

**KING COUNTY WATER DISTRICT NO. 90
KING COUNTY, WASHINGTON**

RESOLUTION NO. 1098

A RESOLUTION of the Board of Commissioners of King County Water District No. 90, King County, Washington, confirming Commissioner and Employee benefits and allowing for the continuation of an HRA Plan to provide tax-free defined contribution accounts to eligible Employees of the District.

WHEREAS, the Board of Commissioners previously approved Resolution No. 940 on December 6, 2011. Resolution No. 1098 supersedes Resolution No. 940.

WHEREAS, RCW 57.08.100 allows the District to provide health, group, or life insurance to Employees and Commissioners;

WHEREAS, the Internal Revenue Code Section 501(c)(9) allows for the creation of the voluntary Employees' beneficiary association which is a tax-exempt health and welfare trust;

WHEREAS, the Internal Revenue Service regulations and guidelines allow an employer to offer health reimbursement arrangement (HRA) Plans to governmental Employees and Commissioners;

WHEREAS, the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest ("Trust") offers and will administer two HRA VEBA plans (collectively the "Plans") as amended and restated: the **Standard HRA Plan**, which shall be integrated with the Employer's or another qualified group health plan and which shall accept Employer contributions on behalf of eligible Employees who are enrolled in or covered by such qualified group health plan and any other contributions that may be permitted under applicable law from time to time; and the **Post-Separation HRA Plan**, which shall accept contributions on behalf of eligible Employees or Commissioners, including eligible Employees who are not enrolled in or covered by the Employer's or another qualified group health plan, and which shall provide benefits only after a participant separates from service or retires.

WHEREAS, King County Water District No. 90 ("the District") has determined that establishing an HRA Plan which provide a tax-free defined contribution account for Employees to pay for medical, dental, vision and tax qualified long-term care premiums and non-covered healthcare expenses is in the best interest of the District and its Employees;

WHEREAS, the District wants to confirm that Commissioners are eligible for health, group, or life insurance with the same coverage as non-represented eligible Employees, provided that the per person amount for such insurance paid by the District shall not exceed the per person amounts paid by the District for its Employees;

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SUBJECT: VEBA Plan – All Commissioners and Employees

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NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of King County Water District No. 90, King County, Washington, as follows:

SECTION 1: Effective March 2nd, 2021, the District hereby elects to participate in the Plans and Trust as presently constituted or hereafter amended using the Trust as its plan administrator for the benefit of eligible Employees as defined by Employer policies or collective bargaining agreements.

SECTION 2: The District has three distinct "groups" including a) Non-Represented Management Employees, 2) Commissioners (also to be treated as "non-represented eligible Employees") and 3) Represented (CWA Union) Employees.

SECTION 3: The Plans will be funded with Employer contributions in amounts determined from time to time pursuant to Employer policies and collective bargaining agreements. For any Employee that is not enrolled in or covered by the District's group health plan, the District will contribute to the Employee's VEBA account the District's cost it would incur if it was providing a health plan to the Employee, less 3.3% of the Employees' base wage. If at any time the Employee switches to the District's group health plan, then contributions by the District to the Employee's VEBA account will cease. Contribution rates are subject to adjustment by the MOU for Represented Employees, and resolution for Non-Represented Management Employees and Commissioners

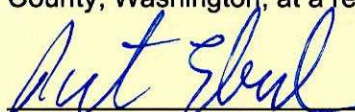
SECTION 4: Commissioners are eligible for health, group, or life insurance with the same coverage as non-represented eligible Employees subject to the per person limitations of RCW 57.08.100.

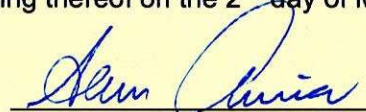
SECTION 5: The Plan shall operate as an alternative option for medical care to those otherwise provided by the District; provided that any Employee who elects this option shall provide proof of coverage under another plan providing comprehensive medical insurance.

SECTION 6: Future contribution rates will be set annually for the Commissioner and non-represented Management Employees by updating the group contribution policy documents. Represented Employee's contribution rates will be set with union negotiations and will be updated with the Memorandum of Understanding (MOU) for Contributions for Union Employees.

SECTION 7: The General Manager is authorized to execute documents, update contribution rates, and establish procedures consistent with Plan and Trust provisions and applicable Employer policies and collective bargaining agreements necessary to affect the adoption and administration of the Plans.

ADOPTED by the Board of Commissioners of King County Water District No. 90, King County, Washington, at a regular open public meeting thereof on the 2nd day of March 2021.

 3/2/2021
Pete Eberle, President

 3/2/2021
Sam Amira, Vice-President

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SUBJECT: VEBA Plan – All Commissioners and Employees

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KCWD90 Memorandum of Understanding for Contributions for UNION EMPLOYEES



King County Water District No. 90 ("Employer") has adopted the health reimbursement arrangement (HRA) plans offered and administered by the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest ("Plan"). The Plan is designed with a variety of coverage options to allow for the maximum benefit permitted by applicable law. Employer agrees to contribute to the Plan on behalf of all employees in the Communication Workers of America (CWA) ("Group") defined as eligible to participate in the Plan, in accordance with Plan and regulatory limitations. The Plan must receive an enrollment file for each eligible employee to become a participant and become eligible for benefits under the Plan.

Contributions on behalf of each eligible employee (or former employee) shall be based on the following selected funding sources/formulas:

- ☒ **Sick, Vacation, Personal, and Other Leave Contributions – <Retirement or Separation from Service>:** Eligibility is limited to employees who voluntarily separate from service (i.e. retire or separate from service) with sick leave cash-out rights during the term hereof. Employer contributions shall include the cash-out value¹ of all unused sick leave days at 75% of accrued and available for cash-out upon retirement or separation from service per negotiated agreement or Employer policy.
- ☒ **Sick, Vacation, Personal, and Other Leave Contributions – Annual:** Eligibility is limited to employees with annual leave cash-out rights during the term hereof. Employees with sick leave balances over 350 hours on their anniversary date are entitled to Employer contributions shall include the cash-out value¹ of unused sick leave days at 50% accrued and available for annual cash-out per negotiated agreement or Employer policy.
- ☐ **Mandatory Employee Contributions** (no individual elections permitted): The Employer and Group agree that the Group's compensation package will be changed such that eligible employees shall receive additional benefits in the form of HRA VEBA Plan contributions equal to \$<Amount>, which shall be contributed on a <monthly or per pay period> basis, and each eligible employee's salary shall be reduced by an equal amount. Such contributions shall be made on behalf of all Group employees defined as eligible and shall be considered and referred to as Employer contributions.
- ☐ **Direct Employer Contributions:** <insert eligibility definition²>. Employer contributions shall be equal to \$<Amount>, which shall be contributed on a <monthly or per pay period or annual> basis on behalf of all eligible Group employees.
- ☐ **Excess Monthly Benefit Dollars:** Eligibility is limited to employees with excess monthly benefit dollars provided by Employer. Employer contributions shall include <the entire or ## percent of> excess monthly benefit dollars for eligible employees.
- ☒ **Employer Contribution in Lieu of Medical Insurance:** Eligibility is limited to employees waiving medical insurance coverage. Employer contributions shall equal \$750.00 which shall be contributed on a monthly basis.
- ☐ **Other:**

The term of this Agreement shall be from March 2, 2021 to September 31, 2021

Signed for the Communications Workers of America

Signed for King County Water District No. 90

Date

Date

¹ Pursuant to applicable written agreement, Employer policy, or procedure, so long as the cash-out value is not subject to individual choice.

² Examples include eligibility being limited to 1) employees enrolled in a specific medical plan (e.g., high-deductible health plan), 2) full-time employees, or 3) employees who participate in the wellness program.

KCWD 90 Commissioner VEBA

Contribution Policy

King County Water District No. 90 ("Employer") has adopted the health reimbursement arrangement (HRA) plans offered and administered by the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest ("Plan"). The Plan is designed with a variety of coverage options to allow for the maximum benefit permitted by applicable law. Employer agrees to contribute to the Plan on behalf of all non-represented employees ("Group") defined as eligible to participate in the Plan, in accordance with Plan and regulatory limitations. The Plan must receive an enrollment file for each eligible employee to become a participant and become eligible for benefits under the Plan.

Contributions on behalf of each eligible employee (or former employee) shall be based on the following selected funding sources/formulas:

- ☐ **Sick, Vacation, Personal, and Other leave Contributions – <Retirement or Separation from Service>:** Eligibility is limited to employees who <retire or separate from service> with leave cash-out rights during the term hereof. Employer contributions shall include the cash-out value¹ of unused leave days (sick, vacation, personal, PTO, etc.) accrued and available for cash-out upon <retirement or separation from service> per Employer policy.
- ☐ **Sick, Vacation, Personal, and Other leave Contributions – Annual:** Eligibility is limited to employees with annual leave cash-out rights during the term hereof. Employer contributions shall include the cash-out value¹ of leave days (sick, vacation, personal, PTO, etc.) accrued and available for annual cash-out per Employer policy.
- ☐ **Mandatory Employee Contributions** (no individual elections permitted): The Employer shall change the Group's compensation package such that eligible employees shall receive additional benefits in the form of HRA VEBA Plan contributions equal to \$<Amount>, which shall be contributed on a <monthly or per pay period> basis and each eligible employee's salary shall be reduced by an equal amount. Such contributions shall be made on behalf of all Group employees defined as eligible and shall be considered and referred to as Employer contributions.
- ☒ **Direct Employer Contributions:** for elected officials ("Water Commissioners") Employer contributions shall be equal to **\$630** which shall be contributed on a monthly basis on behalf of all eligible Group employees.
- ☐ **Excess Monthly Benefit Dollars:** Eligibility is limited to employees with excess monthly benefit dollars provided by Employer. Employer contributions shall include <the entire or ## percent of> excess monthly benefit dollars for eligible employees.
- ☐ **Employer Contribution in Lieu of Medical Insurance:** Eligibility is limited to employees or Commissioners waiving medical insurance coverage. Employer contributions shall equal <amount>, which shall be contributed on a monthly basis.
- ☐ **Other:** <insert eligibility and funding source definitions>

The term of this Employer Policy shall be from March 2, 2021 to December 31, 2021


Signed for King County Water District No. 90


Date

KCWD 90 Management VEBA

Policy

King County Water District No. 90 ("Employer") has adopted the health reimbursement arrangement (HRA) plans offered and administered by the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest ("Plan"). The Plan is designed with a variety of coverage options to allow for the maximum benefit permitted by applicable law. Employer agrees to contribute to the Plan on behalf of all non-represented employees ("Group") defined as eligible to participate in the Plan, in accordance with Plan and regulatory limitations. The Plan must receive an enrollment file for each eligible employee to become a participant and become eligible for benefits under the Plan.

Contributions on behalf of each eligible employee (or former employee) shall be based on the following selected funding sources/formulas:

- ☐ **Sick, Vacation, Personal, and Other leave Contributions – <Retirement or Separation from Service>:** Eligibility is limited to employees who <retire or separate from service> with leave cash-out rights during the term hereof. Employer contributions shall include the cash-out value of unused leave days (sick, vacation, personal, PTO, etc.) accrued and available for cash-out upon <retirement or separation from service> per Employer policy.
- ☐ **Sick, Vacation, Personal, and Other leave Contributions – Annual:** Eligibility is limited to employees with annual leave cash-out rights during the term hereof. Employer contributions shall include the cash-out value of leave days (sick, vacation, personal, PTO, etc.) accrued and available for annual cash-out per Employer policy.
- ☐ **Mandatory Employee Contributions** (no individual elections permitted): The Employer shall change the Group's compensation package such that eligible employees shall receive additional benefits in the form of HRA VEBA Plan contributions equal to \$<Amount>, which shall be contributed on a <monthly or per pay period> basis and each eligible employee's salary shall be reduced by an equal amount. Such contributions shall be made on behalf of all Group employees defined as eligible and shall be considered and referred to as Employer contributions.
- * **Direct Employer Contributions:** Non-represented Employees (aka The Management Team). Employer contributions shall be equal to \$100.00 which shall be contributed on a monthly basis on behalf of all eligible Group employees.
- ☐ **Excess Monthly Benefit Dollars:** Eligibility is limited to employees with excess monthly benefit dollars provided by Employer. Employer contributions shall include <the entire or ## percent of> excess monthly benefit dollars for eligible employees.
- ☐ **Employer Contribution in Lieu of Medical Insurance:** Eligibility is limited to employees waiving medical insurance coverage. Employer contributions shall equal \$<Amount>, which shall be contributed on a <monthly or per pay period or annual> basis.
- ☐ **Other:** <insert eligibility and funding source definitions>

The term of this Employer Policy shall be from March 2, 2021 to the date of the next management team review.


Signed for King County Water District No. 90
Date