

RESOLUTION NO. 2018-25

A Resolution of North Kootenai Water District, Kootenai County, Idaho, authorizing the establishment of the Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association ("HRA VEBA") Plans; and providing for other matters properly relating thereto.

NORTH KOOTENAI WATER DISTRICT
Kootenai County, Idaho

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

WHEREAS, IRS regulations and guidelines allow an employer to offer health reimbursement arrangement (HRA) plans; and

WHEREAS, such HRA plans are available to governmental employers in the Northwest; and

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, 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, North Kootenai Water District ("Employer") has determined that it is in the best interest of the Employer and its employees to establish the Plans, which provide tax-free, defined contribution accounts for employees to reimburse qualified medical, dental, vision and tax qualified long-term care premiums and non-covered healthcare expenses of the employees and their qualified dependents; and

WHEREAS, the Employer desires to establish the Plans for its employees; and

WHEREAS, the Employer desires to use the services of the Trust to administer such Plans; and

WHEREAS, the Plans will be administered in accordance with the Plan documents provided by the Trust on file in the Employer's main office.

NOW, THEREFORE, the Board of Directors hereby resolves as follows:

Section 1. Effective, January 1, 2019, the Employer 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 Plans will be funded with Employer contributions in amounts as stated in the North Kootenai Water District HRA VEBA Policy attached hereto as Exhibit "A," subject to amendment pursuant to Employer policies and collective bargaining agreements.

Section 3. The District approves and adopts the North Kootenai Water District HRA VEBA Policy attached hereto as Exhibit "A."

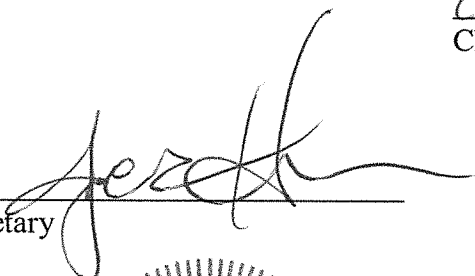
Section 4. The District Manager is authorized to execute documents and establish procedures consistent with Plan and Trust provisions and applicable Employer policies and collective bargaining agreements necessary to effect the adoption and administration of the Plans.

ADOPTED this 20th day of December, 2018.

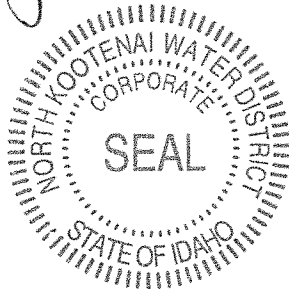
NORTH KOOTENAI WATER DISTRICT,
Kootenai County, Idaho


Chairman, Board of Directors

ATTEST:


District Secretary

(S E A L)



I, the undersigned, Secretary of North Kootenai Water District, Kootenai County, Idaho, hereby certify that the foregoing Resolution is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of the Board of Directors, duly and regularly held at a regular meeting place thereof on December 20, 2018, of which meeting all members of said Board had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES, and in favor thereof, Directors: 4

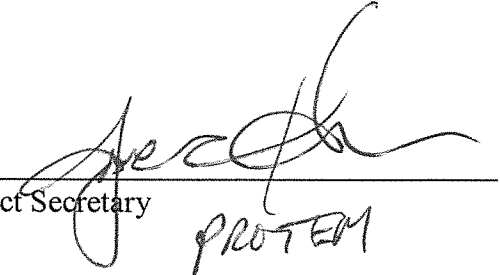
NAYS, Directors: 0

ABSENT, Directors: 0

ABSTAIN, Directors: 0

I further certify that I have carefully compared the same with the original Resolution on file and of record in my office; that said Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting; and that said Resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

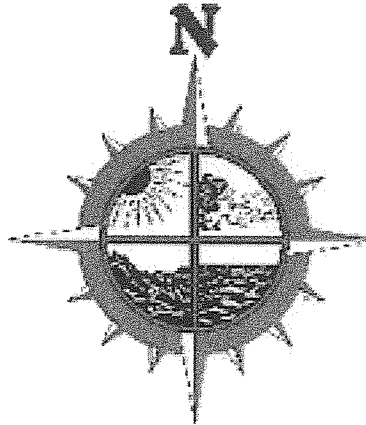
IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the North Kootenai Water District, Kootenai County, Idaho, on December 20, 2018.


District Secretary
PROTEAU

(S E A L)



EXHIBIT "A"



NORTH KOOTENAI WATER DISTRICT HRA VEBA POLICY

Approved by Board of Directors

Resolution 2018-25

Date: December 20, 2018

Effective Date: January 1, 2019.

Purpose and Summary: The North Kootenai Water District ("District") has elected to enhance the benefits provided to eligible employees by implementing a District-funded voluntary employees' beneficiary association plan ("HRA VEBA"). The HRA VEBA is an account-based health reimbursement arrangement eligible employees may use to reimburse qualified out-of-pocket medical care expenses; it is not an insurance plan. The maximum benefit amount is equal to the eligible employee's available account balance at the time the claim is processed. The HRA VEBA is administered by the Voluntary Employees' Beneficiary Association Trust for Public Employees in the Northwest ("Trust") in accordance with the plan documents and applicable law, which are incorporated herein by reference. This policy provides summary information only.

Plan information, including enrollment, claim procedures, and eligible expenses are available from the Trust.

Funding: The VEBA HRA is funded by the District as follows:

- 2019: In 2019, the District will make an initial year contribution of one-thousand dollars and 0/100 (\$1,000.00) into the account of each eligible employee that is employed on January 1, 2019. Eligible employees hired after January 1, 2019 will receive monthly contributions of one-twelfth (1/12) of one-thousand dollars and 0/100 (\$1,000.00) for each full month they are eligible and employed.
- 2020 and after: The District will make monthly contributions of one-twelfth (1/12) of one-thousand dollars and 0/100 (\$1,000.00) into the account of each eligible employee.
 - o Monthly contributions are conditioned upon the eligible employee working the entire month.
- The District reserves the right to change contribution amounts at its discretion.

Vesting: District contributions are 100% vested upon deposit into the eligible employee's account. Accordingly, Employees shall immediately be eligible to file claims for qualified expenses and premiums incurred any time after the District contribution is deposited into the eligible employee's account. Departing employees with an available account balance at termination will not be eligible for continued contributions but may continue to submit claims for reimbursement until their account is exhausted.

Employee Eligibility: Active full-time District employees are eligible to participate in the HRA VEBA upon their ninety-first (91st) day of employment with the District, provided the employee is enrolled in the District's Group Health Plan or provides certification the employee is enrolled in a Qualified Group Health Plan for the applicable HRA VEBA plan year.

At-Will Employment: Nothing in this Policy alters the at-will employment status of District Employees.