 | 1% | 0 | 0% | 0 |
| Placentia | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 49,574 | 1% | 70,844 |
| Pleasanton | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| Rialto | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 26,631 | 3% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| Roseville | 47,805 | 6% | 40,660 | 4% | 45,739 | 4% | 40,298 | 5% | 42,874 | 5% | 35,799 | 5% | 47,365 | 5% | 66,616 | 6% | 83,814 | 7% | 128,394 | 7% | 261,627 | 6% | 395,530 |
| San Leandro | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 153,717 |
| Santa Maria | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 |
| Santee | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 34,976 |
| SCORE | 0 | 0% | 18,466 | 2% | 20,352 | 2% | 14,764 | 2% | 15,445 | 2% | 10,377 | 1% | 14,480 | 2% | 19,799 | 2% | 23,195 | 2% | 35,716 | 2% | 85,036 | 2% | 118,861 |
| SDWCA | 56,962 | 7% | 50,618 | 5% | 54,929 | 5% | 5,812 | 1% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 128,516 | 7% | 371,151 | 8% | 19,900 |
| South Lake Tahoe | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 14,252 | 2% | 10,770 | 2% | 13,743 | 2% | 18,733 | 2% | 21,865 | 2% | 36,215 | 2% | 67,102 | 1% | 95,197 |
| Suisun City | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 23,807 | 1% | 33,489 |
| Sunline Transit Agency | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 3,241 | 0% | 4,745 | 1% | 6,428 | 1% | 9,992 | 1% | 14,238 | 1% | 20,210 | 1% | 0 | 0% | 0 |
| Union City | 19,141 | 2% | 18,702 | 2% | 14,985 | 1% | 13,941 | 2% | 14,787 | 2% | 11,350 | 2% | 16,841 | 2% | 25,020 | 2% | 38,641 | 3% | 60,997 | 3% | 0 | 0% | 0 |
| Vacaville | 32,127 | 4% | 32,631 | 3% | 35,731 | 3% | 32,074 | 4% | 36,237 | 4% | 30,760 | 4% | 40,731 | 4% | 55,420 | 5% | 66,525 | 6% | 103,440 | 5% | 203,732 | 4% | 311,705 |
| Vallejo | 52,896 | 6% | 52,305 | 5% | 56,386 | 5% | 47,959 | 6% | 49,839 | 6% | 39,337 | 6% | 58,789 | 6% | 65,873 | 6% | 87,688 | 8% | 146,591 | 7% | 285,769 | 6% | 323,938 |
| VCJPA | 21,192 | 3% | 22,596 | 2% | 24,212 | 2% | 21,309 | 2% | 22,001 | 3% | 16,978 | 2% | 20,963 | 2% | 28,587 | 3% | 33,940 | 3% | 33,032 | 2% | 83,802 | 2% | 118,607 |
| Vista | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 85,212 |
| Total | 835,357 | 100% | 1,042,159 | 100% | 1,201,605 | 100% | 854,296 | 100% | 875,049 | 100% | 708,657 | 100% | 907,180 | 100% | 1,041,684 | 100% | 1,130,526 | 100% | 1,968,889 | 100% | 4,701,549 | 100% | 7,365,207 |

LAWCX
Deficit Curing Plan
Contributions by Program Year

| Member: | % | 2005 | % | 2006 | % | 2007 | % | 2008 | % |
|------------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
| Alameda | 5% | 469,257 | 5% | 522,465 | 5% | 510,948 | 5% | 536,154 | 6% |
| Albany | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Albany CSJPA | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| ACWA/JPIA | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| ABAG | 1% | 79,207 | 1% | 94,234 | 1% | 100,015 | 1% | 100,012 | 1% |
| BCJPIA | 11% | 842,004 | 10% | 794,827 | 8% | 413,835 | 4% | 429,529 | 4% |
| Benicia | 1% | 84,790 | 1% | 94,893 | 1% | 100,827 | 1% | 110,763 | 1% |
| Brisbane | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| CCCSIF | 7% | 123 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| CHWCA | 0% | 388,506 | 4% | 434,974 | 4% | 381,223 | 4% | 364,284 | 4% |
| CSJVRMA | 14% | 720,561 | 8% | 845,573 | 9% | 921,687 | 10% | 1,075,047 | 11% |
| Clovis | 3% | 268,847 | 3% | 311,587 | 3% | 345,300 | 4% | 349,912 | 4% |
| Coronado | 1% | 56,726 | 1% | 66,984 | 1% | 65,083 | 1% | 71,476 | 1% |
| CCCTA | 1% | 91,261 | 1% | 102,446 | 1% | 99,626 | 1% | 100,516 | 1% |
| PERMA | 5% | 485,103 | 6% | 591,882 | 6% | 607,808 | 7% | 691,455 | 7% |
| Desert Hot Springs | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| East Bay Parks | 3% | 230,889 | 3% | 142,007 | 1% | 208,614 | 2% | 223,908 | 2% |
| Encinitas | 1% | 86,825 | 1% | 95,371 | 1% | 95,430 | 1% | 104,615 | 1% |
| Emeryville | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| MESA | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| FASIS | 0% | 632,013 | 7% | 643,022 | 7% | 631,523 | 7% | 671,946 | 7% |
| Fremont | 4% | 283,787 | 3% | 340,238 | 3% | 0 | 0% | 0 | 0% |
| Gilroy | 1% | 88,335 | 1% | 98,203 | 1% | 102,928 | 1% | 112,817 | 1% |
| Livermore | 2% | 186,569 | 2% | 213,757 | 2% | 211,093 | 2% | 225,387 | 2% |
| Lodi | 3% | 226,724 | 3% | 231,713 | 2% | 237,666 | 3% | 277,221 | 3% |
| Los Gatos | 1% | 108,062 | 1% | 120,600 | 1% | 121,215 | 1% | 127,528 | 1% |
| MBASIA | 0% | 139,540 | 2% | 178,998 | 2% | 173,631 | 2% | 223,189 | 2% |
| MCLAIA | 0% | 73,055 | 1% | 86,498 | 1% | 99,119 | 1% | 114,156 | 1% |
| Merced | 2% | 194,610 | 2% | 232,358 | 2% | 273,063 | 3% | 325,224 | 3% |
| Morgan Hill | 1% | 105,629 | 1% | 124,982 | 1% | 131,931 | 1% | 149,463 | 2% |
| Newark | 2% | 188,346 | 2% | 150,248 | 2% | 156,556 | 2% | 169,950 | 2% |
| Pacific Grove | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Palm Springs | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| PARDEC | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| PARSAC | 7% | 636,635 | 7% | 869,489 | 9% | 967,008 | 10% | 496,259 | 5% |
| Piedmont | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Placentia | 1% | 76,125 | 1% | 86,380 | 1% | 96,260 | 1% | 105,876 | 1% |
| Pleasanton | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Rialto | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Roseville | 5% | 450,560 | 5% | 565,182 | 6% | 625,105 | 7% | 699,955 | 7% |
| San Leandro | 2% | 159,661 | 2% | 246,022 | 2% | 265,891 | 3% | 298,665 | 3% |
| Santa Maria | 0% | 116,753 | 1% | 136,834 | 1% | 141,231 | 2% | 157,170 | 2% |
| Santee | 0% | 53,031 | 1% | 63,738 | 1% | 67,421 | 1% | 73,809 | 1% |
| SCORE | 2% | 134,140 | 2% | 186,701 | 2% | 190,088 | 2% | 201,126 | 2% |
| SDWCA | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| South Lake Tahoe | 1% | 103,705 | 1% | 113,987 | 1% | 55,442 | 1% | 60,336 | 1% |
| Suisun City | 0% | 37,534 | 0% | 42,168 | 0% | 46,723 | 1% | 47,722 | 0% |
| Sunline Transit Agency | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Union City | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Vacaville | 4% | 384,546 | 4% | 435,119 | 4% | 306,134 | 3% | 333,043 | 3% |
| Vallejo | 4% | 208,633 | 2% | 263,544 | 3% | 285,270 | 3% | 322,714 | 3% |
| VCJPA | 2% | 140,628 | 2% | 169,295 | 2% | 117,402 | 1% | 123,911 | 1% |
| Vista | 1% | 141,772 | 2% | 162,056 | 2% | 163,046 | 2% | 184,003 | 2% |
| Total | 100% | 8,674,490 | 100% | 9,858,375 | 100% | 9,316,142 | 100% | 9,659,141 | 100% |



EXHIBIT B

Initial Surplus and Deficit Allocation by Member

LAWCX
Deficit Curing Plan

Initial Surplus and Deficit Allocation by Member
(before surplus transfer)

| Member: | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|------------------------|----------------|----------------|------------------|------------------|---------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|------------------|
| Alameda | 19,035 | 18,089 | (20,825) | (22,595) | 3,545 | (8,283) | (68,057) | (70,007) | (99,944) | (237,677) | (229,350) | (160,790) | 34,448 | 136,252 |
| Albany | 3,326 | 3,151 | (4,159) | (4,086) | 518 | (1,307) | (9,848) | (10,240) | (13,498) | (31,967) | 0 | 0 | 0 | 0 |
| Albany CSJPA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (981) | (1,983) | (5,028) | 0 | 0 | 0 | 0 |
| ACWA/JPIA | 37,173 | 38,724 | (60,809) | (9,176) | 1,507 | (4,130) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ABAG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (48,991) | (43,664) | (28,879) | 5,815 | 24,575 |
| BCJPIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (355,921) | (328,906) | 61,811 | 207,281 |
| Benicia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (46,925) | (32,182) | 6,224 | 24,747 |
| Brisbane | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (10,779) | (28,830) | 0 | 0 | 0 | 0 |
| CCGSIF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (315,794) | (218,962) | 9 | 0 |
| CHWCA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,520 | 113,436 |
| CSJVRMA | 67,141 | 70,467 | (88,405) | (84,117) | 12,356 | (28,806) | (232,195) | (147,690) | (164,153) | (510,623) | (628,425) | (430,322) | 52,896 | 220,515 |
| Clovis | 0 | 0 | (10,780) | (11,344) | 1,634 | (3,904) | (32,819) | (36,123) | (52,951) | (126,792) | (123,924) | (80,930) | 19,736 | 81,258 |
| Coronado | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (16,626) | 4,164 | 17,469 |
| CCCTA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (57,727) | (55,629) | (31,535) | 6,699 | 26,717 |
| PERMA | 26,412 | 34,985 | (41,320) | (42,366) | 4,011 | (10,272) | (79,475) | (80,013) | 0 | 0 | 0 | (151,077) | 35,611 | 154,355 |
| Desert Hot Springs | 0 | 0 | 0 | 0 | 110 | (560) | (3,747) | (2,846) | (6,288) | 0 | 0 | 0 | 0 | 0 |
| East Bay Parks | 6,438 | 13,355 | (15,249) | (15,879) | 2,388 | (5,202) | (38,917) | (41,698) | (61,511) | (159,689) | (136,386) | (91,196) | 16,949 | 37,034 |
| Encinitas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (25,215) | 6,374 | 24,872 |
| Emeryville | 4,999 | 4,597 | (5,538) | (6,259) | 964 | (2,264) | (18,013) | (12,302) | (15,936) | (38,920) | 0 | 0 | 0 | 0 |
| MESA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5,140) | (9,622) | (22,858) | 0 | 0 | 0 | 0 |
| FASIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 46,396 | 167,692 |
| Fremont | 28,567 | 27,844 | (32,461) | (35,756) | 5,479 | (13,318) | (111,794) | (113,707) | (167,205) | (440,323) | (275,793) | (126,265) | 20,833 | 88,730 |
| Gilroy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (67,046) | (33,286) | 6,485 | 25,610 |
| Livermore | 11,998 | 11,132 | (12,315) | (13,062) | 1,917 | (5,682) | (37,785) | (34,574) | (52,365) | (137,327) | (146,767) | (72,142) | 13,696 | 55,745 |
| Lodi | 10,250 | 10,977 | (11,378) | (11,381) | 1,927 | (4,380) | (34,002) | (31,351) | (56,022) | (137,777) | (130,978) | (80,252) | 16,644 | 60,428 |
| Los Gatos | 0 | 0 | 0 | (4,247) | 637 | (1,861) | (16,058) | (17,135) | (25,885) | (68,466) | (67,272) | (41,012) | 7,933 | 31,451 |
| MBASIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,244 | 46,680 |
| MCLAIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (14,087) | 5,363 | 22,558 |
| Merced | 0 | 8,959 | (10,410) | (11,264) | 1,614 | (3,621) | (28,239) | (30,527) | (43,713) | (105,994) | (98,918) | (65,991) | 14,286 | 60,596 |
| Morgan Hill | 0 | 3,113 | (4,724) | (4,696) | 629 | (1,481) | (11,577) | (12,432) | (21,570) | (57,082) | (56,850) | (36,542) | 7,754 | 32,594 |
| Newark | 0 | 0 | (7,128) | (8,035) | 1,397 | (3,228) | (26,009) | (27,893) | (41,998) | (105,597) | (100,396) | (67,100) | 13,826 | 39,183 |
| Pacific Grove | 0 | 0 | 0 | 0 | 912 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Palm Springs | 6,801 | 11,754 | (13,950) | (14,289) | 2,000 | (4,828) | (38,972) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARDEC | 22,165 | 19,723 | (23,309) | (3,683) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARSAC | 0 | 37,555 | (43,210) | (44,565) | 2,902 | (6,019) | (45,967) | (46,201) | (71,612) | (232,901) | (356,440) | (232,776) | 46,735 | 226,752 |
| Piedmont | 2,984 | 3,054 | (3,535) | (3,821) | 565 | (1,289) | (10,241) | (11,209) | (17,393) | (42,205) | 0 | 0 | 0 | 0 |
| Placentia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (49,067) | (29,915) | 5,588 | 22,527 |
| Pleasanton | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rialto | 0 | 0 | 0 | 0 | 1,927 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Roseville | 19,532 | 16,012 | (19,731) | (20,835) | 3,102 | (7,207) | (58,099) | (64,881) | (102,966) | (261,339) | (258,949) | (167,020) | 33,075 | 147,392 |
| San Leandro | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (64,910) | 11,721 | 64,159 |
| Santa Maria | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,571 | 35,685 |
| Santee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (14,769) | 3,893 | 16,622 |
| SCORE | 0 | 7,272 | (8,780) | (7,633) | 1,118 | (2,089) | (17,761) | (19,283) | (28,495) | (72,698) | (84,166) | (50,191) | 9,847 | 48,689 |
| SDWCA | 23,274 | 19,934 | (23,696) | (3,005) | 0 | 0 | 0 | 0 | 0 | (261,587) | (367,352) | (8,403) | 0 | 0 |
| South Lake Tahoe | 0 | 0 | 0 | 0 | 1,031 | (2,168) | (16,857) | (18,245) | (26,861) | (73,714) | (66,415) | (40,199) | 7,613 | 29,726 |
| Suisun City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (23,563) | (14,141) | 2,755 | 10,997 |
| Sunline Transit Agency | 0 | 0 | 0 | 0 | 235 | (955) | (7,885) | (9,732) | (17,491) | (41,136) | 0 | 0 | 0 | 0 |
| Union City | 7,821 | 7,365 | (6,464) | (7,208) | 1,070 | (2,285) | (20,657) | (24,368) | (47,471) | (124,156) | 0 | 0 | 0 | 0 |
| Vacaville | 13,127 | 12,850 | (15,414) | (16,583) | 2,622 | (6,193) | (49,961) | (53,977) | (81,727) | (210,546) | (201,647) | (131,623) | 28,229 | 113,474 |
| Vallejo | 21,612 | 20,598 | (24,324) | (24,796) | 3,606 | (7,919) | (72,111) | (64,157) | (107,725) | (298,378) | (282,844) | (136,789) | 15,316 | 68,729 |
| VCJPA | 8,659 | 8,898 | (10,445) | (11,017) | 1,592 | (3,418) | (25,714) | (27,842) | (41,696) | (67,235) | (82,944) | (50,084) | 10,323 | 44,150 |
| Vista | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (35,982) | 10,407 | 42,262 |
| Total | 341,312 | 410,407 | (518,359) | (441,698) | 63,315 | (142,669) | (1,112,760) | (1,014,555) | (1,388,860) | (4,007,560) | (4,653,425) | (3,110,100) | 636,792 | 2,570,941 |

LAWCX
Deficit Curing Plan

Initial Surplus and Deficit Allocation by Member
(before surplus transfer)

| Member: | 2007 | 2008 | Net Surplus/ (Deficit) |
|------------------------|------------------|------------------|-----------------------------------|
| Alameda | 157,885 | 95,545 | (452,730) |
| Albany | 0 | 0 | (68,109) |
| Albany CSJPA | 0 | 0 | (7,991) |
| ACWA/JPIA | 0 | 0 | 3,289 |
| ABAG | 30,905 | 17,822 | (42,418) |
| BCJPIA | 127,876 | 76,544 | (211,315) |
| Benicia | 31,156 | 19,738 | 2,759 |
| Brisbane | 0 | 0 | (39,609) |
| CCCSIF | 0 | 0 | (534,747) |
| CHWCA | 117,799 | 64,917 | 324,672 |
| CSJVRMA | 284,805 | 191,577 | (1,414,978) |
| Clovis | 106,699 | 62,356 | (207,885) |
| Coronado | 20,111 | 12,737 | 37,855 |
| CCCTA | 30,785 | 17,912 | (62,778) |
| PERMA | 187,815 | 123,220 | 161,887 |
| Desert Hot Springs | 0 | 0 | (13,330) |
| East Bay Parks | 64,462 | 39,901 | (385,199) |
| Encinitas | 29,488 | 18,643 | 54,162 |
| Emeryville | 0 | 0 | (88,672) |
| MESA | 0 | 0 | (37,619) |
| FASIS | 195,143 | 119,743 | 528,974 |
| Fremont | 0 | 0 | (1,145,170) |
| Gilroy | 31,805 | 20,104 | (16,327) |
| Livermore | 65,228 | 40,165 | (312,139) |
| Lodi | 73,440 | 49,402 | (274,456) |
| Los Gatos | 37,456 | 22,726 | (141,733) |
| MBASIA | 53,653 | 39,773 | 150,350 |
| MCLAIA | 30,628 | 20,343 | 64,805 |
| Merced | 84,377 | 57,956 | (170,887) |
| Morgan Hill | 40,767 | 26,635 | (95,461) |
| Newark | 48,376 | 30,286 | (254,316) |
| Pacific Grove | 0 | 0 | 912 |
| Palm Springs | 0 | 0 | (51,484) |
| PARDEC | 0 | 0 | 14,895 |
| PARSAC | 298,809 | 88,435 | (378,503) |
| Piedmont | 0 | 0 | (83,090) |
| Placentia | 29,745 | 18,867 | (2,254) |
| Pleasanton | 0 | 0 | 0 |
| Rialto | 0 | 0 | 1,927 |
| Roseville | 193,160 | 124,734 | (424,019) |
| San Leandro | 82,161 | 53,223 | 146,355 |
| Santa Maria | 43,641 | 28,008 | 115,905 |
| Santee | 20,833 | 13,153 | 39,732 |
| SCORE | 58,738 | 35,841 | (129,592) |
| SDWCA | 0 | 0 | (620,836) |
| South Lake Tahoe | 17,132 | 10,752 | (178,205) |
| Suisun City | 14,438 | 8,504 | (1,011) |
| Sunline Transit Agency | 0 | 0 | (76,965) |
| Union City | 0 | 0 | (216,354) |
| Vacaville | 94,597 | 59,349 | (443,423) |
| Vallejo | 88,149 | 57,509 | (743,526) |
| VCJPA | 36,278 | 22,081 | (188,413) |
| Vista | 50,382 | 32,790 | 99,859 |
| Total | 2,878,721 | 1,721,293 | (7,767,206) |



EXHIBIT C

Transfer of Surplus to Deficit Years by Member

LAWCX
Deficit Curing Plan
Transfer of Surplus to Deficit Years by Member

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Total Deficit |
|--------------------------|----------------|----------------|------------------|------------------|---------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------|------------------|------------------|------------------|--------------------|
| Surplus (Deficit) | 341,312 | 410,407 | (518,359) | (441,698) | 63,315 | (142,669) | (1,112,760) | (1,014,555) | (1,388,860) | (4,007,560) | (4,653,425) | (3,110,100) | 636,792 | 2,570,941 | 2,878,721 | 1,721,293 | (7,767,206) |
| Alameda | 19,035 | 18,089 | (20,825) | (22,595) | 3,545 | (8,283) | (68,057) | (70,007) | (99,944) | (237,677) | (229,350) | (160,790) | 34,448 | 136,252 | 157,885 | 95,545 | |
| 1993 to 1995 | (19,035) | | 19,035 | | | | | | | | | | | | | | |
| 1994 to 1995 | | (1,790) | 1,790 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (16,299) | | 16,299 | | | | | | | | | | | | | |
| 1997 to 1996 | | | | 3,545 | (3,545) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 2,751 | | | | | | | | | (2,751) | | | | |
| 2005 to 1998 | | | | | | 8,283 | | | | | | | (8,283) | | | | |
| 2005 to 1999 | | | | | | | 23,414 | | | | | | (23,414) | | | | |
| 2006 to 1999 | | | | | | | 44,643 | | | | | | | (44,643) | | | |
| 2006 to 2000 | | | | | | | | 70,007 | | | | | | (70,007) | | | |
| 2006 to 2001 | | | | | | | | | 21,602 | | | | | (21,602) | | | |
| 2007 to 2001 | | | | | | | | | 78,342 | | | | | | (78,342) | | |
| 2007 to 2002 | | | | | | | | | | 79,543 | | | | | (79,543) | | |
| 2008 to 2002 | | | | | | | | | | | 95,545 | | | | | (95,545) | |
| | (0) | 0 | (0) | 0 | 0 | (0) | (0) | (0) | (0) | (62,589) | (229,350) | (160,790) | 0 | 0 | (0) | (0) | (452,730) |
| Albany | 3,326 | 3,151 | (4,159) | (4,086) | 518 | (1,307) | (9,848) | (10,240) | (13,498) | (31,967) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1993-1995 | (3,326) | | 3,326 | | | | | | | | | | | | | | |
| 1994-1995 | | (833) | 833 | | | | | | | | | | | | | | |
| 1994-1996 | | (2,318) | | 2,318 | | | | | | | | | | | | | |
| 1994-1996 | | | | 518 | (518) | | | | | | | | | | | | |
| | 0 | (0) | 0 | (1,250) | (0) | (1,307) | (9,848) | (10,240) | (13,498) | (31,967) | 0 | 0 | 0 | 0 | 0 | 0 | (68,109) |
| Albany CSJPA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (981) | (1,983) | (5,028) | 0 | 0 | 0 | 0 | 0 | 0 | (7,991) |
| No surplus | | | | | | | | | | | | | | | | | |
| ACWA/JPIA | 37,173 | 38,724 | (60,809) | (9,176) | 1,507 | (4,130) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1993-1995 | (37,173) | | 37,173 | | | | | | | | | | | | | | |
| 1994-1995 | | (23,636) | 23,636 | | | | | | | | | | | | | | |
| 1994-1996 | | (9,176) | | 9,176 | | | | | | | | | | | | | |
| 1994-1998 | | (4,130) | | | | 4,130 | | | | | | | | | | | |
| | (0) | 1,782 | 0 | 0 | 1,507 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ABAG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (48,991) | (43,664) | (28,879) | 5,815 | 24,575 | 30,905 | 17,822 | |
| 2005 to 2002 | | | | | | | | | | 5,815 | (43,664) | (28,879) | 5,815 | 24,575 | 30,905 | 17,822 | |
| 2006 to 2002 | | | | | | | | | | 24,575 | | | | (24,575) | | | |
| 2007 to 2002 | | | | | | | | | | 18,601 | | | | | (18,601) | | |
| 2007 to 2003 | | | | | | | | | | | 12,304 | | | | (12,304) | | |
| 2008 to 2004 | | | | | | | | | | | | 17,822 | | | | (17,822) | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (31,360) | (11,057) | (0) | (0) | (0) | (0) | (42,418) |
| BCJPIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (355,921) | (328,906) | 61,811 | 207,281 | 127,876 | 76,544 | |
| 2005 to 2003 | | | | | | | | | | | 61,811 | (328,906) | 61,811 | 207,281 | 127,876 | 76,544 | |
| 2006 to 2003 | | | | | | | | | | | | | (61,811) | (207,281) | | | |
| 2007 to 2003 | | | | | | | | | | | | | | | (86,829) | | |
| 2007 to 2004 | | | | | | | | | | | | | | | (41,047) | | |
| 2008 to 2004 | | | | | | | | | | | | | | | | (76,544) | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (211,315) | 0 | (0) | 0 | (0) | (211,315) |
| Benecia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (46,925) | (32,182) | 6,224 | 24,747 | 31,156 | 19,738 | |
| 2005 to 2003 | | | | | | | | | | | 6,224 | (32,182) | 6,224 | 24,747 | 31,156 | 19,738 | |
| 2006 to 2003 | | | | | | | | | | | | | | (24,747) | | | |

LAWCX
Deficit Curing Plan
Transfer of Surplus to Deficit Years by Member

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Total Deficit |
|-----------------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|---------------|
| 2007 to 2003 | | | | | | | | | | | 15,954 | | | | (15,954) | | |
| 2007 to 2004 | | | | | | | | | | | | 15,202 | | | (15,202) | | |
| 2008 to 2004 | | | | | | | | | | | | 16,980 | | | | (16,980) | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 2,758 | 2,759 |
| Brisbane | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (10,779) | (28,830) | 0 | 0 | 0 | 0 | 0 | 0 | (39,609) |
| No transfers | | | | | | | | | | | | | | | | | |
| CCCSIF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (315,794) | (218,962) | 9 | 0 | 0 | 0 | (534,747) |
| No transfers | | | | | | | | | | | | | | | | | |
| CHWCA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,520 | 113,436 | 117,799 | 64,917 | 324,672 |
| No transfers | | | | | | | | | | | | | | | | | |
| CSJVRMA | 67,141 | 70,467 | (88,405) | (84,117) | 12,356 | (28,806) | (232,195) | (147,690) | (164,153) | (510,623) | (628,425) | (430,322) | 52,896 | 220,515 | 284,805 | 191,577 | |
| 1993 to 1995 | (67,141) | | 67,141 | | | | | | | | | | | | | | |
| 1994 to 1995 | | (21,264) | 21,264 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (49,203) | | 49,203 | | | | | | | | | | | | | |
| 1997 to 1996 | | | | 12,356 | (12,356) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 22,558 | | | | | | | | | (22,558) | | | | |
| 2005 to 1998 | | | | | | 28,806 | | | | | | | (28,806) | | | | |
| 2005 to 1999 | | | | | | | 1,532 | | | | | | (1,532) | | | | |
| 2006 to 1999 | | | | | | | 220,515 | | | | | | | (220,515) | | | |
| 2007 to 1999 | | | | | | | 10,148 | | | | | | | | (10,148) | | |
| 2007 to 2000 | | | | | | | | 147,690 | | | | | | | (147,690) | | |
| 2007 to 2001 | | | | | | | | | 126,967 | | | | | | (126,967) | | |
| 2008 to 2001 | | | | | | | | | 37,186 | | | | | | | (37,186) | |
| 2008 to 2002 | | | | | | | | | | 154,391 | | | | | | (154,391) | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (356,232) | (628,425) | (430,322) | 0 | (0) | (0) | 0 | (1,414,978) |
| Clovis | 0 | 0 | (10,780) | (11,344) | 1,634 | (3,904) | (32,819) | (36,123) | (52,951) | (126,792) | (123,924) | (80,930) | 19,736 | 81,258 | 106,699 | 62,356 | |
| 1997 to 1995 | | | 1,634 | | (1,634) | | | | | | | | | | | | |
| 2005 to 1995 | | | 9,146 | | | | | | | | | | (9,146) | | | | |
| 2005 to 1996 | | | | 10,590 | | | | | | | | | (10,590) | | | | |
| 2006 to 1996 | | | | 754 | | | | | | | | | | (754) | | | |
| 2006 to 1998 | | | | | | 3,904 | | | | | | | | (3,904) | | | |
| 2006 to 1999 | | | | | | | 32,819 | | | | | | | (32,819) | | | |
| 2006 to 2000 | | | | | | | | 36,123 | | | | | | (36,123) | | | |
| 2006 to 2001 | | | | | | | | | 7,658 | | | | | (7,658) | | | |
| 2007 to 2002 | | | | | | | | | 45,293 | | | | | | (45,293) | | |
| 2007 to 2002 | | | | | | | | | | 61,406 | | | | | (61,406) | | |
| 2008 to 2002 | | | | | | | | | | | 62,356 | | | | | (62,356) | |
| | 0 | 0 | (0) | 0 | 0 | (0) | (0) | (0) | (0) | (3,030) | (123,924) | (80,930) | (0) | (0) | (0) | (0) | (207,885) |
| Coronado | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (16,626) | 4,164 | 17,469 | 20,111 | 12,737 | |
| 2005 to 2004 | | | | | | | | | | | | 4,164 | (4,164) | | | | |
| 2006 to 2004 | | | | | | | | | | | | 12,462 | | (12,462) | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,007 | 20,111 | 12,737 | 37,855 |
| CCCTA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (57,727) | (55,629) | (31,535) | 6,699 | 26,717 | 30,785 | 17,912 | |
| 2005 to 2002 | | | | | | | | | | 6,699 | | | (6,699) | | | | |
| 2006 to 2002 | | | | | | | | | | 26,717 | | | | (26,717) | | | |
| 2007 to 2002 | | | | | | | | | | 24,311 | | | | | (24,311) | | |
| 2007 to 2003 | | | | | | | | | | | 6,474 | | | | (6,474) | | |
| 2008 to 2003 | | | | | | | | | | | 17,912 | | | | | (17,912) | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (31,243) | (31,535) | 0 | (0) | (0) | 0 | (62,778) |

**LAWCX
Deficit Curing Plan**

Transfer of Surplus to Deficit Years by Member

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Total Deficit |
|---------------------|----------|----------|----------|----------|---------|---------|----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|---------------|
| 1994 to 1995 | | (3,894) | 3,894 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (23,950) | | 23,950 | | | | | | | | | | | | | |
| 1997 to 1996 | | | | 5,479 | (5,479) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 6,327 | | | | | | | | | (6,327) | | | | |
| 2005 to 1998 | | | | | | 13,318 | | | | | | | (13,318) | | | | |
| 2005 to 1999 | | | | | | | 1,188 | | | | | | (1,188) | | | | |
| 2006 to 1999 | | | | | | | 88,730 | | | | | | | (88,730) | | | |
| | (0) | 0 | 0 | (0) | (0) | (0) | (21,876) | (113,707) | (167,205) | (440,323) | (275,793) | (126,265) | (0) | (0) | 0 | 0 | (1,145,170) |
| Gilroy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (67,046) | (33,286) | 6,485 | 25,610 | 31,805 | 20,104 | |
| 2005 to 2003 | | | | | | | | | | | 6,485 | | (6,485) | | | | |
| 2006 to 2003 | | | | | | | | | | | 25,610 | | | (25,610) | | | |
| 2007 to 2003 | | | | | | | | | | | 31,805 | | | | (31,805) | | |
| 2008 to 2003 | | | | | | | | | | | 3,146 | | | | | (3,146) | |
| 2008 to 2004 | | | | | | | | | | | | 16,958 | | | | (16,958) | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (16,328) | (0) | 0 | 0 | 0 | (16,327) |
| Livermore | 11,998 | 11,132 | (12,315) | (13,062) | 1,917 | (5,682) | (37,785) | (34,574) | (52,365) | (137,327) | (146,767) | (72,142) | 13,696 | 55,745 | 65,228 | 40,165 | |
| 1993 to 1995 | (11,998) | | 11,998 | | | | | | | | | | | | | | |
| 1994 to 1995 | | (317) | 317 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (10,815) | | 10,815 | | | | | | | | | | | | | |
| 1997 to 1996 | | | | 1,917 | (1,917) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 330 | | | | | | | | | (330) | | | | |
| 2005 to 1998 | | | | | | 5,682 | | | | | | | (5,682) | | | | |
| 2005 to 1999 | | | | | | | 7,684 | | | | | | (7,684) | | | | |
| 2006 to 1999 | | | | | | | 30,101 | | | | | | | (30,101) | | | |
| 2006 to 2000 | | | | | | | | 25,644 | | | | | (25,644) | | | | |
| 2007 to 2000 | | | | | | | | 8,930 | | | | | | | (8,930) | | |
| 2007 to 2001 | | | | | | | | | 52,365 | | | | | | (52,365) | | |
| 2007 to 2002 | | | | | | | | | | 3,933 | | | | | (3,933) | | |
| 2008 to 2002 | | | | | | | | | | 40,165 | | | | | | (40,165) | |
| | (0) | (0) | 0 | 0 | 0 | (0) | 0 | (0) | (0) | (93,229) | (146,767) | (72,142) | 0 | 0 | 0 | 0 | (312,139) |
| Lodi | 10,250 | 10,977 | (11,378) | (11,381) | 1,927 | (4,380) | (34,002) | (31,351) | (56,022) | (137,777) | (130,978) | (80,252) | 16,644 | 60,428 | 73,440 | 49,402 | |
| 1993 to 1995 | (10,250) | | 10,250 | | | | | | | | | | | | | | |
| 1994 to 1995 | | (1,128) | 1,128 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (9,849) | | 9,849 | | | | | | | | | | | | | |
| 1997 to 1996 | | | | 1,532 | (1,532) | | | | | | | | | | | | |
| 1997 to 1998 | | | | | (395) | 395 | | | | | | | | | | | |
| 2005 to 1998 | | | | | | 3,985 | | | | | | | (3,985) | | | | |
| 2005 to 1999 | | | | | | | 12,659 | | | | | | (12,659) | | | | |
| 2006 to 1999 | | | | | | | 21,343 | | | | | | | (21,343) | | | |
| 2006 to 2000 | | | | | | | | 31,351 | | | | | | (31,351) | | | |
| 2006 to 2001 | | | | | | | | | 7,734 | | | | | (7,734) | | | |
| 2007 to 2001 | | | | | | | | | 48,288 | | | | | | (48,288) | | |
| 2007 to 2002 | | | | | | | | | | 25,152 | | | | | (25,152) | | |
| 2008 to 2002 | | | | | | | | | | 49,402 | | | | | | (49,402) | |
| | 0 | (0) | (0) | 0 | (0) | (0) | 0 | 0 | (0) | (63,223) | (130,978) | (80,252) | (0) | (0) | (0) | (0) | (274,456) |
| Los Gatos | 0 | 0 | 0 | (4,247) | 637 | (1,861) | (16,058) | (17,135) | (25,885) | (68,466) | (67,272) | (41,012) | 7,933 | 31,451 | 37,456 | 22,726 | |
| 1997 to 1996 | | | | 637 | (637) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 3,610 | | | | | | | | | (3,610) | | | | |
| 2005 to 1998 | | | | | | 1,861 | | | | | | | (1,861) | | | | |
| 2005 to 1999 | | | | | | | 2,462 | | | | | | (2,462) | | | | |
| 2006 to 1999 | | | | | | | 13,596 | | | | | | | (13,596) | | | |
| 2006 to 2000 | | | | | | | | 17,135 | | | | | | (17,135) | | | |

LAWCX
Deficit Curing Plan
Transfer of Surplus to Deficit Years by Member

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Total Deficit |
|--------------------|------|---------|----------|----------|---------|---------|----------|----------|----------|-----------|-----------|----------|----------|----------|----------|----------|---------------|
| 2006 to 2001 | | | | | | | | | 720 | | | | | (720) | | | |
| 2007 to 2001 | | | | | | | | | 25,165 | | | | | | (25,165) | | |
| 2007 to 2002 | | | | | | | | | | 12,291 | | | | | (12,291) | | |
| 2008 to 2002 | | | | | | | | | | 22,726 | | | | | | (22,726) | |
| | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 | 0 | (33,449) | (67,272) | (41,012) | (0) | (0) | (0) | (0) | (141,733) |
| MBASIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,244 | 46,680 | 53,653 | 39,773 | 150,350 |
| No transfers | | | | | | | | | | | | | | | | | |
| MCLAIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (14,087) | 5,363 | 22,558 | 30,628 | 20,343 | |
| 2005 to 2004 | | | | | | | | | | | | 5,363 | (5,363) | | | | |
| 2006 to 2004 | | | | | | | | | | | | 8,724 | | (8,724) | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 13,834 | 30,628 | 20,343 | 64,805 |
| Merced | 0 | 8,959 | (10,410) | (11,264) | 1,614 | (3,621) | (28,239) | (30,527) | (43,713) | (105,994) | (98,918) | (65,991) | 14,286 | 60,596 | 84,377 | 57,956 | |
| 1994 to 1995 | | (8,959) | 8,959 | | | | | | | | | | | | | | |
| 1997 to 1995 | | | 1,451 | | (1,451) | | | | | | | | | | | | |
| 1997 to 1996 | | | | 163 | (163) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 11,101 | | | | | | | | | (11,101) | | | | |
| 2005 to 1998 | | | | | | 3,185 | | | | | | | (3,185) | | | | |
| 2006 to 1998 | | | | | | 436 | | | | | | | | (436) | | | |
| 2006 to 1999 | | | | | | | 28,239 | | | | | | | (28,239) | | | |
| 2006 to 2000 | | | | | | | | 30,527 | | | | | | (30,527) | | | |
| 2006 to 2001 | | | | | | | | | 1,394 | | | | | (1,394) | | | |
| 2007 to 2001 | | | | | | | | | 42,319 | | | | | | (42,319) | | |
| 2007 to 2002 | | | | | | | | | | 42,058 | | | | | (42,058) | | |
| 2008 to 2002 | | | | | | | | | | 57,956 | | | | | | (57,956) | |
| | 0 | (0) | 0 | 0 | (0) | 0 | (0) | 0 | 0 | (5,980) | (98,918) | (65,991) | 0 | 0 | 0 | 0 | (170,887) |
| Morgan Hill | 0 | 3,113 | (4,724) | (4,696) | 629 | (1,481) | (11,577) | (12,432) | (21,570) | (57,082) | (56,850) | (36,542) | 7,754 | 32,594 | 40,767 | 26,635 | |
| 1994 to 1995 | | (3,113) | 3,113 | | | | | | | | | | | | | | |
| 1997 to 1995 | | | 629 | | (629) | | | | | | | | | | | | |
| 2005 to 1995 | | | 982 | | | | | | | | | | (982) | | | | |
| 2005 to 1996 | | | | 4,696 | | | | | | | | | (4,696) | | | | |
| 2005 to 1998 | | | | | | 1,481 | | | | | | | (1,481) | | | | |
| 2005 to 1999 | | | | | | | 595 | | | | | | (595) | | | | |
| 2006 to 1999 | | | | | | | 10,982 | | | | | | | (10,982) | | | |
| 2006 to 2000 | | | | | | | | 12,432 | | | | | | (12,432) | | | |
| 2006 to 2001 | | | | | | | | | 9,180 | | | | | (9,180) | | | |
| 2006 to 2002 | | | | | | | | | 12,390 | | | | | | (12,390) | | |
| 2007 to 2002 | | | | | | | | | | 28,377 | | | | | (28,377) | | |
| 2008 to 2002 | | | | | | | | | | 26,635 | | | | | | (26,635) | |
| | 0 | 0 | (0) | 0 | 0 | 0 | 0 | 0 | (0) | (2,070) | (56,850) | (36,542) | 0 | (0) | 0 | (0) | (95,461) |
| Newark | 0 | 0 | (7,128) | (8,035) | 1,397 | (3,228) | (26,009) | (27,893) | (41,998) | (105,597) | (100,396) | (67,100) | 13,826 | 39,183 | 48,376 | 30,286 | |
| 1997 to 1995 | | | 1,397 | | (1,397) | | | | | | | | | | | | |
| 2005 to 1995 | | | 5,731 | | | | | | | | | | (5,731) | | | | |
| 2005 to 1996 | | | | 8,035 | | | | | | | | | (8,035) | | | | |
| 2005 to 1998 | | | | | | 60 | | | | | | | (60) | | | | |
| 2006 to 1998 | | | | | | 3,168 | | | | | | | | (3,168) | | | |
| 2006 to 1999 | | | | | | | 26,009 | | | | | | | (26,009) | | | |
| 2006 to 2000 | | | | | | | | 10,006 | | | | | | (10,006) | | | |
| 2007 to 2000 | | | | | | | | 17,887 | | | | | | | (17,887) | | |
| 2007 to 2001 | | | | | | | | | 30,489 | | | | | | (30,489) | | |
| 2008 to 2001 | | | | | | | | | 11,509 | | | | | | | (11,509) | |

LAWCX
Deficit Curing Plan
Transfer of Surplus to Deficit Years by Member

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Total Deficit |
|--------------------|----------|----------|----------|----------|---------|---------|----------|----------|-----------|-----------|-----------|-----------|----------|----------|-----------|-----------|---------------|
| Rialto | 0 | 0 | 0 | 0 | 1,927 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,927 |
| No transfers | | | | | | | | | | | | | | | | | |
| Roseville | 19,532 | 16,012 | (19,731) | (20,835) | 3,102 | (7,207) | (58,099) | (64,881) | (102,966) | (261,339) | (258,949) | (167,020) | 33,075 | 147,392 | 193,160 | 124,734 | |
| 1993 to 1995 | (19,532) | | 19,532 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (16,012) | | 16,012 | | | | | | | | | | | | | |
| 1997 to 1995 | | | 199 | | (199) | | | | | | | | | | | | |
| 1997 to 1996 | | | | 2,903 | (2,903) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 1,920 | | | | | | | | | (1,920) | | | | |
| 2005 to 1998 | | | | | | 7,207 | | | | | | | (7,207) | | | | |
| 2005 to 1999 | | | | | | | 23,948 | | | | | | (23,948) | | | | |
| 2006 to 1999 | | | | | | | 34,151 | | | | | | | (34,151) | | | |
| 2006 to 2000 | | | | | | | | 64,881 | | | | | | (64,881) | | | |
| 2006 to 2001 | | | | | | | | | 48,360 | | | | | (48,360) | | | |
| 2007 to 2001 | | | | | | | | | 54,606 | | | | | | | (54,606) | |
| 2007 to 2002 | | | | | | | | | | 138,554 | | | | | (138,554) | | |
| 2008 to 2002 | | | | | | | | | | 122,785 | | | | | | (122,785) | |
| 2008 to 2003 | | | | | | | | | | | 1,949 | | | | | (1,949) | |
| | 0 | 0 | (0) | (0) | 0 | (0) | 0 | (0) | (0) | 0 | (257,000) | (167,020) | 0 | 0 | (0) | 0 | (424,019) |
| San Leandro | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (64,910) | 11,721 | 64,159 | 82,161 | 53,223 | |
| 2005 to 2004 | | | | | | | | | | | | 11,721 | (11,721) | | | | |
| 2006 to 2004 | | | | | | | | | | | | 53,189 | | (53,189) | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 10,970 | 82,161 | 53,223 | 146,355 |
| Santa Maria | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,571 | 35,685 | 43,641 | 28,008 | 115,905 |
| No transfers | | | | | | | | | | | | | | | | | |
| Santee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (14,769) | 3,893 | 16,622 | 20,833 | 13,153 | |
| 2005 to 2004 | | | | | | | | | | | | 3,893 | (3,893) | | | | |
| 2006 to 2004 | | | | | | | | | | | | 10,876 | | (10,876) | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 5,746 | 20,833 | 13,153 | 39,732 |
| SCORE | 0 | 7,272 | (8,780) | (7,633) | 1,118 | (2,089) | (17,761) | (19,283) | (28,495) | (72,698) | (84,166) | (50,191) | 9,847 | 48,689 | 58,738 | 35,841 | |
| 1994 to 1995 | | (7,272) | 7,272 | | | | | | | | | | | | | | |
| 1997 to 1995 | | | 1,118 | | (1,118) | | | | | | | | | | | | |
| 2005 to 1995 | | | 390 | | | | | | | | | | (390) | | | | |
| 2005 to 1996 | | | | 7,633 | | | | | | | | | (7,633) | | | | |
| 2005 to 1998 | | | | | | 1,824 | | | | | | | (1,824) | | | | |
| 2006 to 1999 | | | | | | 265 | | | | | | | | (265) | | | |
| 2006 to 1999 | | | | | | | 17,761 | | | | | | | (17,761) | | | |
| 2006 to 2000 | | | | | | | | 19,283 | | | | | | (19,283) | | | |
| 2006 to 2001 | | | | | | | | | 11,380 | | | | | (11,380) | | | |
| 2007 to 2001 | | | | | | | | | 17,115 | | | | | | | (17,115) | |
| 2007 to 2002 | | | | | | | | | | 41,623 | | | | | (41,623) | | |
| 2008 to 2002 | | | | | | | | | | 31,075 | | | | | | (31,075) | |
| 2008 to 2003 | | | | | | | | | | | 4,766 | | | | | (4,766) | |
| | 0 | (0) | 0 | (0) | (0) | (0) | (0) | (0) | (0) | 0 | (79,400) | (50,191) | 0 | 0 | (0) | 0 | (129,592) |
| SDWCA | 23,274 | 19,934 | (23,696) | (3,005) | 0 | 0 | 0 | 0 | 0 | (261,587) | (367,352) | (8,403) | 0 | 0 | 0 | 0 | |
| 1993 to 1995 | (23,274) | | 23,274 | | | | | | | | | | | | | | |
| 1994 to 1995 | | (422) | 422 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (3,005) | | 3,005 | | | | | | | | | | | | | |
| 1994 to 2002 | | (16,507) | | | | | | | | 16,507 | | | | | | | |

LAWCX
Deficit Curing Plan
Transfer of Surplus to Deficit Years by Member

| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Total Deficit |
|--------------|--------------|--------------|-----------------|-----------------|--------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| 1997 to 1996 | | | | 3,606 | (3,606) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 3,304 | | | | | | | | | (3,304) | | | | |
| 2005 to 1998 | | | | | | 7,919 | | | | | | | (7,919) | | | | |
| 2005 to 1999 | | | | | | | 4,093 | | | | | | (4,093) | | | | |
| 2006 to 1999 | | | | | | | 68,018 | | | | | | | (68,018) | | | |
| 2006 to 2000 | | | | | | | | 711 | | | | | | (711) | | | |
| 2007 to 2000 | | | | | | | | 63,446 | | | | | | | | (63,446) | |
| 2007 to 2001 | | | | | | | | | 24,703 | | | | | | | (24,703) | |
| 2008 to 2001 | | | | | | | | | 57,509 | | | | | | | | (57,509) |
| | 0 | (0) | (0) | (0) | 0 | (0) | (0) | (0) | (25,513) | (298,378) | (282,844) | (136,789) | (0) | (0) | 0 | (0) | (743,526) |
| VCJPA | 8,659 | 8,898 | (10,445) | (11,017) | 1,592 | (3,418) | (25,714) | (27,842) | (41,696) | (67,235) | (82,944) | (50,084) | 10,323 | 44,150 | 36,278 | 22,081 | |
| 1993 to 1995 | (8,659) | | 8,659 | | | | | | | | | | | | | | |
| 1994 to 1995 | | (1,786) | 1,786 | | | | | | | | | | | | | | |
| 1994 to 1996 | | (7,112) | | 7,112 | | | | | | | | | | | | | |
| 1997 to 1996 | | | | 1,592 | (1,592) | | | | | | | | | | | | |
| 2005 to 1996 | | | | 2,313 | | | | | | | | | (2,313) | | | | |
| 2005 to 1998 | | | | | | 3,418 | | | | | | | (3,418) | | | | |
| 2005 to 1999 | | | | | | | 4,592 | | | | | | (4,592) | | | | |
| 2006 to 1999 | | | | | | | 21,122 | | | | | | | (21,122) | | | |
| 2006 to 2000 | | | | | | | | 23,028 | | | | | | (23,028) | | | |
| 2007 to 2000 | | | | | | | | 4,814 | | | | | | | | (4,814) | |
| 2007 to 2001 | | | | | | | | | 31,464 | | | | | | | (31,464) | |
| 2008 to 2001 | | | | | | | | | 10,232 | | | | | | | | (10,232) |
| 2008 to 2002 | | | | | | | | | | 11,849 | | | | | | | (11,849) |
| | (0) | 0 | 0 | (0) | (0) | (0) | 0 | (0) | 0 | (55,386) | (82,944) | (50,084) | 0 | 0 | (0) | 0 | (188,413) |
| Vista | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (35,982) | 10,407 | 42,262 | 50,382 | 32,790 | |
| 2005 to 2004 | | | | | | | | | | | | 10,407 | (10,407) | | | | |
| 2006 to 2004 | | | | | | | | | | | | 25,575 | | (25,575) | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 16,687 | 50,382 | 32,790 | 99,859 |

EXHIBIT D

Final Surplus and Deficit Allocation by Member

LAWCX
Deficit Curing Plan
Final Surplus and Deficit Allocation by Member
(after surplus transfer)

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R |
|--|------------|---------------|----------|-----------------|--------------|-----------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|---------------|----------------|----------------|----------------|----------------------------------|-------------------------------|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Remaining Deficit to be Assessed | Annual Assessment Installment |
| Alameda | (0) | 0 | (0) | 0 | 0 | (0) | (0) | (0) | (0) | (62,589) | (229,350) | (160,790) | 0 | 0 | (0) | (0) | (452,731) | (45,273) |
| Albany | 0 | (0) | 0 | (1,250) | (0) | (1,307) | (9,848) | (10,240) | (13,498) | (31,967) | 0 | 0 | 0 | 0 | 0 | 0 | (68,110) | (6,811) |
| Albany CSJPA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (981) | (1,983) | (5,028) | 0 | 0 | 0 | 0 | 0 | 0 | (7,991) | (799) |
| ACWA/JPIA | (0) | 1,782 | 0 | 0 | 1,507 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (0) |
| ABAG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (31,360) | (11,057) | (0) | (0) | (0) | 0 | (42,418) | (4,242) |
| BCJPIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (211,315) | 0 | (0) | 0 | (0) | (211,316) | (21,132) |
| Benicia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 2,758 | (0) | (0) |
| Brisbane | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (10,779) | (28,830) | 0 | 0 | 0 | 0 | 0 | 0 | (39,609) | (3,961) |
| CCCSIF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (315,794) | (218,962) | 9 | 0 | 0 | 0 | (534,756) | (53,476) |
| CHWCA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,520 | 113,436 | 117,799 | 64,917 | 0 | 0 |
| CSJVRMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (356,232) | (628,425) | (430,322) | 0 | (0) | (0) | 0 | (1,414,980) | (141,498) |
| Clovis | 0 | 0 | (0) | 0 | 0 | (0) | (0) | (0) | (0) | (3,030) | (123,924) | (80,930) | (0) | (0) | (0) | (0) | (207,886) | (20,789) |
| Coronado | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,007 | 20,111 | 12,737 | 0 | 0 |
| CCCTA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (31,243) | (31,535) | 0 | (0) | (0) | 0 | (62,779) | (6,278) |
| PERMA | (0) | 0 | 0 | (0) | 0 | (0) | 0 | (0) | 0 | 0 | 0 | 0 | 0 | 0 | 38,666 | 123,220 | (1) | (0) |
| Desert Hot Springs | 0 | 0 | 0 | 0 | 0 | (450) | (3,747) | (2,846) | (6,288) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (13,330) | (1,333) |
| East Bay Parks | (0) | (0) | 0 | 0 | (0) | 0 | 0 | 0 | (0) | (157,618) | (136,386) | (91,196) | 0 | (0) | 0 | 0 | (385,201) | (38,520) |
| Encinitas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 6,031 | 29,488 | 18,643 | (0) | (0) |
| Emeryville | (0) | (0) | (0) | (1,237) | (0) | (2,264) | (18,013) | (12,302) | (15,936) | (38,920) | 0 | 0 | 0 | 0 | 0 | 0 | (88,672) | (8,867) |
| MESA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5,140) | (9,622) | (22,858) | 0 | 0 | 0 | 0 | 0 | 0 | (37,619) | (3,762) |
| FASIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 46,396 | 167,692 | 195,143 | 119,743 | 0 | 0 |
| Fremont | (0) | 0 | 0 | (0) | (0) | (0) | (21,876) | (113,707) | (167,205) | (440,323) | (275,793) | (126,265) | (0) | (0) | 0 | 0 | (1,145,170) | (114,517) |
| Gilroy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (16,328) | (0) | 0 | 0 | 0 | (16,328) | (1,633) |
| Livermore | (0) | (0) | 0 | 0 | 0 | (0) | 0 | (0) | (0) | (93,229) | (146,767) | (72,142) | 0 | 0 | 0 | (0) | (312,140) | (31,214) |
| Lodi | 0 | (0) | (0) | 0 | (0) | (0) | 0 | 0 | (0) | (63,223) | (130,978) | (80,252) | (0) | (0) | (0) | (0) | (274,456) | (27,446) |
| Los Gatos | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 | 0 | (33,449) | (67,272) | (41,012) | (0) | (0) | (0) | (0) | (141,734) | (14,173) |
| MBASIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,244 | 46,680 | 53,653 | 39,773 | 0 | 0 |
| MCLAIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 13,834 | 30,628 | 20,343 | (0) | (0) |
| Merced | 0 | (0) | 0 | 0 | (0) | 0 | (0) | 0 | 0 | (5,980) | (98,918) | (65,991) | 0 | 0 | 0 | 0 | (170,889) | (17,089) |
| Morgan Hill | 0 | 0 | (0) | 0 | 0 | 0 | 0 | 0 | (0) | (2,070) | (56,850) | (36,542) | 0 | (0) | 0 | (0) | (95,463) | (9,546) |
| Newark | 0 | 0 | (0) | (0) | 0 | (0) | (0) | (0) | 0 | (86,820) | (100,396) | (67,100) | 0 | (0) | 0 | (0) | (254,317) | (25,432) |
| Pacific Grove | 0 | 0 | 0 | 0 | 912 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Palm Springs | (0) | 0 | (0) | (7,684) | (0) | (4,828) | (38,972) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (51,485) | (5,148) |
| PARDEC | 0 | 14,896 | (0) | (0) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1) | (0) |
| PARSAC | 0 | (0) | 0 | (0) | 0 | 0 | (0) | 0 | (0) | (0) | (145,727) | (232,776) | 0 | (0) | (0) | 0 | (378,504) | (37,850) |
| Piedmont | 0 | (0) | 0 | (753) | 0 | (1,289) | (10,241) | (11,209) | (17,393) | (42,205) | 0 | 0 | 0 | 0 | 0 | 0 | (83,091) | (8,309) |
| Placentia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,255) | 0 | (0) | (0) | 0 | (2,256) | (226) |
| Pleasanton | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rialto | 0 | 0 | 0 | 0 | 1,927 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Roseville | 0 | 0 | (0) | (0) | 0 | (0) | 0 | (0) | (0) | 0 | (257,000) | (167,020) | 0 | 0 | (0) | 0 | (424,022) | (42,402) |
| San Leandro | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 10,970 | 82,161 | 53,223 | (0) | (0) |
| Santa Maria | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,571 | 35,685 | 43,641 | 28,008 | 0 | 0 |
| Santee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 5,746 | 20,833 | 13,153 | (0) | (0) |
| SCORE | 0 | (0) | 0 | (0) | (0) | (0) | (0) | (0) | (0) | 0 | (79,400) | (50,191) | 0 | 0 | (0) | 0 | (129,593) | (12,959) |
| SDWCA | (0) | (0) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (245,080) | (367,352) | (8,403) | 0 | 0 | 0 | 0 | (620,836) | (62,084) |
| South Lake Tahoe | 0 | 0 | 0 | 0 | 0 | (0) | (0) | (0) | (0) | (71,591) | (66,415) | (40,199) | (0) | 0 | (0) | 0 | (178,206) | (17,821) |
| Suisun City | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (1,010) | 0 | (0) | (0) | (1,011) | (101) |
| Sunline Transit Age | 0 | 0 | 0 | 0 | (0) | (720) | (7,885) | (9,732) | (17,491) | (41,136) | 0 | 0 | 0 | 0 | 0 | 0 | (76,965) | (7,697) |
| Union City | 0 | (0) | (0) | 0 | (0) | (0) | (20,358) | (24,368) | (47,471) | (124,156) | 0 | 0 | 0 | 0 | 0 | 0 | (216,354) | (21,635) |
| Vacaville | (0) | 0 | 0 | (0) | (0) | 0 | (0) | 0 | 0 | (110,153) | (201,647) | (131,623) | 0 | (0) | (0) | 0 | (443,425) | (44,343) |
| Vallejo | 0 | (0) | (0) | (0) | 0 | (0) | (0) | (0) | (25,513) | (298,378) | (282,844) | (136,789) | (0) | (0) | 0 | (0) | (743,526) | (74,353) |
| VCJPA | (0) | 0 | 0 | (0) | (0) | (0) | 0 | 0 | (0) | (55,386) | (82,944) | (50,084) | 0 | 0 | (0) | 0 | (188,416) | (18,842) |
| Vista | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 16,687 | 50,382 | 32,790 | (0) | (0) |
| Surplus (Deficit) After Offsets | (2) | 16,677 | 0 | (10,924) | 4,346 | (10,858) | (130,940) | (190,526) | (333,179) | (2,420,248) | (3,856,785) | (2,562,090) | 93,743 | 421,767 | 682,504 | 529,310 | (9,515,590) | (951,559) |

EXHIBIT E

Resolution No. 2-2017

**A Resolution Of The Board Of Directors Of The Local Agency
Workers' Compensation Excess Joint Powers Authority
Adopting \$250,000 Pool Deficit Curing And Assessment Plan
And Approving Related Assessments**

RESOLUTION NO. 2-2017

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOCAL AGENCY WORKERS' COMPENSATION
EXCESS JOINT POWERS AUTHORITY
ADOPTING \$250,000 POOL DEFICIT CURING AND ASSESSMENT PLAN
AND APPROVING RELATED ASSESSMENTS

BE IT RESOLVED by the Board of Directors of the Local Agency Workers' Compensation Excess Joint Powers Authority as follows:

1. **Background Recitals.** This resolution is adopted with reference to the following background facts and recitals:

a. Local Agency Workers' Compensation Excess Joint Powers Authority ("LAWCX") is an excess workers' compensation self-insurance pool. LAWCX collects member contributions and maintains funds to cover the cost of claims. LAWCX's net financial position or equity suffered a significant reduction from approximately \$27 million in 2013 to \$13 million at the end of the 2016-17 program year. This reduction was caused primarily by several large workers' compensation claims during 2014-16.

b. LAWCX maintains three separate funding pools: \$150,000 pool; \$250,000 pool (the primary pool); and, mid-layer pool. The \$250,000 pool has a total net position of \$16.7 million (at the end of the 2016-17 program year), but it has deficits in 10 program years totaling \$14.3 million.

c. The LAWCX Bylaws authorize the Board to assess the participating members to cover or fund the deficit in any program year. In 2017, the Board amended the Bylaws to allow for the transfer of a member's surplus funds from positive program years to offset the member's deficit in negative years in calculating the member's assessment.

d. In 2017, the Board directed the Executive Director, in consultation with the Executive Committee, to evaluate and develop a long-range plan to cure the deficits in the \$250,000 pool through assessments against the participating members together with offsetting surplus funds from positive program years against deficits in negative years. The Executive Director has prepared the LAWCX Deficit Curing and Assessment Plan dated April 2018 (the "Plan"). The Plan addresses program years that are at least 10 years old. The Plan calculates the surplus and deficit in each program year at the 80% confidence level using confidence level factors contained in the actuarial report dated September 28, 2017, allocates the surplus and deficit in each program year to the participating members, transfers the program year surplus to the deficit program years on a member-by-member basis, and calculates an assessment payable over ten years to participating members. The Executive Director and Executive Committee recommend that the Board adopt and implement the Plan.

e. The Board finds and determines that (1) the total liabilities and obligations for certain program years (as described in the Plan) exceed the total assets for the year, (2) it is appropriate and prudent to impose an assessment on the members participating in those

program years in order to cure the deficiency, (3) it is fair and appropriate to allow a member's surplus funding in one program year to offset its deficit in another program year (as authorized by LAWCX Bylaws article VIII(5)(C)), and (4) the assessments as set forth in the Plan and approved by this resolution are fiscally prudent and appropriate in order to maintain the long-term financial stability of the LAWCX funding and pools.

2. Authority. This resolution is adopted pursuant to 1992 Joint Exercise of Powers Agreement to Establish, Operate, and Maintain a Joint Program for Workers' Compensation Excess Protection sections 3, 5, 7, and 8, LAWCX Bylaws articles VII, VIII, and XIII, and other applicable legal and contract authority. The Plan and related assessments apply to former LAWCX members with respect to program years in which they participated. This ongoing liability of a former member for Board-approved assessments for past program years is based on and authorized by Joint Exercise of Powers Agreement section 8 and Bylaws article XIII.

3. Plan Adoption. The Board adopts the Plan in the form as presented at this meeting.

4. Assessment Approval. The Board approves the assessments against the LAWCX members and former members as set forth and described in the Plan. The assessments will be billed and collected over a ten-year period as provided in the Plan. However, if a member chooses to pay the full balance of its total assessment by August 15, 2019, the total assessment owed shall be reduced by ten percent. If a member does not pay an annual assessment installment within 90 days of the due date stated on the LAWCX assessment invoice, the member shall pay to LAWCX a penalty in the amount of \$500. The Board authorizes and directs the Executive Director to bill and collect the assessments and any discounts or penalties in the manner described in the Plan and as otherwise provided in the LAWCX governing documents.

PASSED AND ADOPTED by the Board of Directors of the Local Agency Workers' Compensation Excess Joint Powers Authority on June 5, 2018 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:


President, Board of Directors

Attest:


Secretary