KING COUNTY WATER DISTRICT NO. 90
KING COUNTY, WASHINGTON

RESOLUTION NO. 1133

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. 1098 on March 3, 2021. Resolution No. 1133 supersedes Resolution No. 1098 & 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 that 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;

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

SECTION 1: On March 2nd, 2021, the District elected 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. 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 16th day of January 2024.

1-16-24

Pete Eberle, President

1-16-24

Sam Amira, Vice-President

1/16/24

Alvin Materi, Secretary