

**SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING
Zoom Online Meeting Platform**

August 17, 2021

The Board of Commissioners meeting will be held virtually via Zoom Meeting. Due to the COVID-19 pandemic and Proclamation 20-28.15 issued by Governor Jay Inslee, in-person attendance is not permitted at this time.

CONVENE REGULAR MEETING – 9:00 a.m. – Virtual Meeting Participation Information

Join Zoom Meeting:

- Use link
- <https://us06web.zoom.us/j/81752793278?pwd=YThEQ3lBcFBVcm55V2pPYnB3QWxTdz09>
- Dial in: (253) 215-8782
- Meeting ID: 817 5279 3278
- Passcode: 238227

1. CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION

- A. Updates
 - 1. Community Engagement
 - 2. [Legislative](#)
 - 3. Other
- B. [Energy Risk Management Report - 2nd Quarter 2021](#)
- C. [Water Supply Update](#)
- D. [FlexEnergy Pilot Supplemental Residential Rate Schedules](#)
- E. [District Strategy Scenario Planning Briefing](#)
- F. [BPA and the Western Energy Imbalance Market \(EIM\)](#)

RECONVENE REGULAR MEETING -1:30 p.m. - Virtual Meeting Participation

2. COMMENTS FROM THE PUBLIC

Virtual Participation Information:

If you are attending the meeting virtually (using the link or number provided above) please indicate that you would like to speak by clicking “raise hand” and the Board President will call on attendees to speak at the appropriate time. If you are joining by phone, dial *9 to “raise hand.”

Continued →

3. CONSENT AGENDA

- A. [Approval of Minutes for the Regular Meeting of August 3, 2021](#)
- B. [Bid Awards, Professional Services Contracts and Amendments](#)
- C. [Consideration of Certification/Ratification and Approval of District Checks and Vouchers](#)

4. PUBLIC HEARING AND ACTION

- A. [Disposal of Surplus Property - 3rd Quarter 2021 Supplement](#)

5. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. [2022 Budget Notice of Public Hearing](#)
- B. [Consideration of a Resolution Ratifying and Adopting the Amended, Restated, and Retitled Employee Health Benefits Program \(formerly Flexible Benefit Program\) Plan Document Effective January 1, 2020, the Amended and Restated Employee Health Benefits Program Effective January 1, 2021 and the Restated Cafeteria Plan Effective January 1, 2021, for Public Utility District No. 1 of Snohomish County](#)
- C. [Consideration of a Resolution Authorizing a Memorandum of Agreement with the Washington Military Department for Cybersecurity Testing and Exercises](#)

6. [CEO/GENERAL MANAGER REPORT](#)

7. COMMISSION BUSINESS

- A. [Commission Reports](#)
- B. [Commissioner Event Calendar](#)
- C. [Reclassification of Snohomish PUD to a 5-Member Board](#)
- D. [Evaluating CEO/GM Performance](#)

8. GOVERNANCE PLANNING

- A. [Governance Planning Calendar](#)

ADJOURNMENT

September 1 - 3, 2021:

Public Power Council (PPC)/Pacific Utilities Conference Committee (PNUCC) Meetings
(Virtual)

The next scheduled regular meeting is September 7, 2021

Agendas can be found in their entirety on the Snohomish County Public Utility District No. 1 web page at www.snopud.com. For additional information contact the Commission Office at 425.783.8611.



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 1

TITLE:

CEO/General Manager's Briefing and Study Session

SUBMITTED FOR: Briefing and Study Session

CEO/General Manager	John Haarlow	8473
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	<u>N/A</u>	
Estimated Expenditure:	<u></u>	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- | | | |
|--|-------------------------------------|--|
| <input checked="" type="checkbox"/> Decision Preparation | <input type="checkbox"/> Incidental | <input type="checkbox"/> Monitoring Report |
| <input type="checkbox"/> Policy Discussion | (Information) | |
| <input type="checkbox"/> Policy Decision | | |
| <input type="checkbox"/> Statutory | | |

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Executive Limitations, EL-9, Communications and Support to the Board – the CEO/General Manager shall...marshal for the board as many...points of view, issues and options as needed for fully informed Board choices.

List Attachments:

CEO/General Manager's Briefing and Study Session attachments

State Government Relations Activity Report

STATE OVERVIEW

- On August 9, Governor Inslee [announced a mandatory requirement](#) for most state workers, on-site contractors, and volunteers to be vaccinated against COVID-19 as a condition of employment by October 18. The mandate also applies to public and private health care workers and those who work in long-term care settings. Exceptions will be considered on an individual basis for religious or health reasons. The mandate does **not** apply to:
 - Workers in public schools or colleges,
 - Members of boards and commissions,
 - Employees in the legislative and Judicial branches,
 - Staff in state agencies run by separately elected officials

KEY HEARINGS/PRESS CONFERENCES/MEETINGS

- Aug. 9 | Washington Utilities and Transportation Commission – [Examination of energy decarbonization impacts and pathways for electric and gas utilities to meet state emissions targets](#)
- Aug. 9 | Governor Inslee – [Holds a press conference to discuss the states ongoing response to COVID-19](#)
- Aug. 12 | Washington Department of Commerce and Utilities and Transportation Commission – [Joint workshop on the interpretations of use.](#)
 - Ian Hunter, Snohomish PUD Power Analyst, co-presented the joint utilities proposal.

INTERESTING READS

- Washington to Washington: [How the COVID pandemic brought light to broadband issues across the U.S and Washington State](#)
- Crosscut: [Washington tribe calls on Seattle City Light to remove the Gorge Dam](#)
- MRSC: [Emergency Rule Protects Outdoor Workers from Wildfire Smoke](#)
- Crosscut: [What would you need to give up to save salmon in WA?](#)
- Columbia Basin Herald: [Grant County PUD Commissioner Walker dies](#)
- Washington State Wire: [Ecology set to begin Climate Commitment Act rulemaking this fall](#)
- The Columbian: [Bridges, rail, airports: What's Washington's cut of the Senate \\$ 1 trillion infrastructure bill?](#)

Misc.

- In late July, Snohomish PUD's government relations department launched our first "Watts Up" newsletter (attached) for elected officials, agency leads and staff. We intend to distribute these newsletters on a monthly basis with to proactively communicate and educate policy makers on timely issues of importance.

Federal Government Relations Activity Report

FEDERAL OVERVIEW

- On August 3, the Biden administration issued a new [eviction moratorium](#) to replace the previously lapsed ban. The new order is limited to jurisdictions that are experiencing “substantial [COVID] transmission” and will expire on October 3. The moratorium is currently being challenged in court.
- On August 5, President Biden signed an [Executive Order](#) that calls for half of all new vehicles sold in 2030 to be zero-emissions vehicles.
- The Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change, released their [Sixth Assessment Report](#).
- On August 10, the Senate voted 69 to 30 to pass its bipartisan infrastructure bill (H.R. 3684). The vote follows several months of negotiations between the White House and a bipartisan group of 21 Senators on a framework focused on “hard” infrastructure, including funding for the power sector. Top-line provisions of interest include:
 - \$73 billion to update the nation’s electricity grid;
 - \$65 billion for broadband internet;
 - \$55 billion for water infrastructure;
 - \$50 billion for climate resiliency projects;
 - \$7.5 billion to construct EV charging stations;
 - \$5 billion to carry out a National Electric Vehicle Formula Program to provide funding to states to strategically deploy electric vehicle charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability, and
 - \$2.5 billion, in escalating amounts each year to deploy publicly accessible EV charging infrastructure, hydrogen fueling infrastructure, propane fueling infrastructure, and natural gas refueling infrastructure.
 - \$7.5 billion for low emissions buses and ferries
- On August 11, the Senate adopted a \$3.5 trillion budget resolution for fiscal year 2022 (S.Con.Res 14). The budget provides instructions to committees to draft fiscal policies aimed at climate, physical infrastructure provisions, social programs including Medicare expansion, childcare, and immigration, among other issues, in the forthcoming reconciliation bill. House Majority Leader Steny Hoyer (D-MD.) announced that the House of Representatives will return from its district work period the week of August 23 to consider the budget resolution adopted by the Senate.
- On August 12, the Census Bureau released the data that will be used to redraw voting districts across the country.

KEY HEARINGS

- August 3 | [Senate Energy and Natural Resources Committee hearing](#) on the nominations of Geraldine Richmond to be the Energy Department’s undersecretary for science, Asmeret Berhe to be DOE’s Office of Science director and Cynthia Weiner Stachelberg to be an assistant secretary of the Interior
- August 5 | [Senate Energy and Natural Resources Committee hearing](#) on the Energy Department's Office of Science.

CALENDAR

- The House of Representatives was not in session.

INTERESTING READS

- National Law Review: [What You Need to Know About the Bipartisan Infrastructure Investment and Jobs Act](#)
- NYT: [Climate in the infrastructure bill: \\$73 billion for the electric grid but less for electric vehicles and lead pipes](#)
- Politico Energy Podcast: [Reconciling the green details](#)
- Politico: [Senate passes bipartisan infrastructure bill – but what comes next won’t be easy](#)
- Washington Post: [Democratic divisions emerge after Senate adopts \\$3.5 trillion budget](#)

Local Government Relations Activity Report

LOCAL OVERVIEW

- On August 5, the Sound Transit Board adopted a [realignment plan](#) that serves as a framework for the ST3 voter-approved projects with timelines and scope of adjustments to get each project (including the light rail extension to Everett) built affordably and improve the delivery timelines. Sound Transit added processes and more regular check-ins with the Sound Transit Board for financial projections and will explore alternative revenue sources to help close the affordability gap of \$6.5 billion. Snohomish and Pierce County [offered](#) and the Board passed [Amendment 5](#) ensuring that no authorization of final design, right-of-way or construction expenditures of any project would delay the affordability schedule of other projects.
- On August 11, Snohomish County announced an upgrade of the outdoor burn ban to a Stage 2 due to high fire danger, lack of precipitation and the deployment of resources suppressing existing wildfires. Stage 2 bans all outdoor burning, including recreational fires. Most incorporated cities and towns in Snohomish County are included in this burn ban. The upgraded burn ban will be in effect immediately and until further notice.

INTERESTING READS

- Seattle Times: [Why building rail transit in Seattle costs so much and takes so long](#)
- Everett Herald: [Lake Stevens mourns 1000s of trees at Costco site](#)
- Everett Herald: [Snohomish County Health Officer enacts indoor mask mandate](#)
- Everett Herald: [Burn ban upgraded in Snohomish County](#)



WATTS UP @ SNOHOMISH PUD

KEEP CONNECTED TO SNOHOMISH PUD | JULY 2021



> Snohomish PUD's Ongoing Response to COVID-19

On July 2, the Governor extended the moratorium on utility disconnections for nonpayment and charging fees. The extension has no impact on Snohomish PUD's efforts to help our customers address utility-related needs as we navigate the pandemic's ongoing challenges. Some of our efforts include:

- ▶ Developing a [COVID Community Support Plan](#) (CSP) to distribute bill credits to residential and small business customers needing assistance in paying their utility bills due to the pandemic.
 - Distributing \$3.6 million to nearly 18,000 customers to date through the PUD's CSP.
- ▶ Doubling the number of customers eligible for our [Income Qualified Assistance Programs](#).
- ▶ Partnering with community organizations to apply federal assistance funds to eligible customers.
- ▶ Extending [long-term payment plan](#) options to help our customers manage growing utility debt.

> Snohomish PUD's FlexEnergy Pilot Programs

Snohomish PUD recently announced three [FlexEnergy Pilot Programs](#) allowing customers to earn bill credits and save on their energy bill by using energy at "off-peak" times or leveraging smart technology.



- ▶ [FlexTime](#) - A time-of-day pilot that offers an incentive and employs a new rate design providing customers a chance for cost-savings through behavioral change and technology adoption.
- ▶ [FlexResponse](#) - A demand-response pilot allowing customers to earn incentive payments by leveraging customer-owned smart technologies to lower energy use at certain times.
- ▶ [FlexPeak](#) - A peak-pricing pilot that offers customers a rate design with a discounted rate and a peak rate to encourage reducing consumption when energy could be more costly.

These pilots are voluntary and open to all eligible PUD customers. More information can be found [here](#).

> Our Response to the Late June Heat Wave

In preparation for the extreme heat and resulting significant peak load in the last weekend in June, Snohomish PUD asked customers to do their best to safely conserve energy and water. With our planning and preparation paired with our customers' conservation response, we had adequate power and water supply, and our systems and infrastructure proved to remain reliable even in the unprecedented heat.

Snohomish PUD's efforts resulted in our customers experiencing **no** controlled blackouts. Snohomish PUD is prepared to face other potential heat-related challenges throughout this summer.

For reference, our peak-load on June 28 was 1,134 megawatts (MWs) around 6 PM. This significantly surpassed previous summer peak loads: 940 MWs in August 2020 and 945 MWs July 2009. One megawatt-hour is enough energy over an hour to meet the average needs of about 800 homes.



CONTACTS:

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State Government: [Clark McLissac](#) | camcissac@snopud.com • 425-249-6814 (Cell)

Federal Government: [Kim Johnston](#) | kjohnston@snopud.com • 425-359-6676 (Cell)

Energy Risk Management Committee

Quarterly Report – 2nd Quarter 2021

August 17th, 2021

Peter Dauenhauer, Principal Utility Economist

Felicienne Ng, Principal Utility Economist

Brian Booth, Sr. Manager

Rates, Economics, & Energy Risk Management

A Little Background

- ❑ PUD staff make best efforts to anticipate both the consumption of electric power by its customers and the supply of electric power available.
- ❑ The District engages in transactions in order to meet customer needs in a dependable, safe and responsible manner
- ❑ These transactions include buying, selling, and scheduling of electric power, options for electric power, or other energy commodities as necessary to meet load and mitigate risk

Recent Meetings

- ❑ **April 20th, 2021**

Energy Risk Management Report Q1 2021

- ❑ **Jan 19th, 2021**

Energy Risk Management Report Q4 2020

- ❑ **December 15th, 2020**

Energy Risk Management Policies and Procedures
(Workshop)

- ❑ **October 20th, 2020**

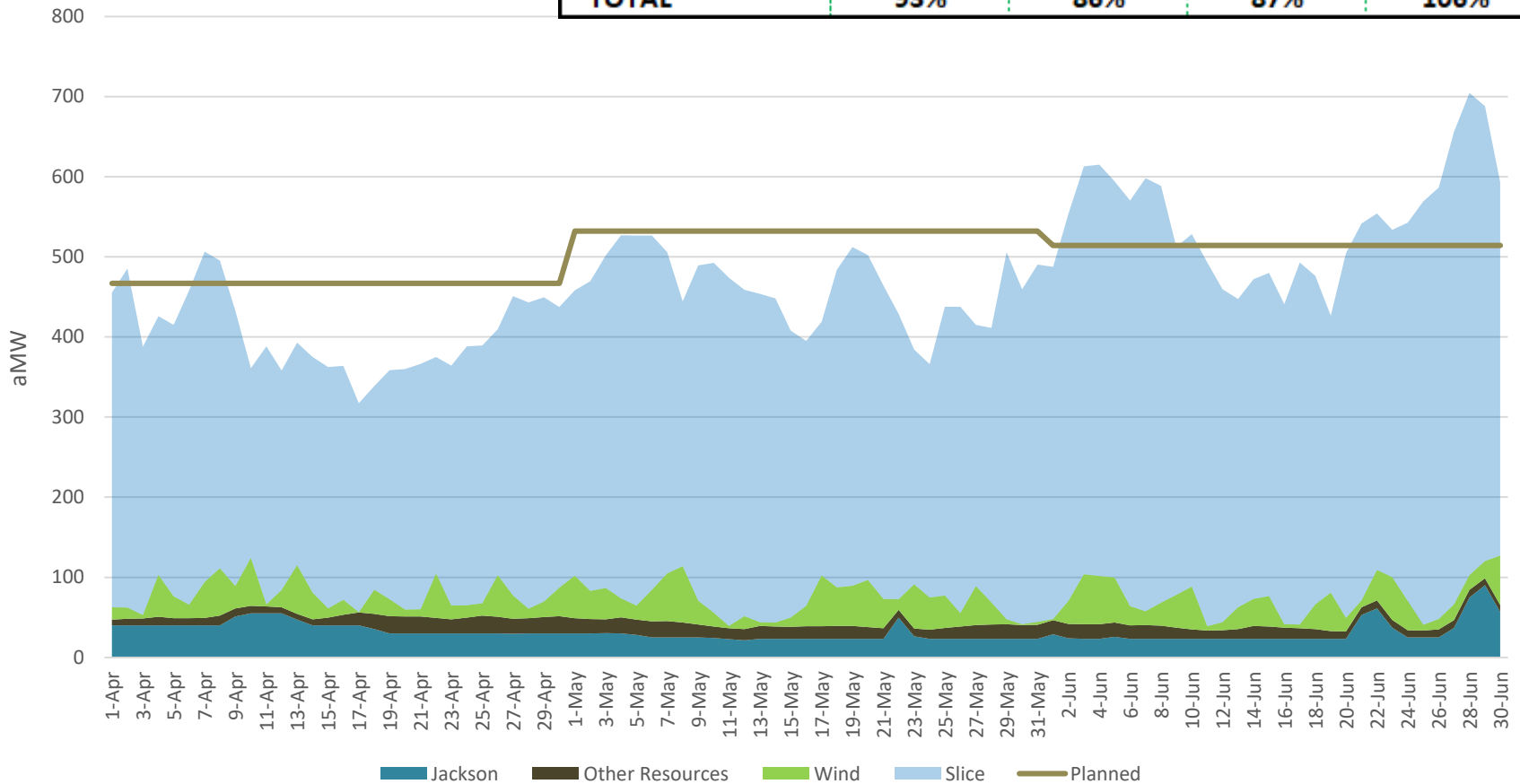
Energy Risk Management Report Q3 2020

- ❑ **August 18th, 2020**

Energy Risk Management Report Q2 2020

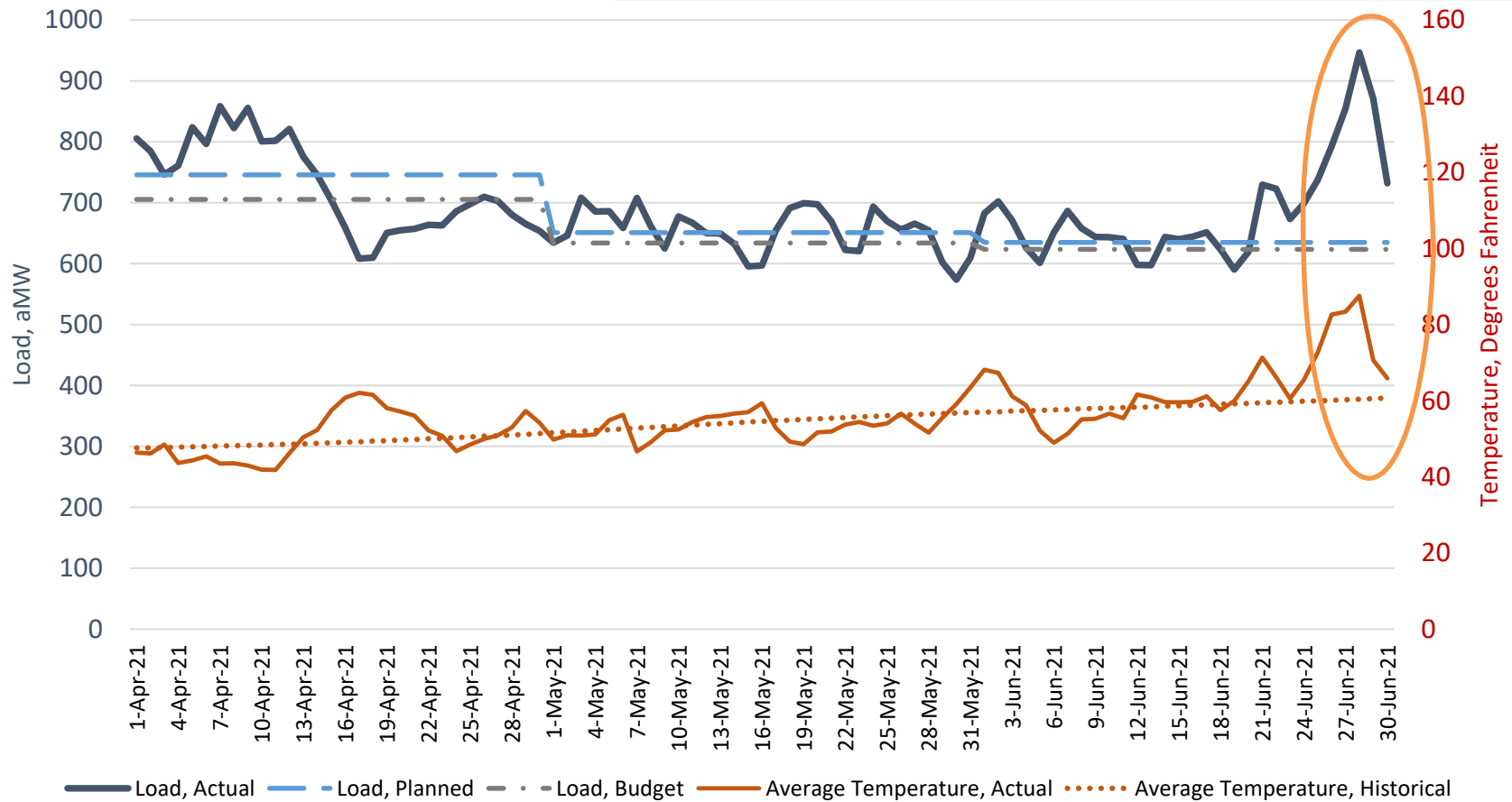
Supply

2021	Actual Relative to Planned			
	Quarter 2	April	May	June
Slice	93%	84%	87%	108%
Wind	93%	91%	107%	83%
Jackson	86%	95%	63%	103%
Other Resources	105%	109%	107%	98%
TOTAL	93%	86%	87%	106%

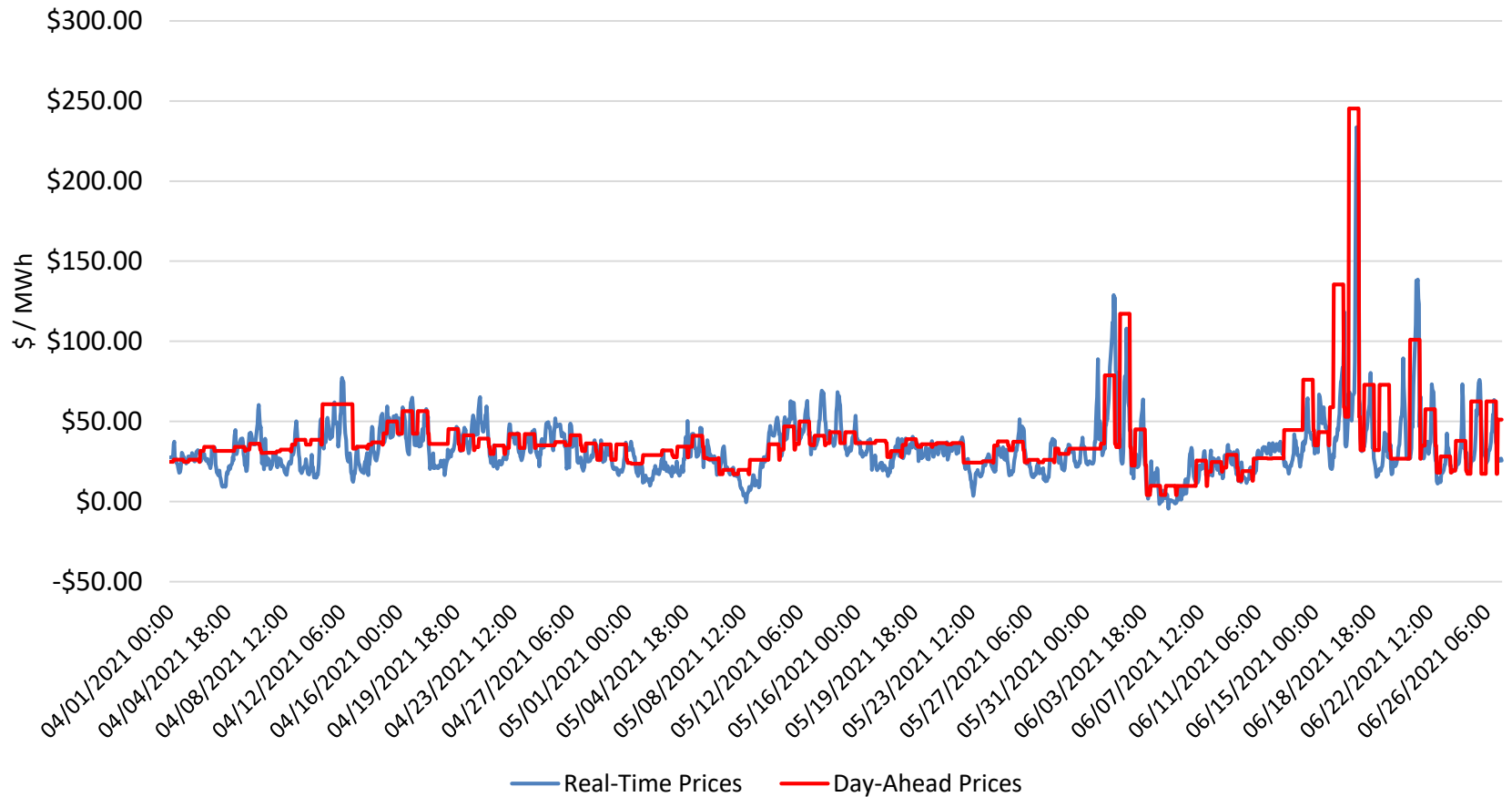


Demand

2021	Actual Relative to Planned Loads			
	Quarter 2	April	May	June
Budget	654	706	634	624
Forecast	677	746	651	635
Actual	690	729	654	686
Delta to Forecast	102%	98%	100%	108%

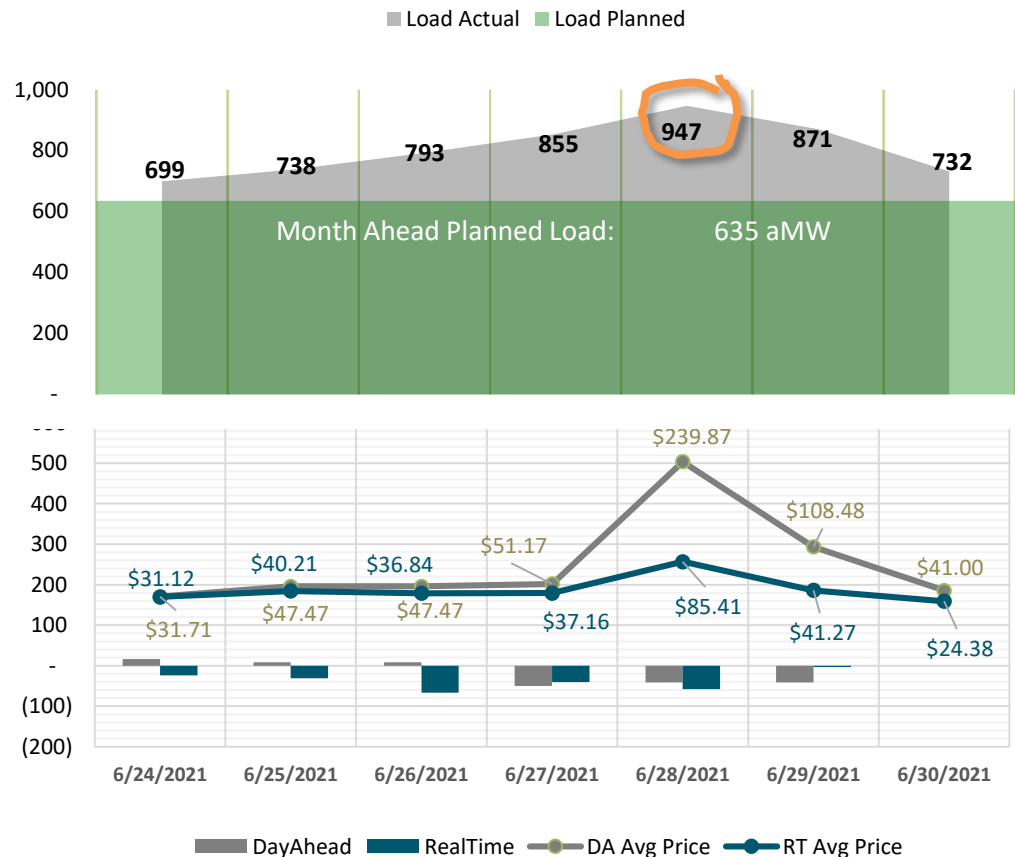


Market Prices

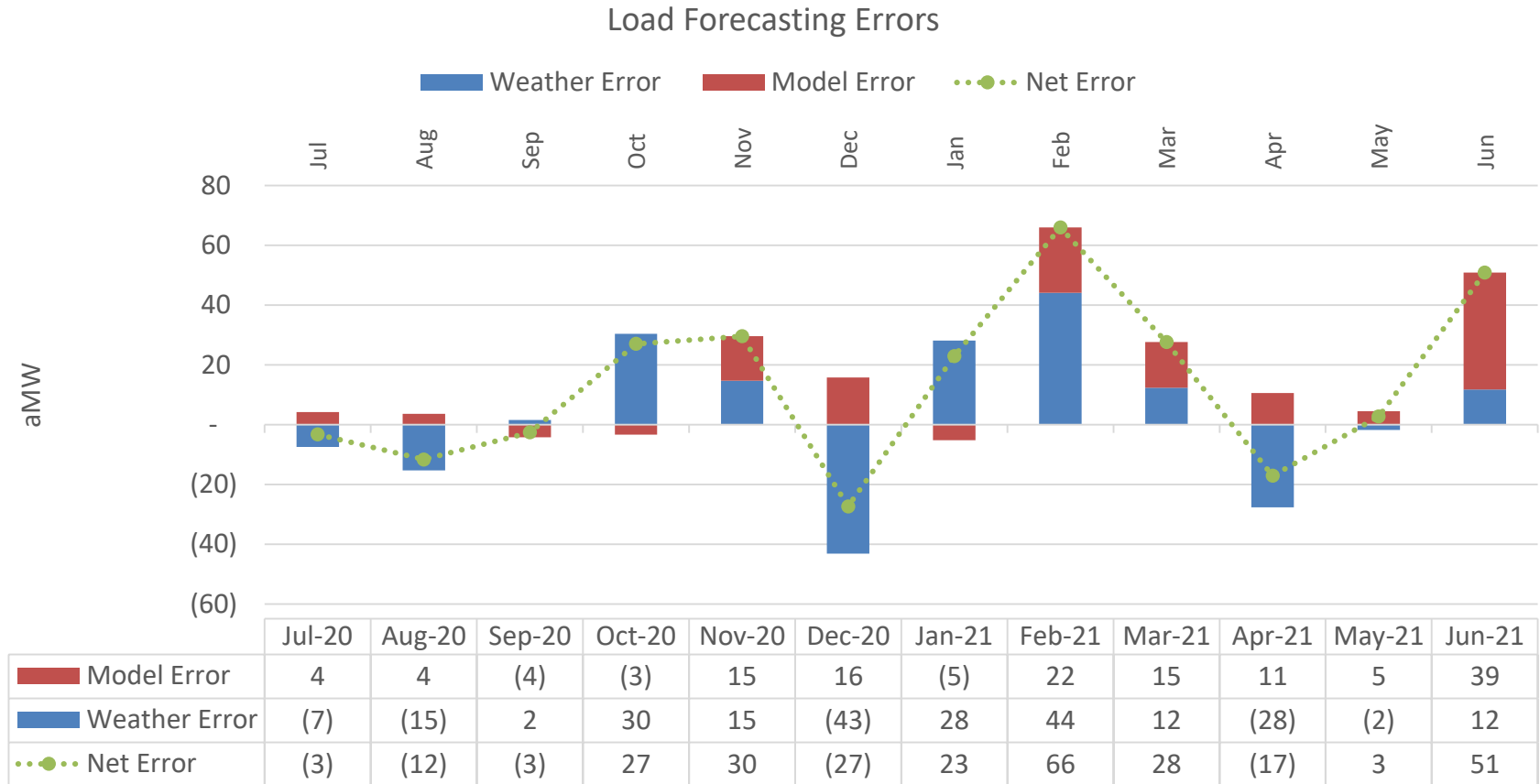


Peak Week Demand

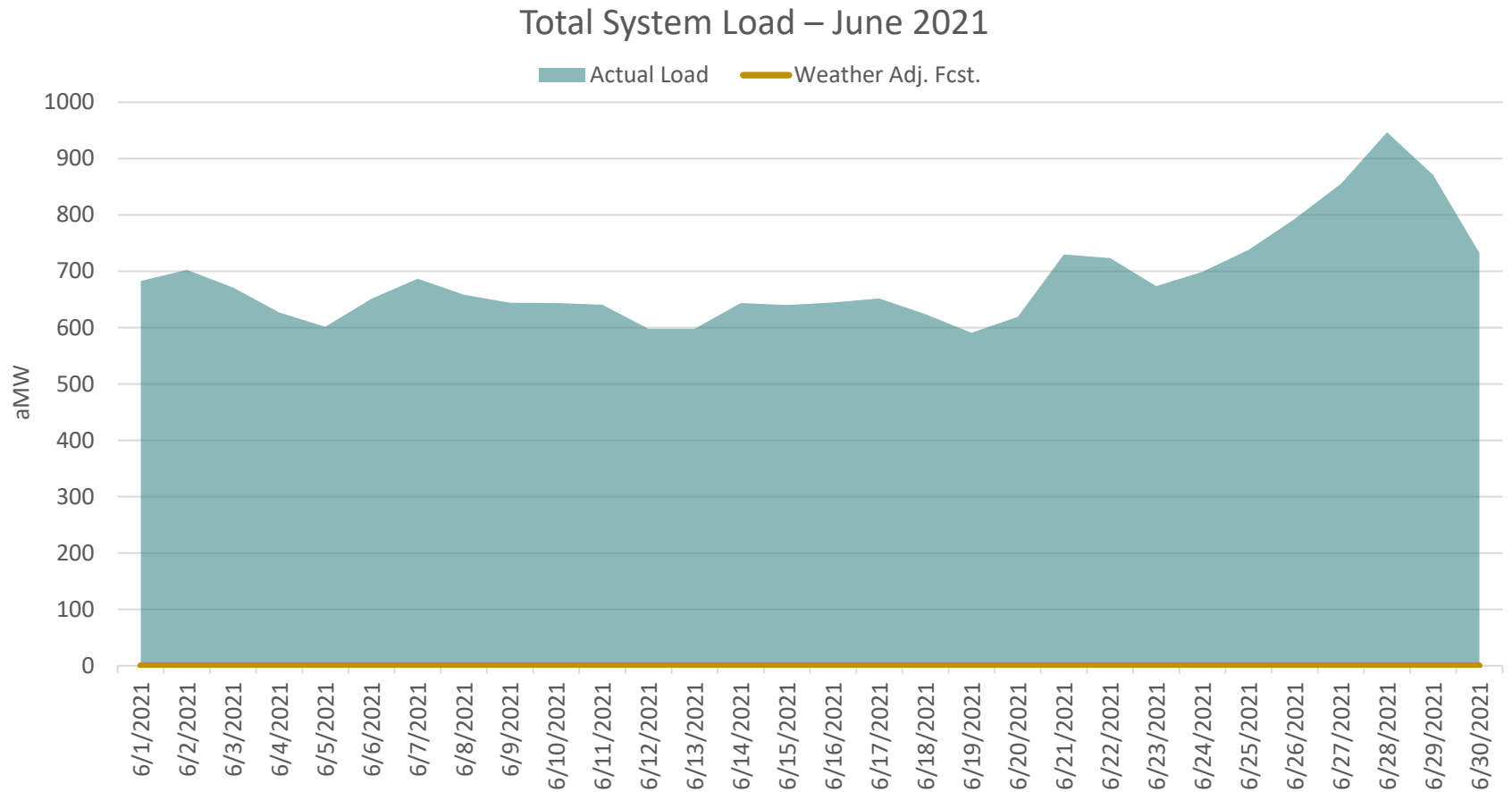
- ❑ The “Peak Week” during the quarter has the single highest moment of load demand.
- ❑ Market prices during those periods are also shown.
- ❑ The week of Jun 24 - 30 was our peak week of the quarter, with a max of 947 MW on 6/28
- ❑ Prices over this week peaked on 6/28 (\$239.87 Flat, \$334.20 HL)
- ❑ The PUD was a net buyer over the period, particularly on 6/27 and about even over the rest of the week.



Forecast Errors Over Time

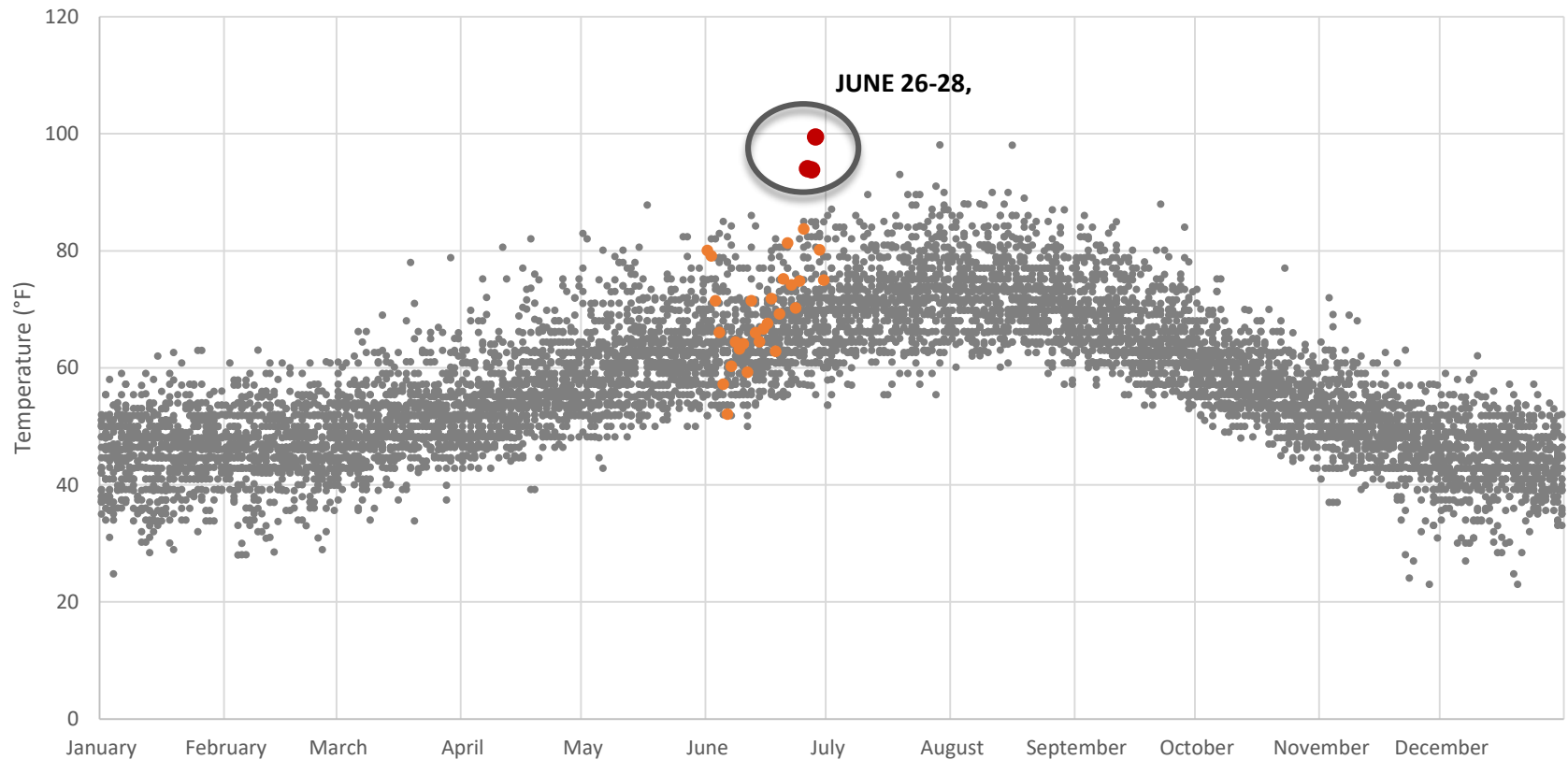


June Load Forecast



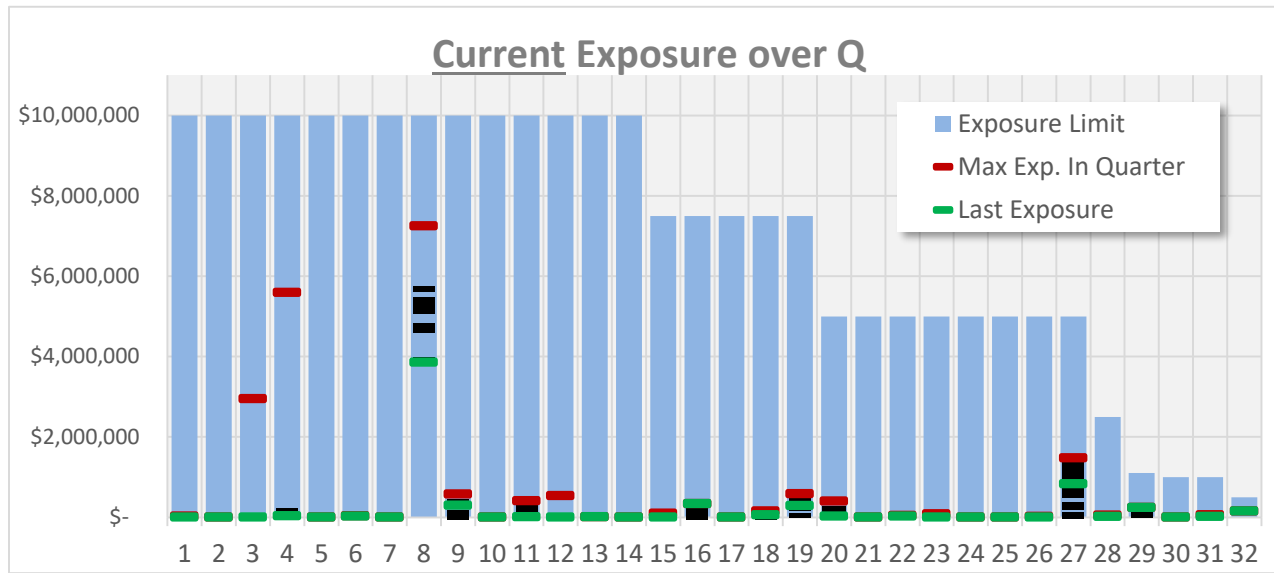
June Load Forecast

Daily Max Temp at Paine Field, 1999-2021



Tests

Credit Limit Analysis – Current Exposure



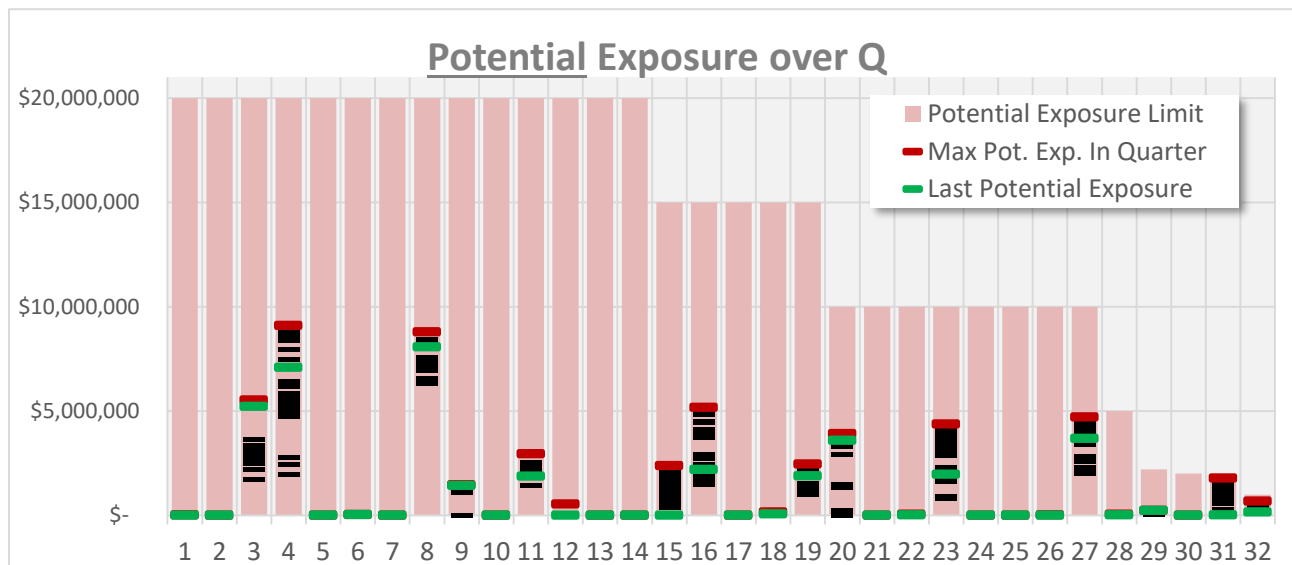
❑ The District has 32 approved trading counterparties

NO Exceedances during the quarter.

- ❑ >12 Tests are shown throughout the quarter per counterparty. The largest observation is highlighted.
- ❑ “Current exposure” is the cost of all active transactions at current market prices with each counterparty

AS OF 3/31/21

Credit Limit Analysis – Potential Exposure



❑ The District has 32 approved trading counterparties

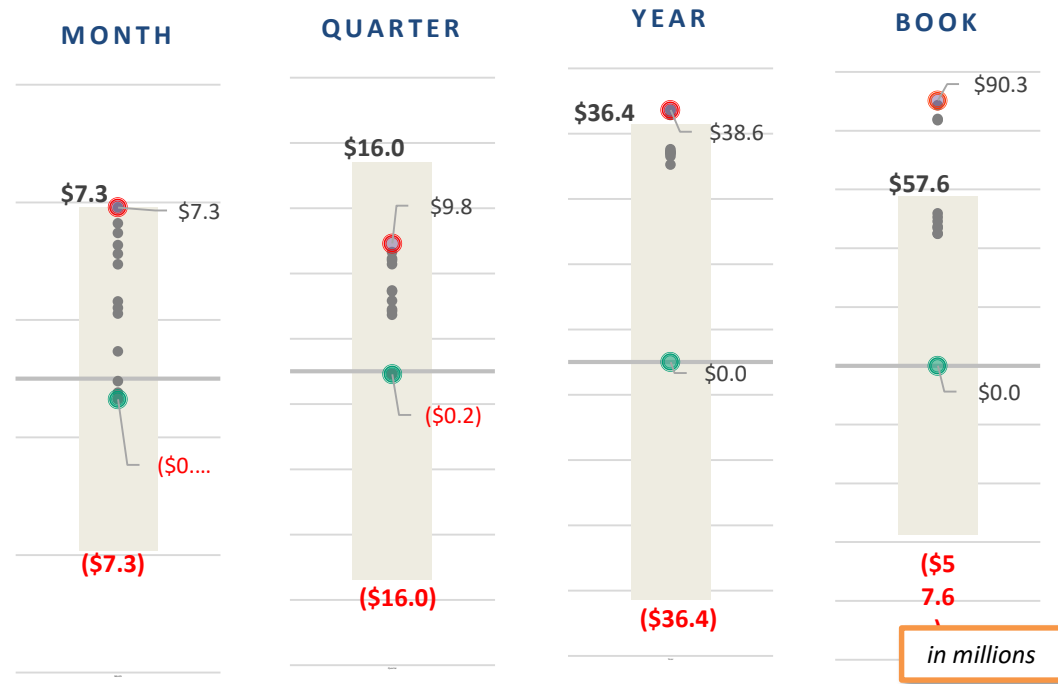
NO Exceedances during the quarter.

- ❑ Tests are shown throughout the quarter per counterparty. The largest observation is highlighted.
- ❑ “Potential exposure” is the cost of all active transactions at potential market prices and current volatility with each counterparty

AS OF 3/31/21

Financial Load Resource Imbalance Test

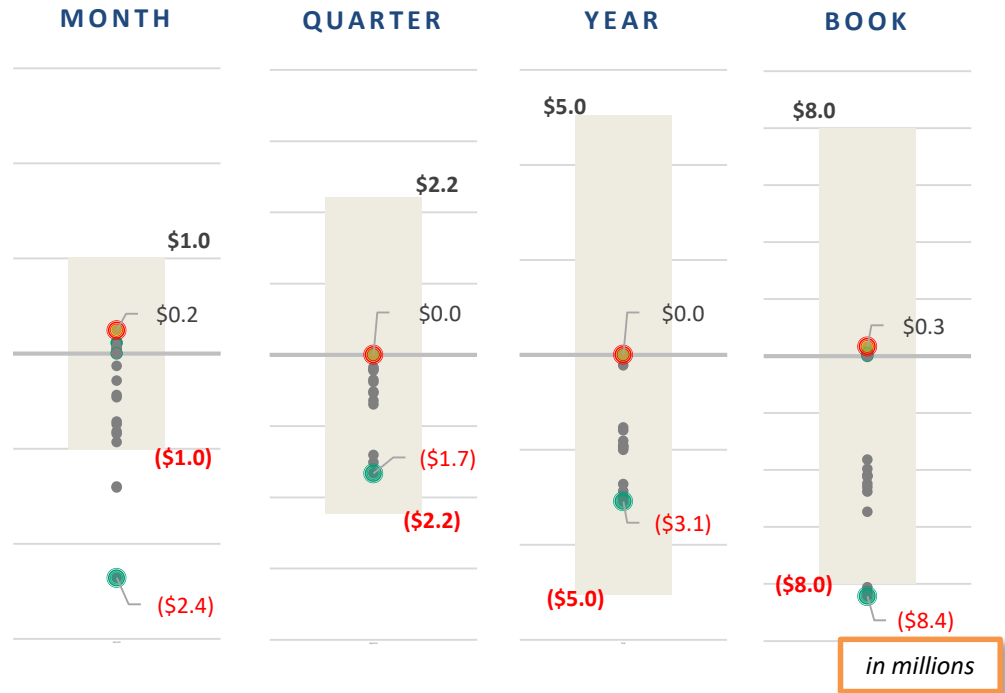
- ❑ Risk limits for this test apply to our net power position assuming slice at p25, wind & load at p50
- ❑ No open position is allowed to have a market value greater than:
 - ❑ \$7.3M in any one-month
 - ❑ \$16.0M for one-quarter
 - ❑ \$36.4M for one-year
 - ❑ \$57.6M in total for all positions added together
- ❑ **4** Exceedances over the quarter
- ❑ 12 tests are shown for each horizon during the quarter. The largest observation is highlighted.



Note – each graph on individual scale

Price Volatility Test

- ❑ Our net long or short positions are subject to risk through, among other things, movements in market prices
- ❑ Risk limits for this test apply for possible one-day and five-day price movements
- ❑ Possible price movements are calculated on the basis of currently observed price volatility in forward markets
- ❑ **3** Exceedances over the quarter
- ❑ 12 tests are shown for each horizon during the quarter. The largest observation is highlighted.



Limit Exceedances

- ❑ Changes in value at risk made us exceed our risk limits
 - ❑ **#1 (5/20), #2 (6/3), #3 (6/10), #4 (5/25)**
 - ❑ 4 Market Value Tests
 - ❑ 3 Price Volatility Tests
- ❑ Exceedances between tests, and over time, were related
- ❑ Market prices & volatility over Jun '21 – Aug '21 were consistently high, pushing up value at risk, due to:
 - ❑ High regional loads (weather)
 - ❑ Lower than expected hydro conditions
 - ❑ High heat rates
 - ❑ Regional gas generation in the mix
 - ❑ Lack of physical market liquidity in July and August

Heat Rates



❑ Heat Rate: MMBtu/MWh

- ❑ Efficiency measure of conversion (fossil fuel) chemical energy to electrical energy. Lower = More efficient.

❑ Implied Heat Rate: Energy Price (\$/MWh) / Nat Gas Price (\$/MMBtu)

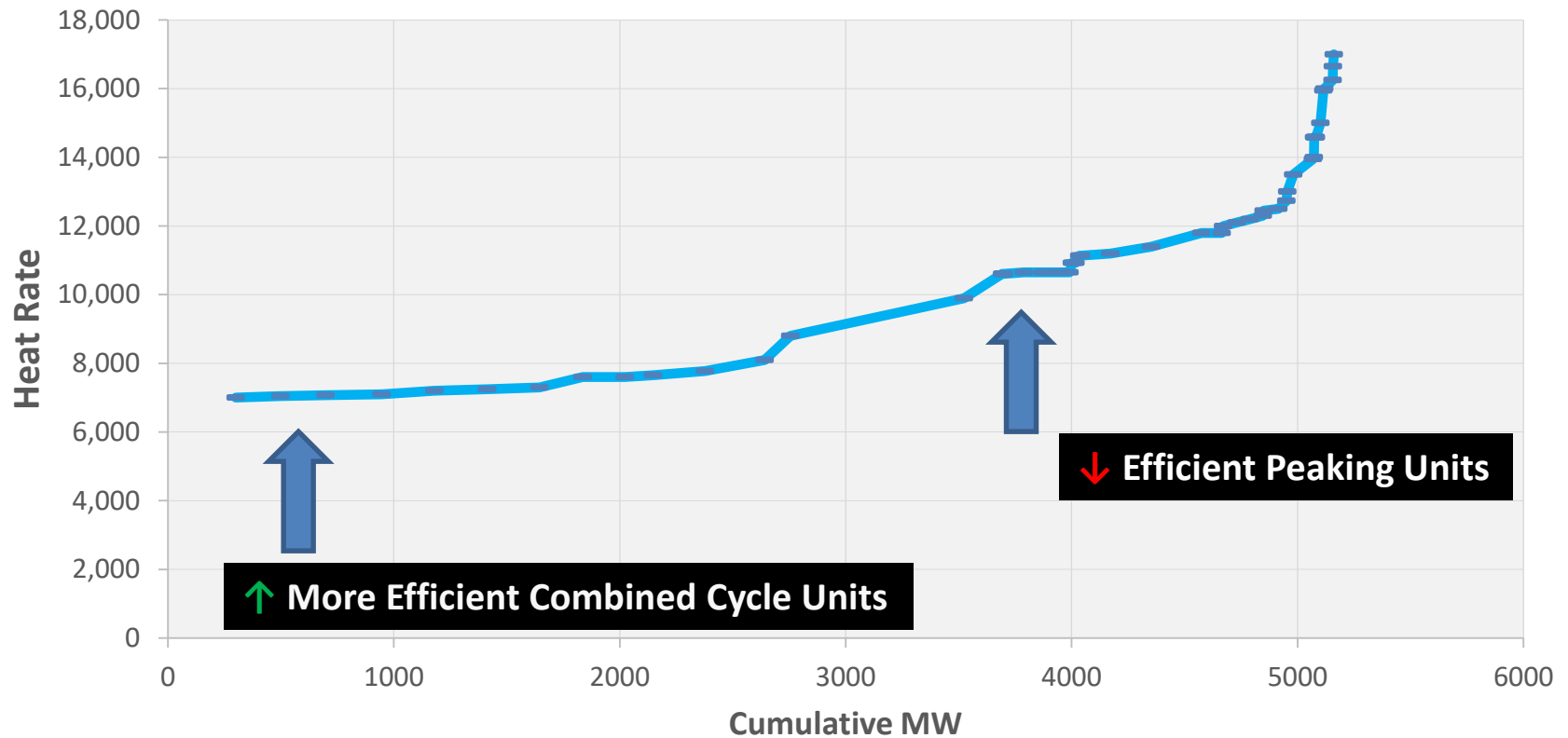
- ❑ Implied heat rate reveals which generating units are economically rational to be online
- ❑ High implied heat rates suggest more costly peaking units are driving market prices as they compete in the gas markets for fuel.

❑ Typical (Gas) Heat Rates (EIA):

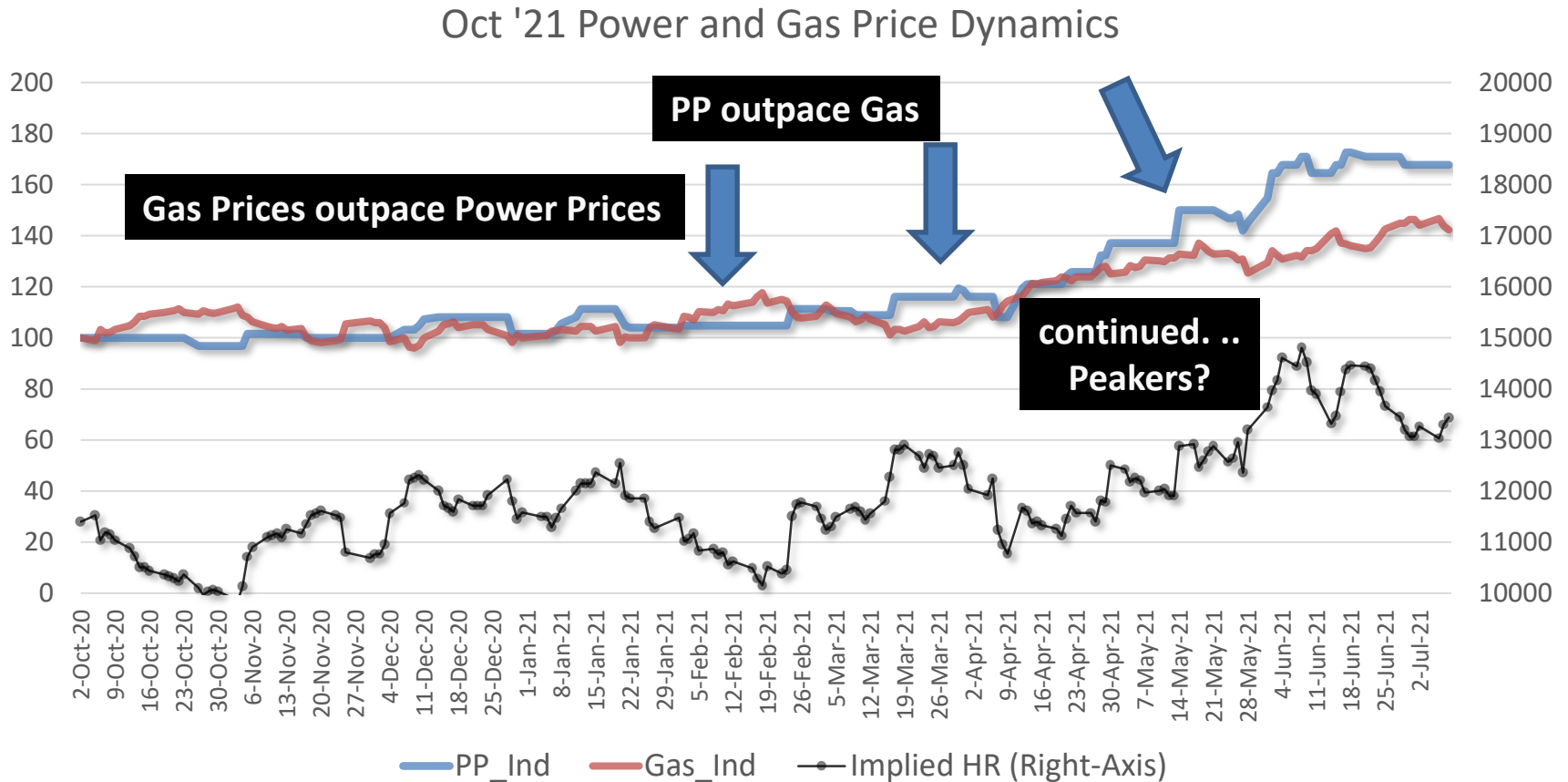
- ❑ Steam Generator: 10,236
- ❑ Gas Turbine: 13,315
- ❑ Internal Combustion: 10,325
- ❑ Combined Cycle: 9,662

Heat Rates – WA State

Regional Fossil Fuel Generation Stack by Heat Rate (WA-gen)



Implied Heat Rates over Time



ERMC Actions

- ❑ Exceeding a limit triggers:
 - ❑ Added scrutiny of the data and context
 - ❑ Discussion & decision making, either:
 - ❑ Transact in the market to close out the exposure
 - ❑ Vote for exception: monitor and wait for updated information and forecasts
- ❑ Due to a generally long open position and data pointing towards potentially lower (hydro) supply, ERMC tended to:
 - ❑ hold on to extra length and monitor new forecasts.
- ❑ In retrospect, holding that length was beneficial as our hydro forecasts tended to be reduced and actual loads turned out higher than expected.

ERMC Decisions #1 (5/20 – 5/21)

❑ **Price Test: Jul '21, Market Exp Test: Aug '21**

❑ **Reason:**

- ❑ Slice shape (higher HLH) adjustment,
- ❑ Slice TMF update Aug (+39MW),
- ❑ High prices and volatility

❑ **Actions:**

- ❑ Transact: Reduce Market Value Risk by selling Aug '21 HL
- ❑ Transact: Reduce Price Risk by selling Jul '21 HL

ERMC Decisions #2 (6/3-6/9)

❑ Market Exp. Test: Cal '23.

❑ Reasons:

- ❑ Cal-23 added to horizon (structural length).

❑ Actions

- ❑ Transact: Reduce Market Value Risk by selling existing Cal '23 LL (6/3 25MW, 6/9 25MW)
- ❑ Exception: Allow Cal-23 transactions with counterparties that have 24-month term length limits and trade would otherwise not exceed exposure limits.
- ❑ Exception: Remaining exceedances (Cal '23) slightly over limit

ERMC Decisions #3 (6/10 to 6/25)

❑ **Price Test:** Jul '21, Aug '21, 12-month, Book. **Market Exp. Test:** Cal '23.

❑ **Reasons:**

- ❑ High Jul – Aug '21 prices increased the value of open position
- ❑ High Jul – Aug '21 volatility increased potential price movement
- ❑ 12-mo and Book limit exceedance result of high Jul-Aug '21 VAR
- ❑ Small but significant increased Cal-23 prices.
- ❑ Cal-23 added to horizon (structural length).

❑ **Actions**

- ❑ Transact: Reduce Market Value Risk by selling existing Cal '23 LL
- ❑ Exception: Allow Cal-23 transactions with counterparties that have 24-month term length limits and trade would otherwise not exceed exposure limits.
- ❑ Transact: Reduce Price Risk by selling 25MW HLH Aug
- ❑ Exception: Cal '23 exceedance until new MY hydro study (due late Jun '21)
- ❑ Exception: Jul '21, 12-mo, book Price Tests until TMF & Weather update.
 - ❑ 6/25 – Aug Slice -33MW
 - ❑ 6/29 – Jul Load +8/+6 HLH/LLH

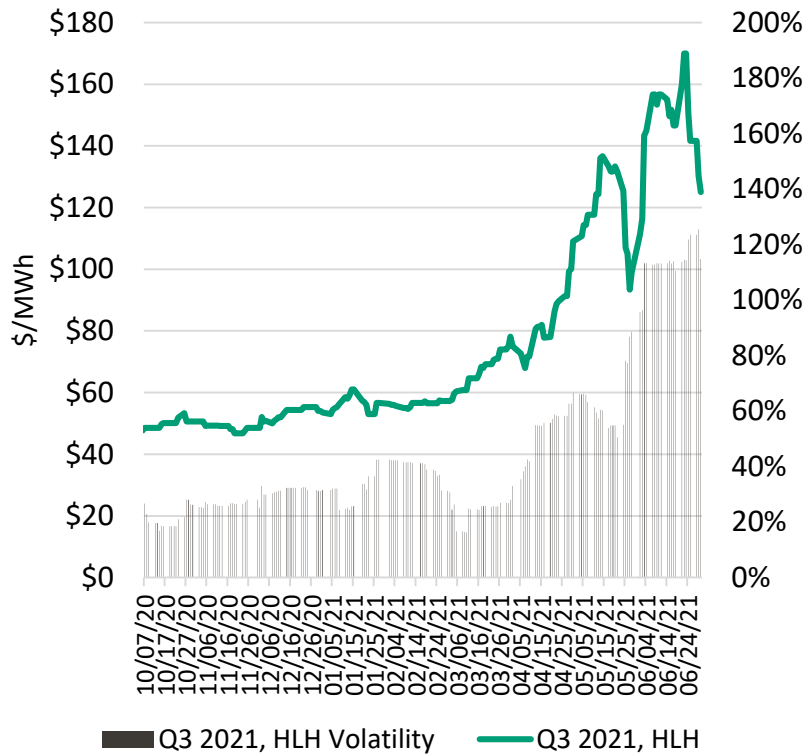
ERMC Decisions #4 (6/25 onwards)

- ❑ **Price Test:** Jul '21, Aug '21, 12-month, Book. **Market Exp. Test:** Cal '23.
- ❑ **Reasons:**
 - ❑ High Jul – Aug '21 prices increased the value of open position
 - ❑ High Jul – Aug '21 volatility increased potential price movement
 - ❑ 12-mo and Book limit exceedance result of high Jul-Aug '21 VAR
 - ❑ Small but significant increased Cal-23 prices.
- ❑ **Actions**
 - ❑ Exception: Cal '23 exceedance until new MY hydro study (due late Jun '21)
 - ❑ Exception: Jul '21 – current at position target, so ignore Price test (which suggests a sale) due to high prices and volatility
 - ❑ Exception: Aug '21 – monitor Price test and follow GP recommendations (hold transaction until next month)
 - ❑ Exception 12-mo, book – monitor Price test and follow GP recommendations

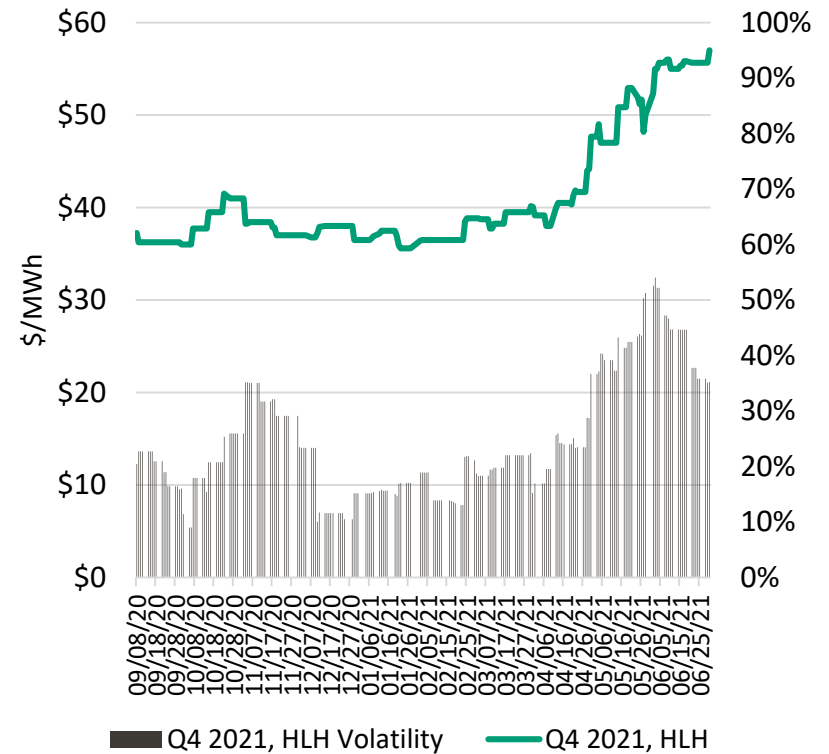


Forward Prices

Q3 2021



Q4 2021



Questions?

WATER SUPPLY UPDATE

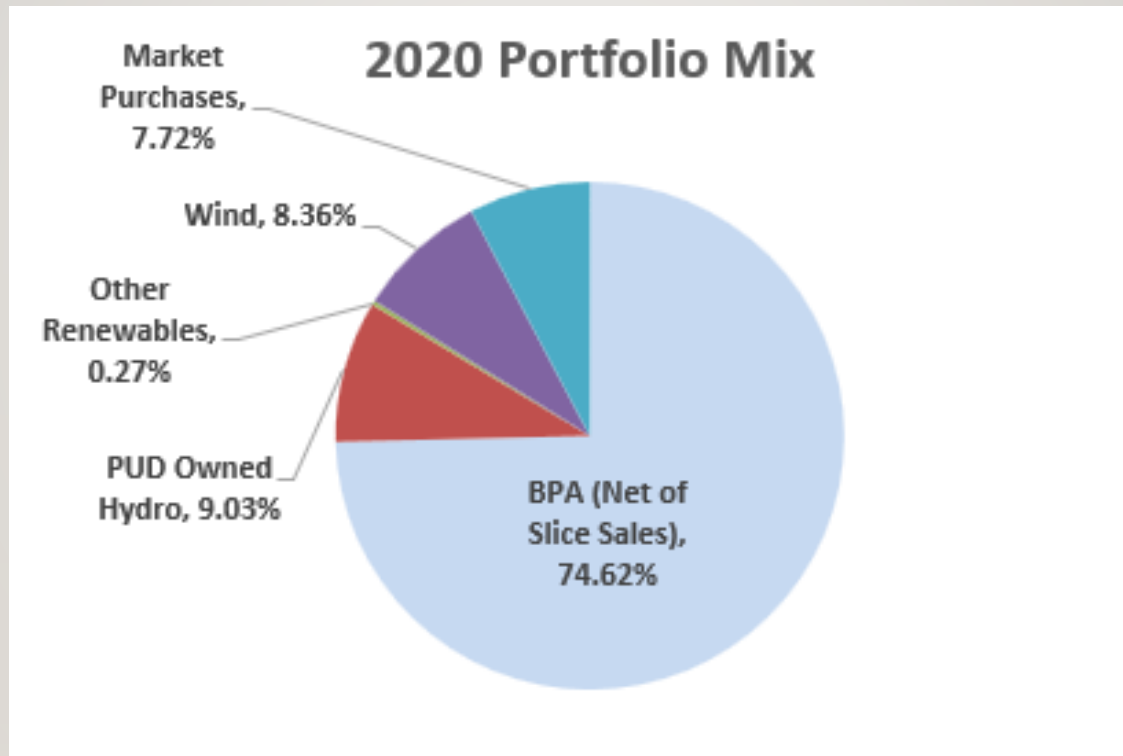
- ▶ SNOHOMISH COUNTY PUD
 - ▶ Mike Shapley – Short-Term Power Trader
- ▶ COMMISSION MEETING: AUGUST 17, 2021
- ▶ LAST PRESENTED: APRIL 20, 2021



Topics:

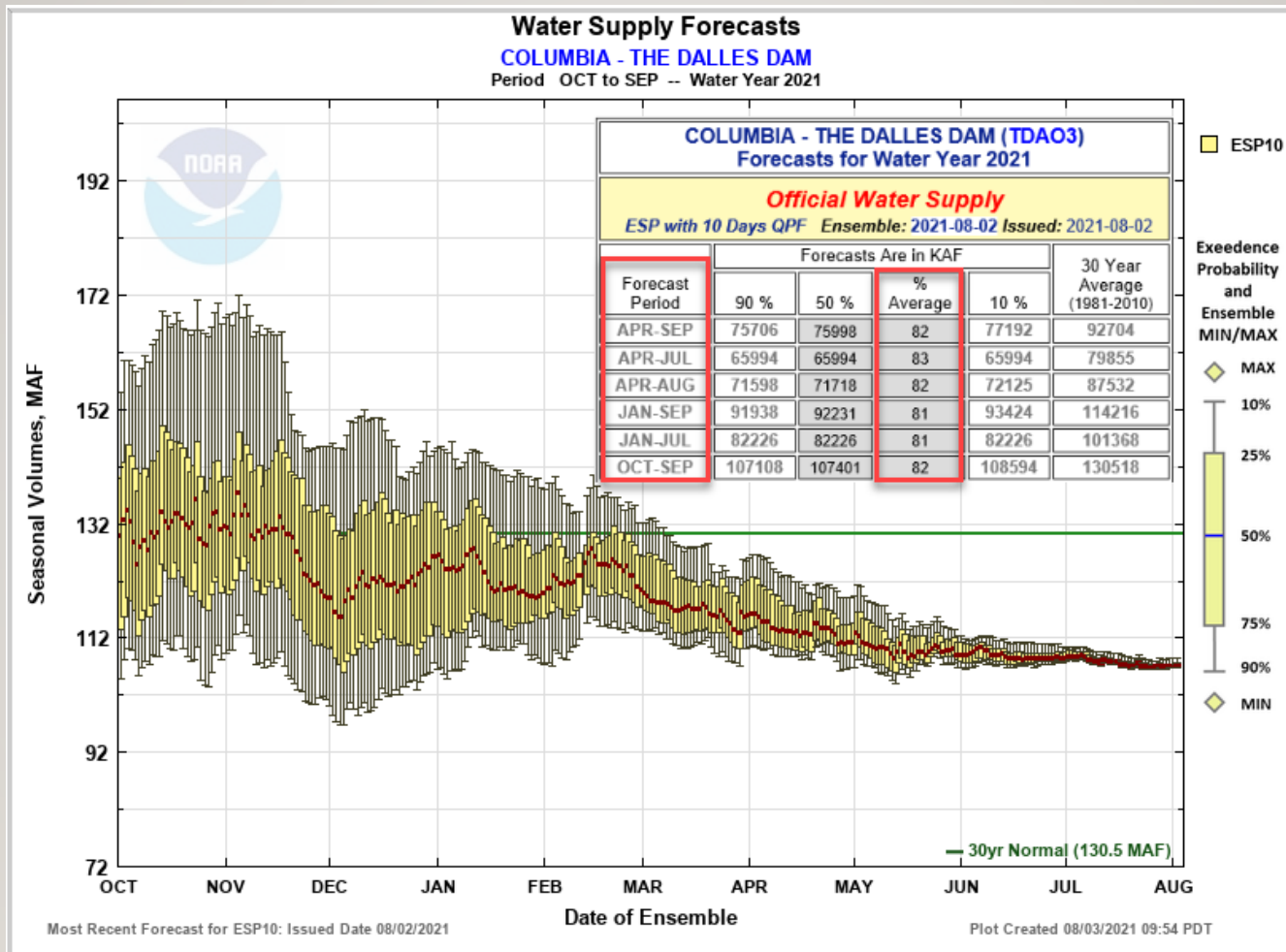
- PUD energy portfolio mix.
- WY '21: Water supply and weather.
- What is happening in California?
- WY '21: Hydro generation update, BPA Slice and PUD owned resources.
- Summary

PUD energy resource portfolio:
84% of the PUD resources rely on hydro generation and water supply.

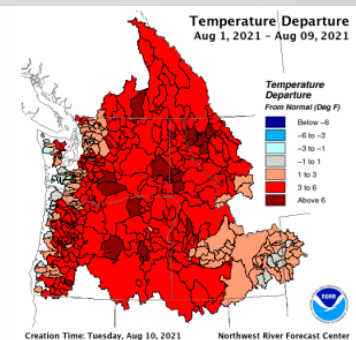
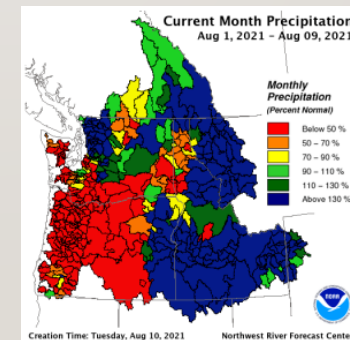
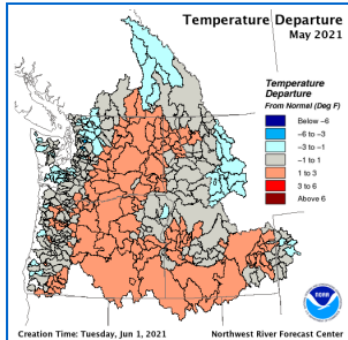
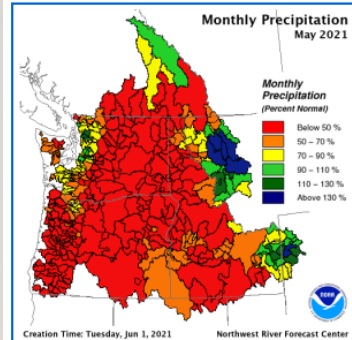
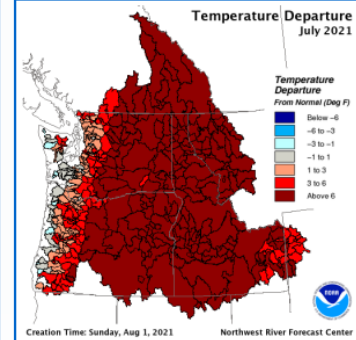
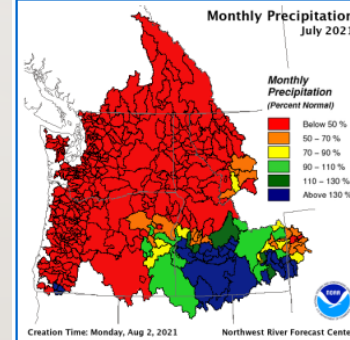
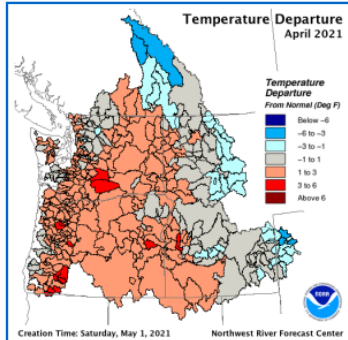
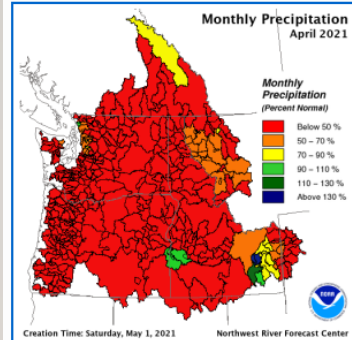
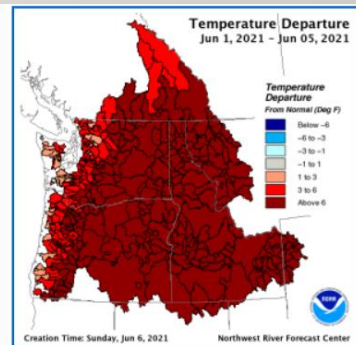
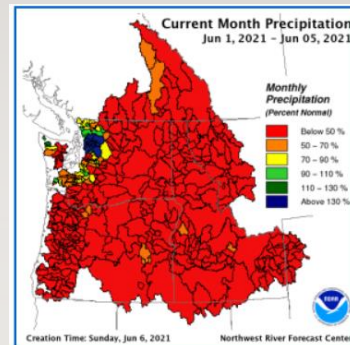
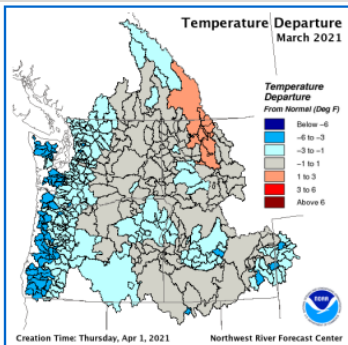
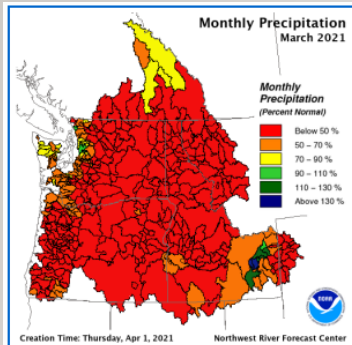


WY '21: All periods 83% of average or less.

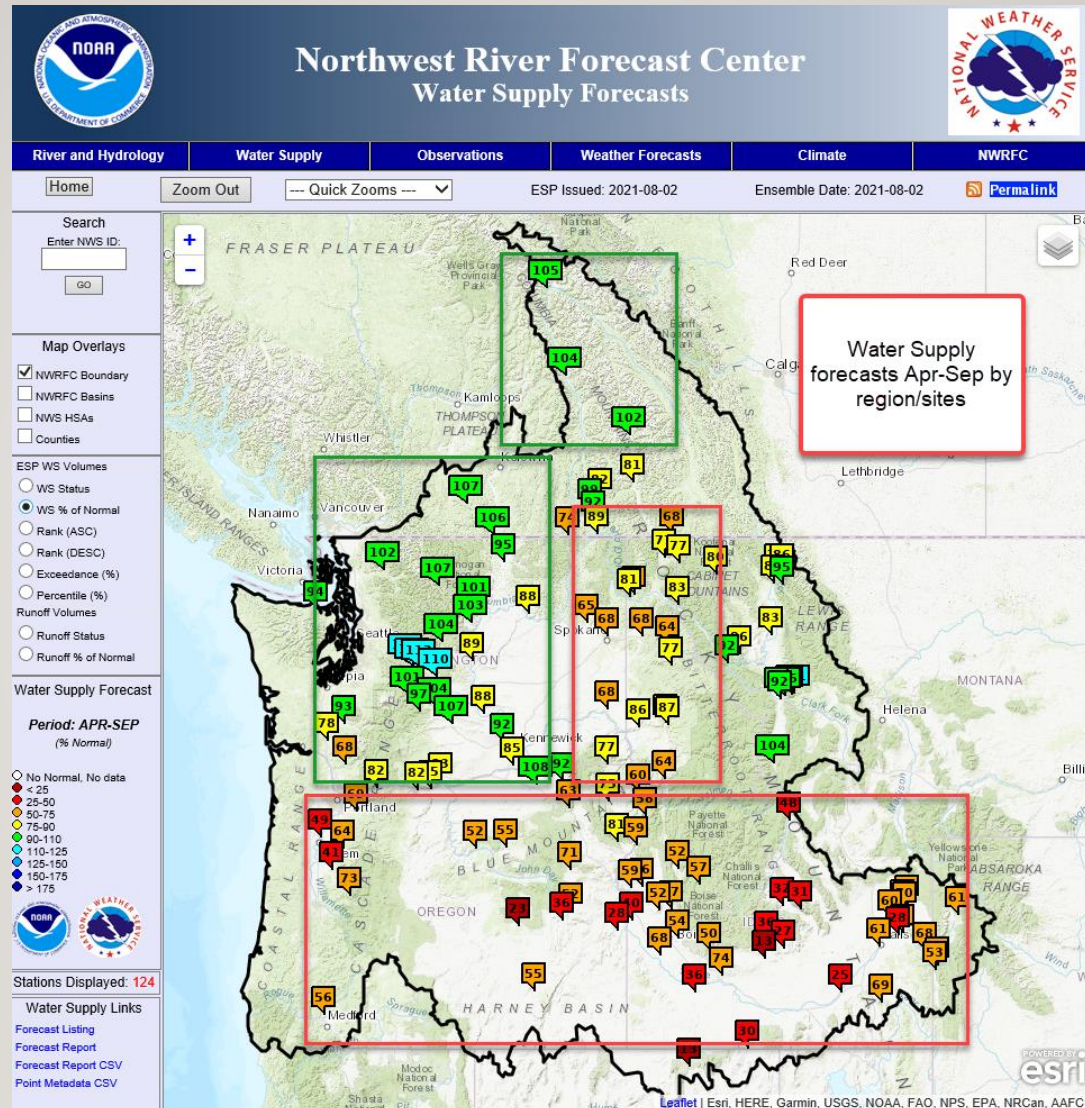
- The water year began Oct 1.



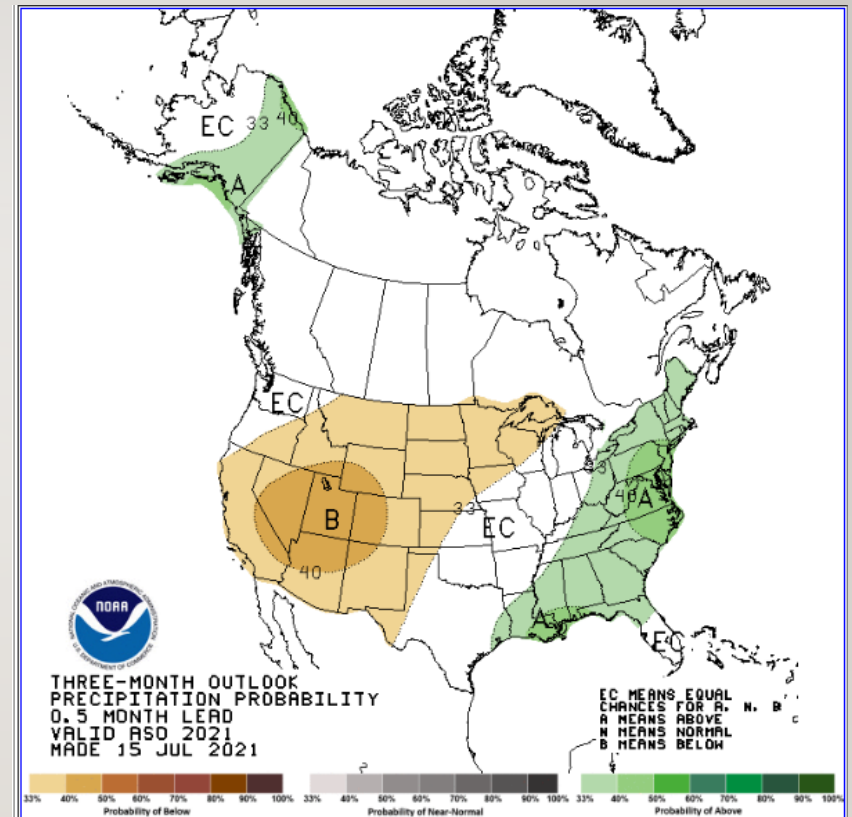
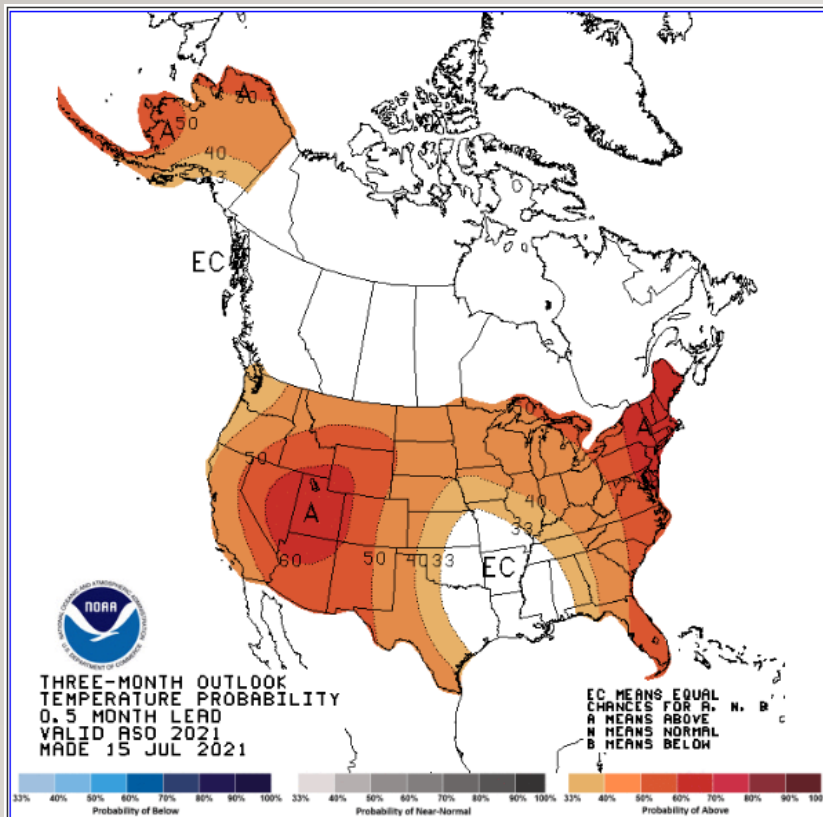
WY '21: Mar-Aug temperature and precipitation departure.



WY '21:Water supply forecast by region

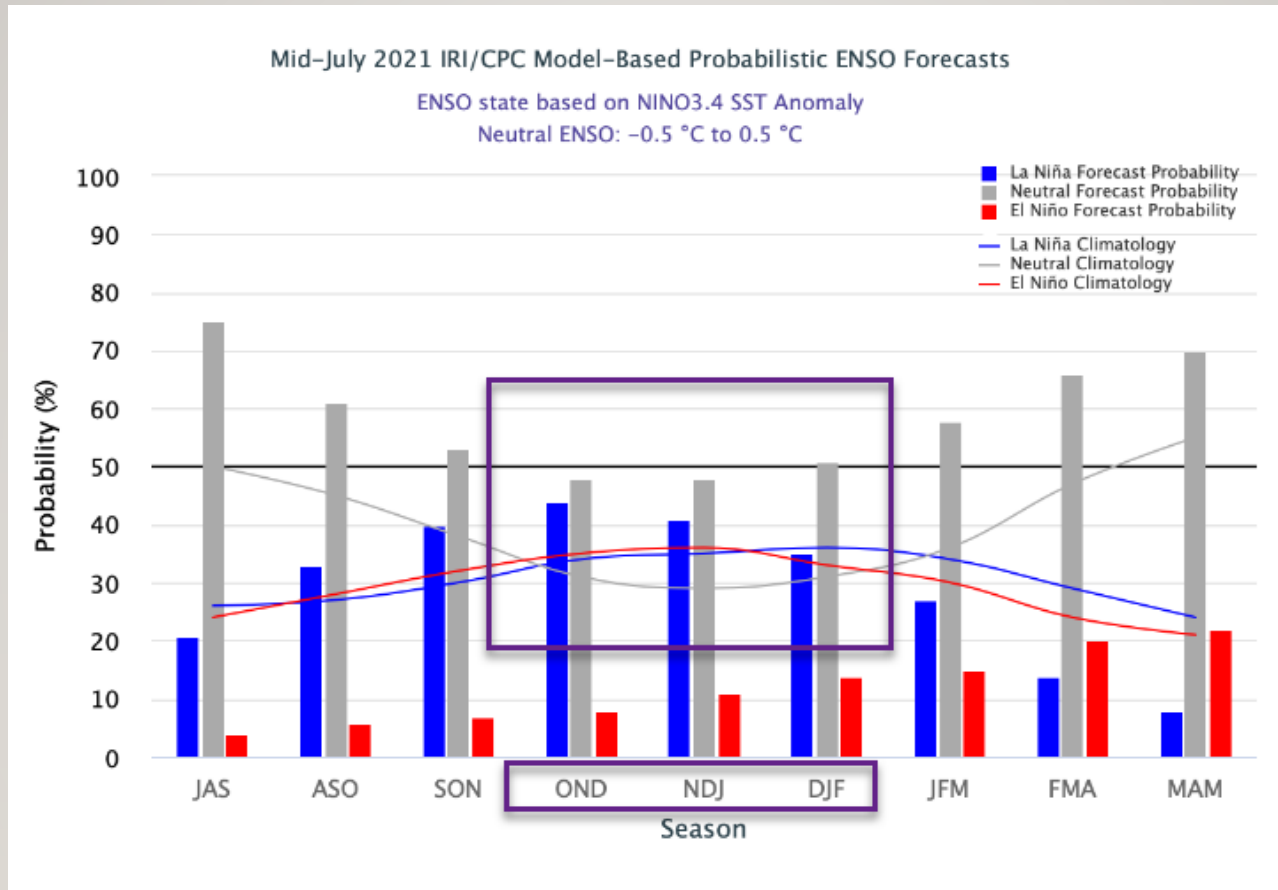


Weather forecast: Aug-Oct



WY '22 ENSO: Winter.

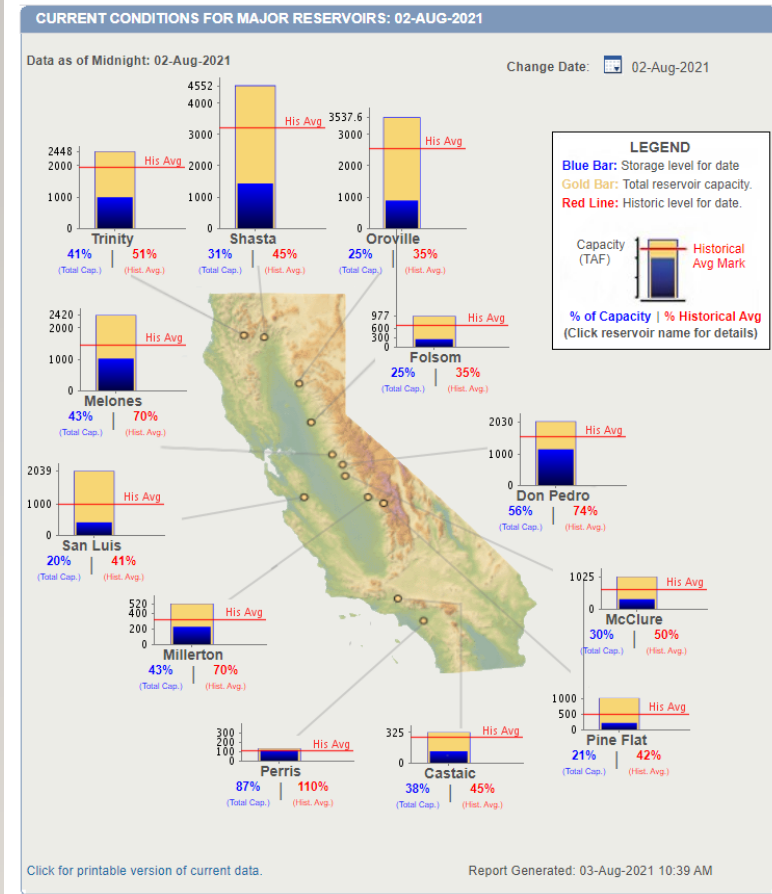
Neutral and LaNina probabilities, not a clear signal.



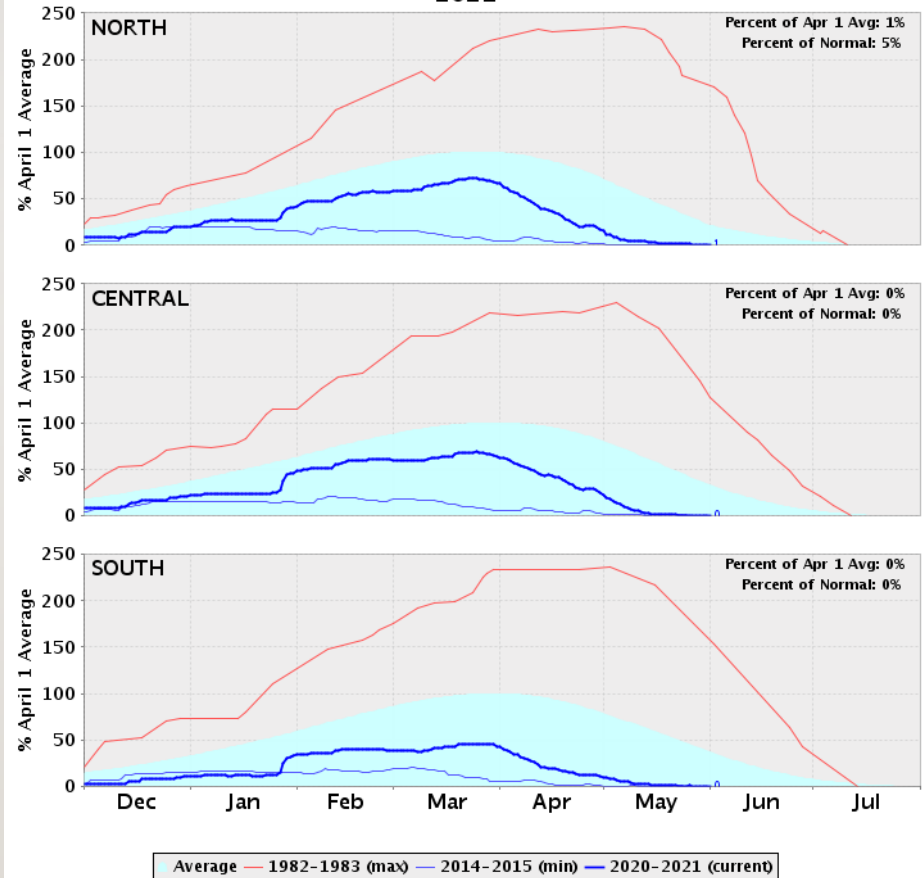
WY '21: California reservoirs.

- Major reservoirs did not fill to capacity.

California Data Exchange Center - Reservoirs



California Snow Water Content - Percent of April 1 Average For: 01-Jun-2021



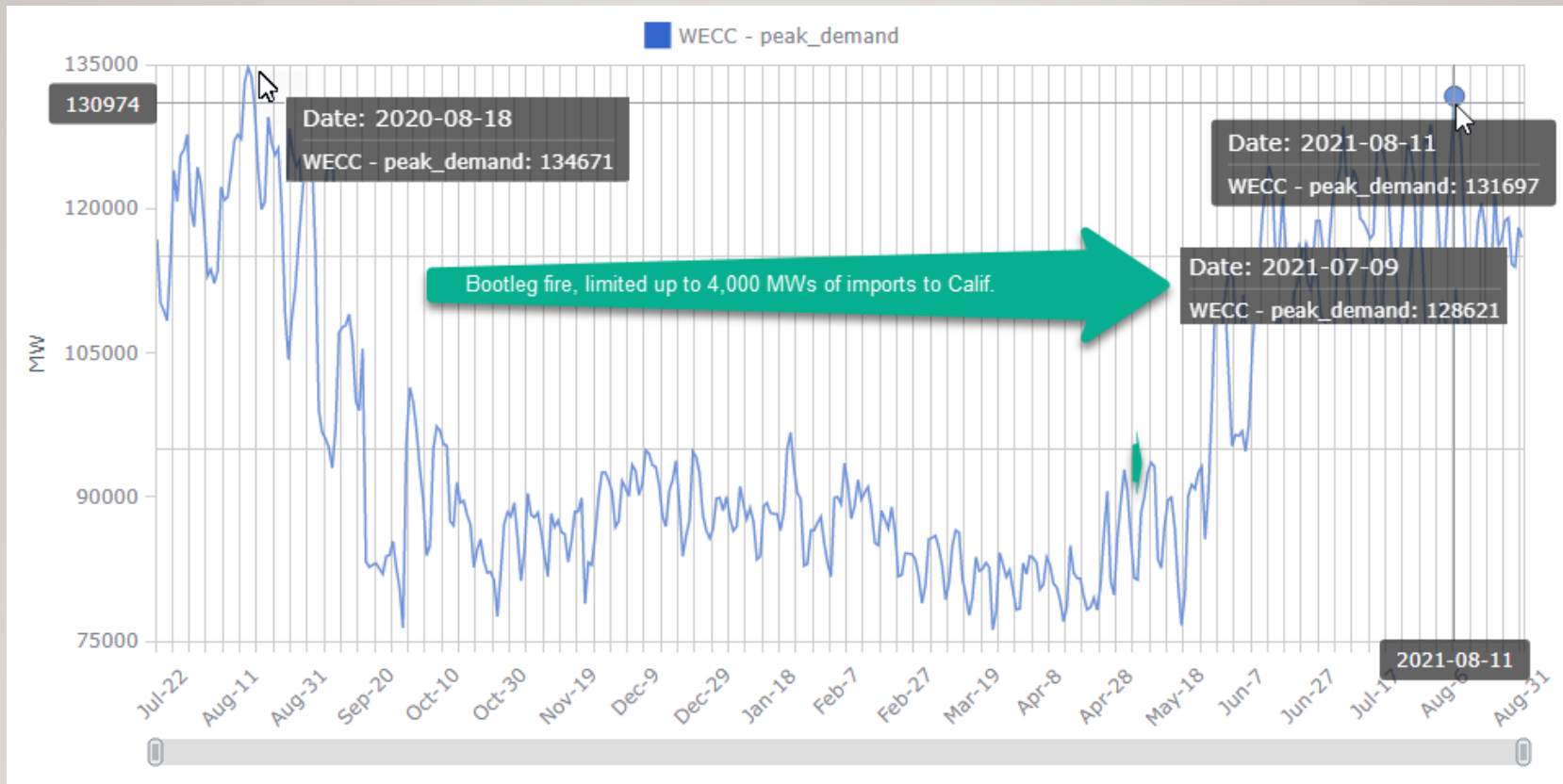
WY '21: California continued.

- Since the blackouts in August 2020 California has.....

- Used over 1,200 MWs of lithium battery storage in early August and is expected to add 1,110 MWs of annual storage from now until 2030.
- Limited day ahead energy exports, limited transmission “wheel through” practices and added an “uncertainty” component to the resource capacity test.
- Governor Gavin Newsom proclaimed a state of emergency for “extreme heat events “ to include:
 - The suspension of permitting requirements for large commercial and industrial loads to add back up generation.
 - The use of stationary and portable generators or auxiliary ship engines to reduce the strain on the energy infrastructure and increase energy capacity during the extreme heat events.
 - Suspended temperature wastewater discharge requirements for any thermal power plant that operates in an extreme heat event.
 - Eliminated the maximum amount of power a facility may generate, removed the limit on fuel that a facility may use and removed air quality requirements that prevent the facility from generating additional power during peak demand.

WY '21: California continued.

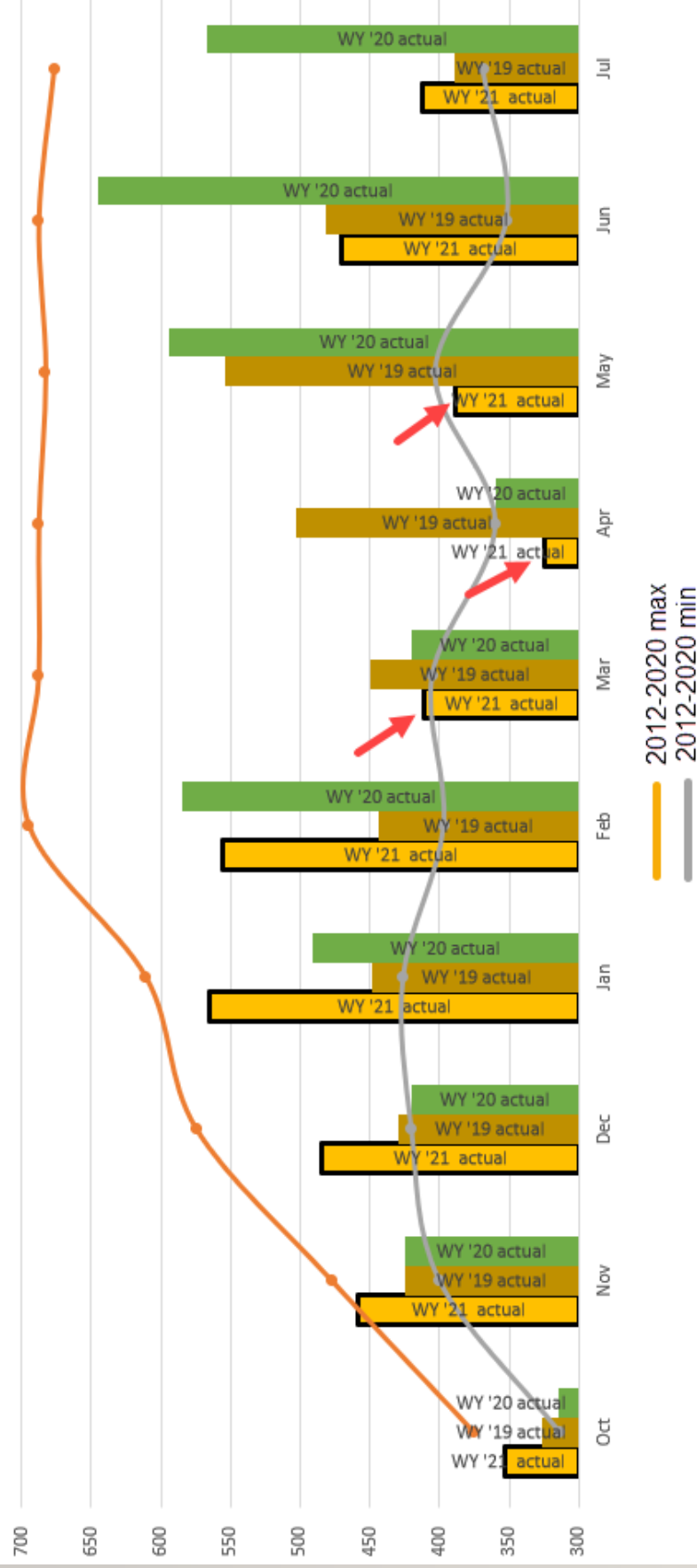
- Fires eliminated imports. No blackouts.



Slice generation: The importance of water supply.

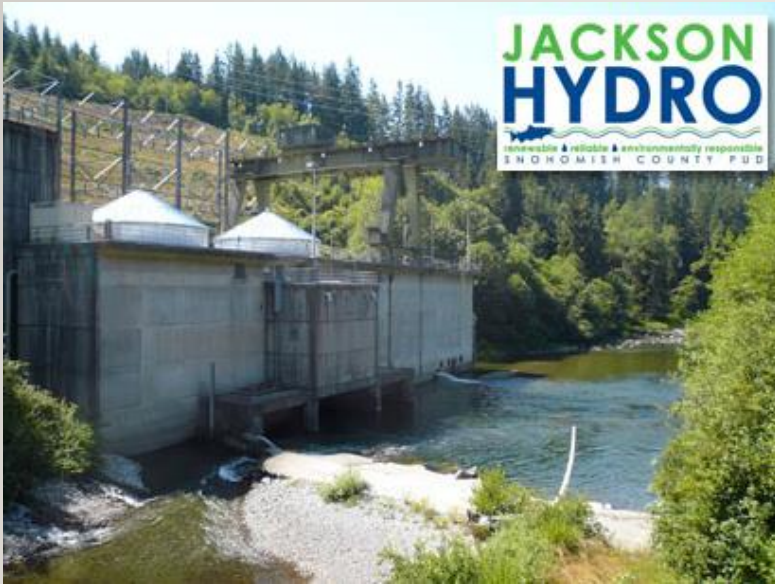
Slice: WY '19-21 comparison

Oct-Feb P50, Mar-Jul less than P25



WY '21: PUD Hydro.

PUD run of river small Hydro (Young's, Hancock and Calligan):
Operating at minimum by-pass, no generation.



- The Spada Lake reservoir operates in “State 3, discretionary generation”.
- Operation supports biological flows below the powerhouse, recreation and additional generation when available.
- The Spada Lake reservoir elevation is ~1,430' (1380'–1450').
- WY '21 precipitation: 100% of average.
- WY '21 generation: 100% of average.
- July '21 generation: 85% of average.

WY '21: Summary/highlights.

- Dry soil conditions exist, reservoirs will take longer to fill.
- The water supply basin will end the water year below average, roughly 83%.
- Grand Coulee did not draft in February for drum gate maintenance. Precipitation early in the water year will be important to ensure a water supply forecast that can satisfy drum gate maintenance in March 2022.
- California hydro supplies 5-15% of energy supply. Steps have been taken to offset a low water year and blackouts.
- The PUD performs daily supply and demand risk analysis and adjustments. Hedging includes targets exceeding supply forecasts during critical periods.

FlexEnergy Pilot Supplemental Residential Rate Schedules

8/17/2021

Peter Dauenhauer, Principal Utility Economist
Brian Booth, Sr. Manager
Rates, Economics, & Energy Risk Management



Agenda:

1. Recent Meetings
2. Launch & Recruitment
3. Supplement Rate Schedules for Pilot – Time of Day and Critical Peak Pricing

Recent Meetings

❑ May 4, 2021

- ❑ DER Pilots Update

❑ Dec 1, 2020

- ❑ DER Pilots Information Session

FlexEnergy Pilot Launched

SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT NO. 1

PUD

RESIDENTIALBUSINESSCONSERVATIONE

WATERSAFETYRELIABILITYCO

Explore

⚙ Settings

← Tweet

Snohomish County PUD @SnoPUD

FlexEnergy, our new voluntary pilot program, rewards your behavior or employ smart technology. #SnoPUD customers can sign-up for snopud.com/?p=3842

SNOHOMISH
Open to all residential customers who meet eligibility requirements

4

Menu

Q

HeraldNet
EVERETT, WASHINGTON

Local NewsBusinessSportsLifeOpinionObituariesClassifiedsJobsContests

Snohomish County PUD building in Everett. (Sue Misao / Herald file)

PUD seeks volunteers to change energy habits — and save money

SnoPUD's FlexEnergy pilots reward customers to save energy when demand on the grid is at its greatest. Pilots are voluntary and open to all PUD customers who meet eligibility requirements. Sign-up now, space is limited!

Supplemental Rate Schedules



FlexTime

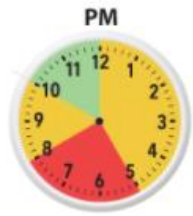
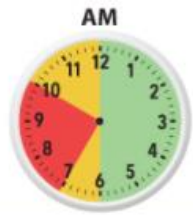
Customer
Appeal

‘Set it and forget it’

20% Discount rate and hours available
year-round, peak rate limited to winter

Winter
Weekdays
(Nov 1-Feb 28)

Winter
Weekdays
(Nov.1-Feb. 28)



Discount
Rate
7.99 cents/kWh

Weekday
Rate
10.4 cents/kWh

Peak Rate
21.37 cents/kWh

Non-Winter
Weekdays
(Mar 1-Oct 31)

Non-Winter
Weekdays
(Mar.1-Oct. 31)



FlexPeak

Limited customer disruption

10% Discount rate available year-round, peak rate
limited to winter

Year Round

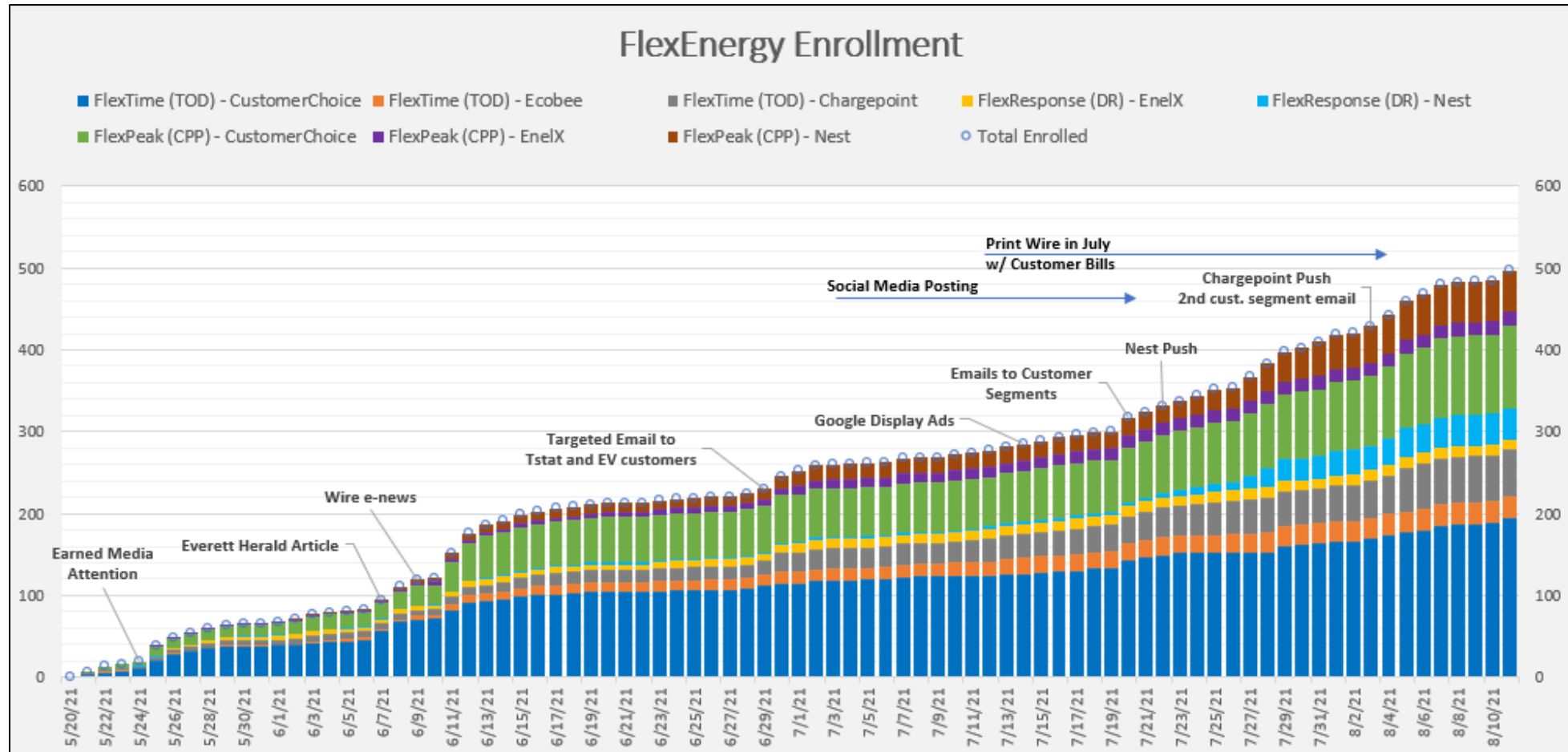
Discount
Rate
9.03 cents/kWh

Winter Peak
Events
(Nov 1 – Feb 28)
(Max 15 events)

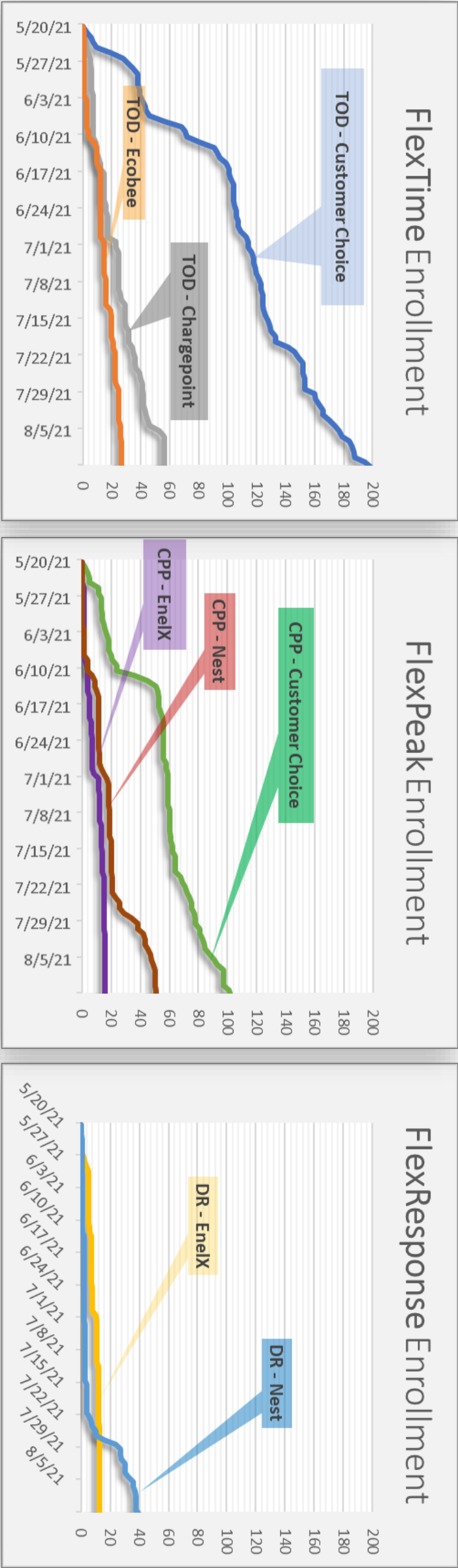
Peak Rate
\$1.00 / kWh

* Compare to Schedule 7: \$.10414 per kWh

Latest Enrollment



Latest Enrollment – By Group



Next Steps

- ❑ Sept 7th, 2021 afternoon rates hearing
- ❑ Supplemental Schedule implementation: Oct 1st, 2021 – Mar 31st, 2023

Questions?

District Strategy

SCENARIO PLANNING

BRIEFING

Presented August 17, 2021 by:

LAURA LEMKE	Strategy & Performance Planning Leader
BRIAN BOOTH	Senior Manager Rates, Economics & Energy Risk Management
KELLIE STICKNEY	Media & Public Relations Liaison
JOHN HIEB	Principal Engineer



Objectives for Today

- Update on create clarity work
- Shared understanding of scenario planning
- Overview of our work to date
- Review our draft scenarios
- Outline our next steps

“One of the conclusions that I’ve come to in my research is that imagination is a woefully undervalued strategic resource. It takes strength to stand up to the tyranny of the present and invest in imagination.”

- Peter Scoblic

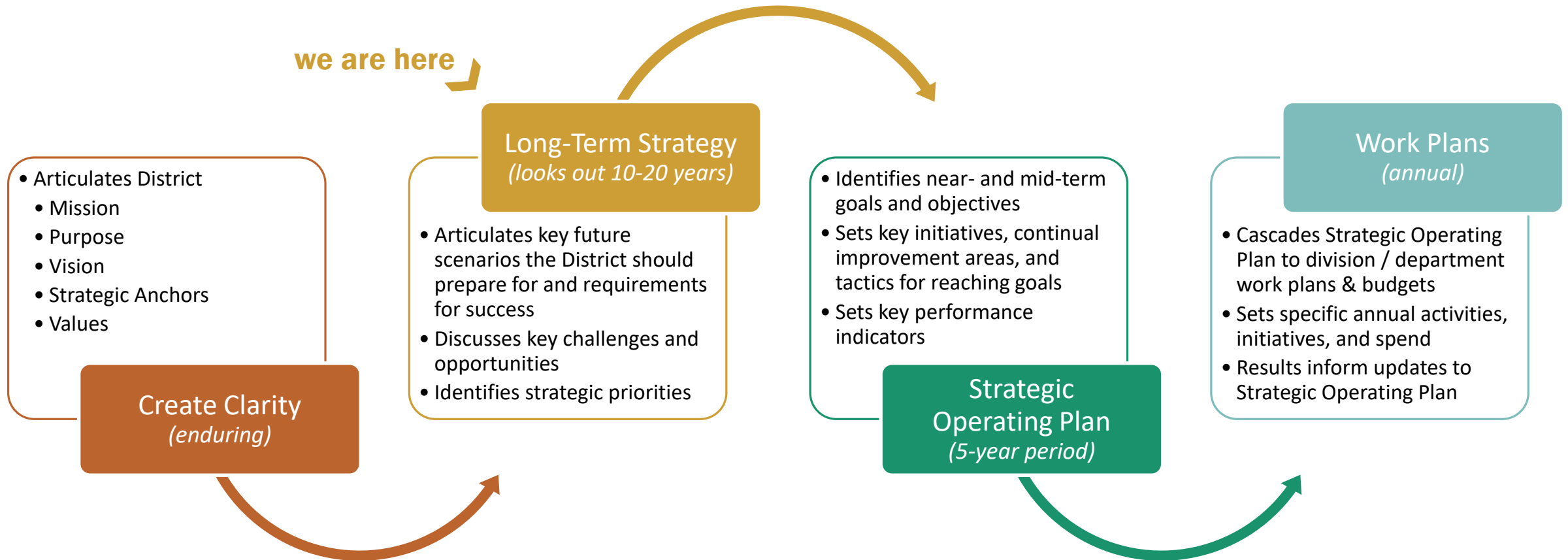


District Strategy Objectives

- Gather relevant perspectives and ideas from across the organization, customer base, and community
- Develop a long-term strategy that is:
 - Genuine
 - Robust
 - Actionable
 - Compelling
- Be as explicit about what we are choosing not to do and why as we are about what we are trying to achieve
- Don't let developing strategy become just a planning / budgeting exercise
- Leverage and complement underway initiatives
(ConnectUp, CX, Continual Improvement, IRP, CETA, DER, EVs, etc.)



District Strategy Elements



High Level Work Plan

we are here



Long Term Strategy

Future Scenario Development
Gather PESTLE* input from District SMEs, industry experts, and futurists. Brainstorm axes of uncertainty & intersections. Coalesce into 5-8 scenarios and develop a narrative for each

**PESTLE = Politics, Economy, Society, Technology, Legal, Environmental*

Review & Refine Scenarios
Share work with ELT, Commission, internal SMEs | Refine based on feedback

Staff Workshops
Internal SMEs live the scenarios | ID strategic needs | suggest priorities

Commission Workshop
Review, Question, Feedback

ELT Workshop(s)
Review, debate, choose, set priorities

Revise, document and communicate

5 Year Operating Plan

ELT Workshop(s)
5-year priorities and goals | where will we play? (what is in? what is out?) | ID existing & new key initiatives

Planning Workshops
Small teams focus on how to achieve each. How will we win? What capabilities do we need? How will we measure progress? Aka strategies, objectives, tactics

ELT Workshop(s)
Feedback on proposed strategies & tactics. Prioritization & choices.

Document & Communicate to employees & stakeholders

Commission Workshop(s)
Input & Feedback

Stakeholder Feedback

Annual Work Plans

Integrate into Annual Planning
Integrate into annual budget and work planning process





Creating Clarity

People think focus means saying yes to the thing you've got to focus on. But that's not what it means at all. It means saying no to the hundred other good ideas.

- Steve Jobs

District Strategy Foundational Elements

We help our communities thrive.

our PURPOSE answers "why do we exist?"



We deliver essential utility services to our communities.

our MISSION answers "what do we do?"



To be successful now and tomorrow we must:

- Be a **powerful partner**
- Provide **exceptional value**
- Deliver **excellent customer experiences**
- Be our **best TeamPUD**



our STRATEGIC ANCHORS answer "how will we succeed?"



we have **INTEGRITY**, we are a **TEAM**

every day we

SERVE with pride,
RISE to challenges, and
SAFEGUARD what matters

we choose to

INCLUDE all,
SEEK GROWTH, and
BE BOLD

our VALUES answer "how will we behave?"



**Be the utility customers rave about,
empowering our communities to thrive.**

our VISION answers "what do we aspire to be?"

Strategic Anchors

(how will we succeed?)

To be successful now and tomorrow we will:

■ Be a **POWERFUL PARTNER**

- Proactively anticipate and support community and customer needs
- Advocate for our communities in the places and ways that matter
- Valuable resource for our customers, industry peers, and community partners

■ Provide **EXCEPTIONAL VALUE**

- Fiscally responsible planning and management
- Community and customer priority driven continual improvement and innovation
- Environmentally sustainable products, services, operations, & stewardship of community assets

■ Deliver **EXCELLENT CUSTOMER EXPERIENCES**

- Reliable, dependable, predictable service
- Transparent, consistent, proactive communication
- Meet our customers where they are, with service options relevant to them

■ Be our **BEST TeamPUD**

- Invest in our employees and our communities, to hire, develop, and nurture excellence
- Foster a community-centric culture with empowered, engaged employees
- Put community and employee safety first

OUR VALUES *(how do we behave?)*

we have **INTEGRITY**

- We act in good faith
- We are transparent and truthful
- We share credit and shoulder blame

we are a **TEAM**

- We treat each other with dignity and kindness
- We put team over self
- We hold each other accountable

Every day we

SERVE with pride

- We are humble
- We make our communities' priorities our own
- We demonstrate care and create positive connections

RISE to challenges

- We embrace our responsibilities
- We proactively anticipate and solve problems

SAFEGUARD what matters

- We protect the people we live and work with
- We protect our natural resources

We choose to

INCLUDE ALL

- We seek varying opinions, ideas, and perspectives
- We ensure every person feels valued and welcomed
- We intentionally mentor others and cheer their success

SEEK GROWTH

- We are curious and seek out new ideas and approaches
- We try new approaches and alter, adjust, or abandon ideas as appropriate

BE BOLD

- We embrace change and take appropriate action
- We speak up, irrespective of tenure or position

Update on Clarity Work

Since our March 29 workshop, we have:

- Refined the bullets under the anchors and values to reflect our conversation
- Shared with staff via:
 - Senior Manager meeting
 - All Manager meeting
 - Highlights feature
 - Snowweb page
- Gathered employee feedback via:
 - Listening sessions
 - Online Survey
 - Staff meetings





Illustration by Zoe Van Dijk

Scenario Planning

Scenarios are stories about the future, whose purpose is to make better decisions in the present.

Scenario Planning

- Intentional framework for developing **contrasting narratives** about the future
- Scenarios **DO NOT** try to predict the future or determine which is most likely
- Scenarios help **highlight** which **strategic choices** today give us the best chance of success tomorrow
- Insights form the **basis of long-term strategy** and nearer term goals and objectives

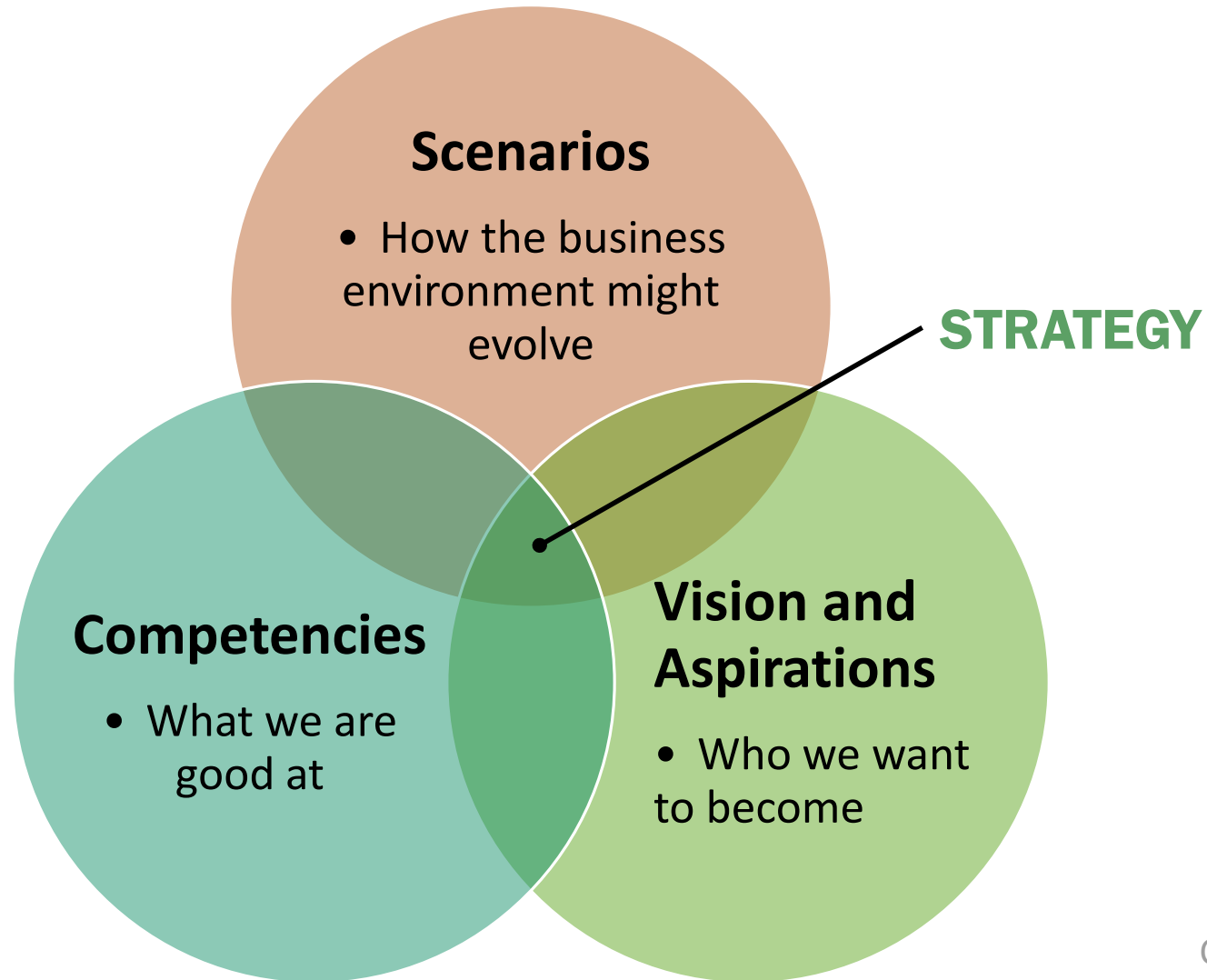
FORECAST PLANNING EXTRAPOLATING FROM THE RECENT PAST



SCENARIO PLANNING ENVISIONING MULTIPLE FUTURES



The Role of Scenario Planning



Credit: Global Business Network (GBN)



Why use scenario planning?

More collaborative way of developing strategy that helps organizations



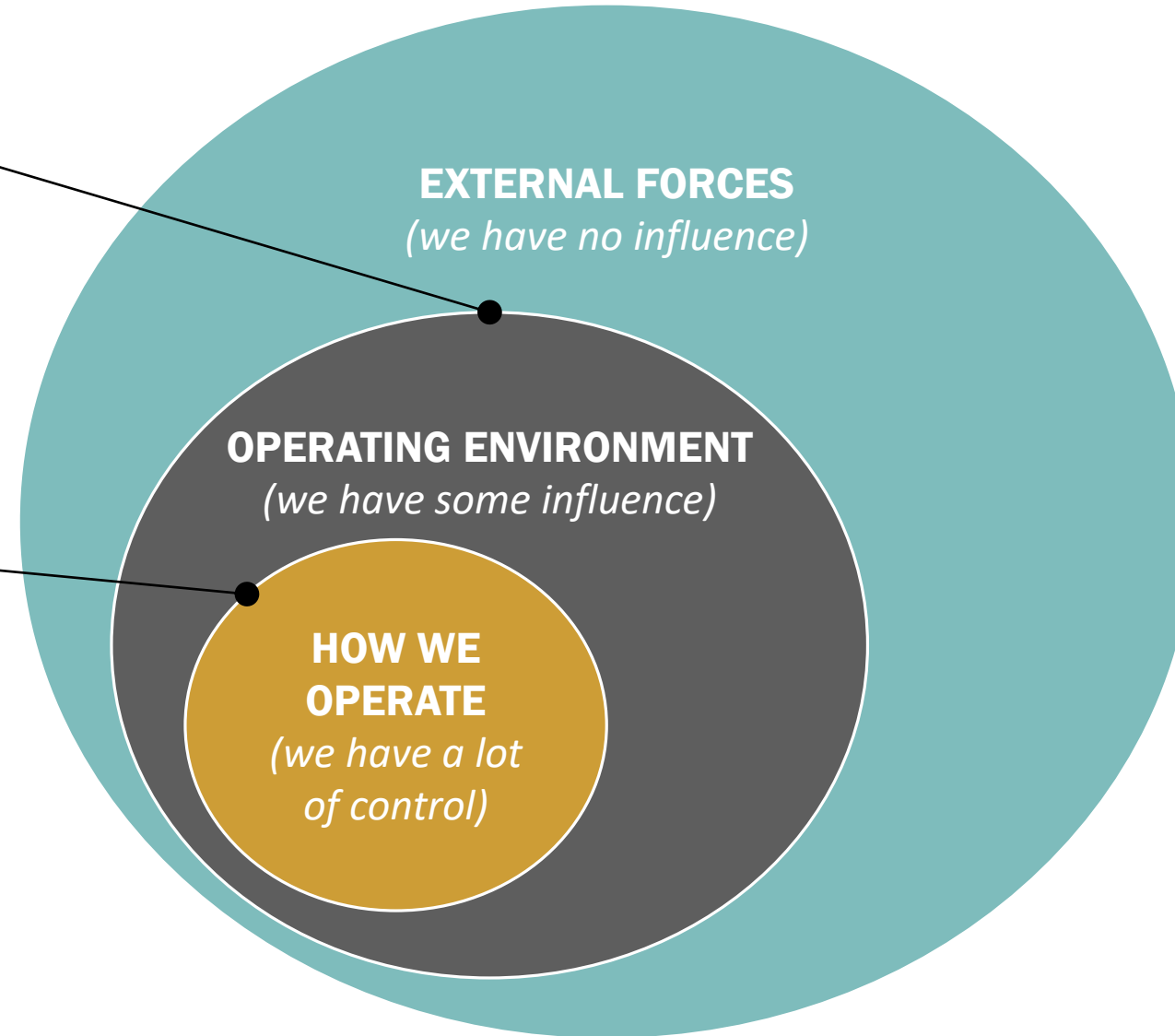
To learn more about the value of scenario planning when developing strategy in uncertain times, listen to this HBR IdeaCast episode with Peter Scoblic: **Future-Proofing Your Strategy with Scenario Planning**

<https://hbr.org/podcast/2020/07/future-proofing-your-strategy-with-scenario-planning>



SCENARIOS capture the impact of changes in external forces on the operational environment

STRATEGY affects how an organization interacts with the operating environment



- Politics
- Economics
- Societal Changes
- Technology
- Environment / Climate
- Legal Regulations

- Industry dynamics
- Market growth
- Customer needs
- Competitor moves
- Stakeholder evolution

- Products & Services
- Operations
- Assets
- Costs
- Financial structure
- Branding & Communication



How do you do it?

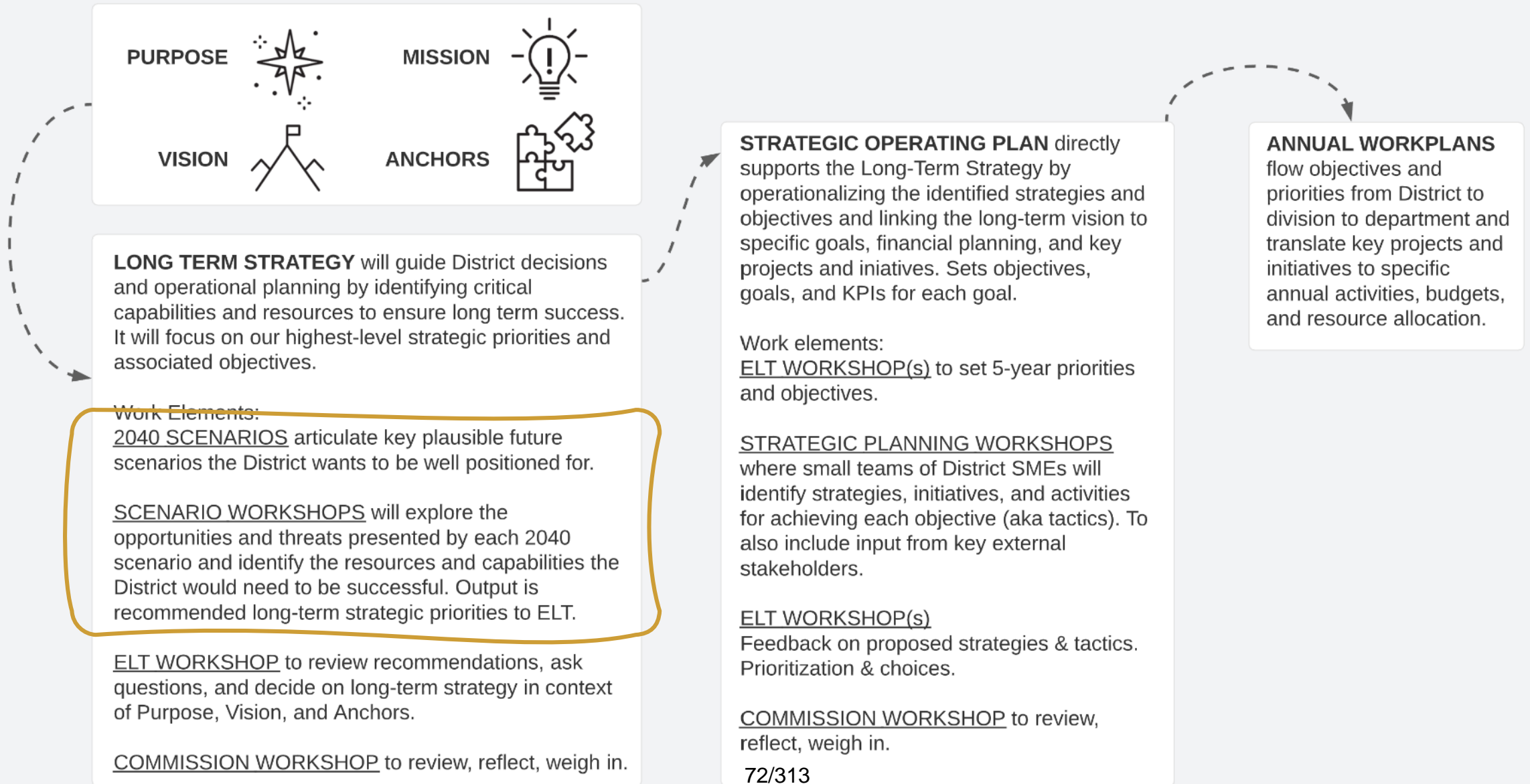
In context of an organization's mission, purpose, vision, and strategic anchors:



- Identify key external uncertainties and trends
- Explore how they might interact
- Imagine plausible and different futures
- Inhabit and explore those scenarios
- Identify capabilities & resources useful in multiple scenarios
- Prioritize those when developing long-term strategy



How Scenario Planning Fits in Our Work



Envisioning the Future

DRAFTING OUR SCENARIOS

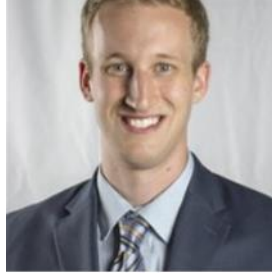


Scenario Development Team



**Laura
Lemke**

Strategy & Perf
Planning Leader



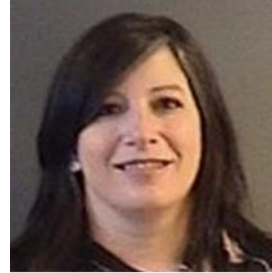
**Brian
Booth**

Sr Mgr
Rates/Econ/Enrg Rsk
Mgt



**John
Hieb**

Principal Engineer



**Kellie
Stickney**

Media & Public Rel
Liaison



**Michelle
Ardry**

Lead Customer
Service Rep - 2



**Lisa
Hunnewell**

Sr Mgr Business
Readiness & Trng



**Kimberly
Johnston**

Gov & External
Affairs Director





Brenda White

Local Govt & Ext
Affairs Assoc



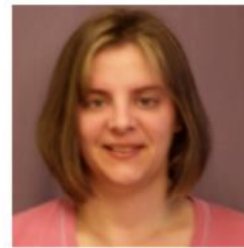
Clark McIsaac

State Gov & Ext
Affairs Assoc



Ian Hunter

Power Analyst



Dawn Presler

Senior Environmental
Coord



Hugh Gibson

Principal Engineer



James Herrling

Sr Mgr Trsr Risk
Mgmt & Supply



Lauren Way

Banking & Fiscal
Coordinator



Erin Burke

Mgr Distribution Eng
Services



Mark Oens

Sr Mgr Subst Mtrg &
Telcom Svc



Paul Kiss

Operations
Superintendent



Marc Rosson

Enterprise Architect



Kevin Johnston

ITS Security Architect



Shawn Aronow

Assistant General
Counsel



Darryl Bryan

Senior Paralegal



Jeffrey Feinberg

Manager, Market
Segments



Michael Coe

Principal Utility
Analyst - EE



John Petosa

Cust & Energy Svcs
Program Mgr



William Harris

Data Strategy and
Analytics Cons



Robert Beidler

Sr Mgr, Safety, Sec &
Emrg Mgmt



Christine Schmidt

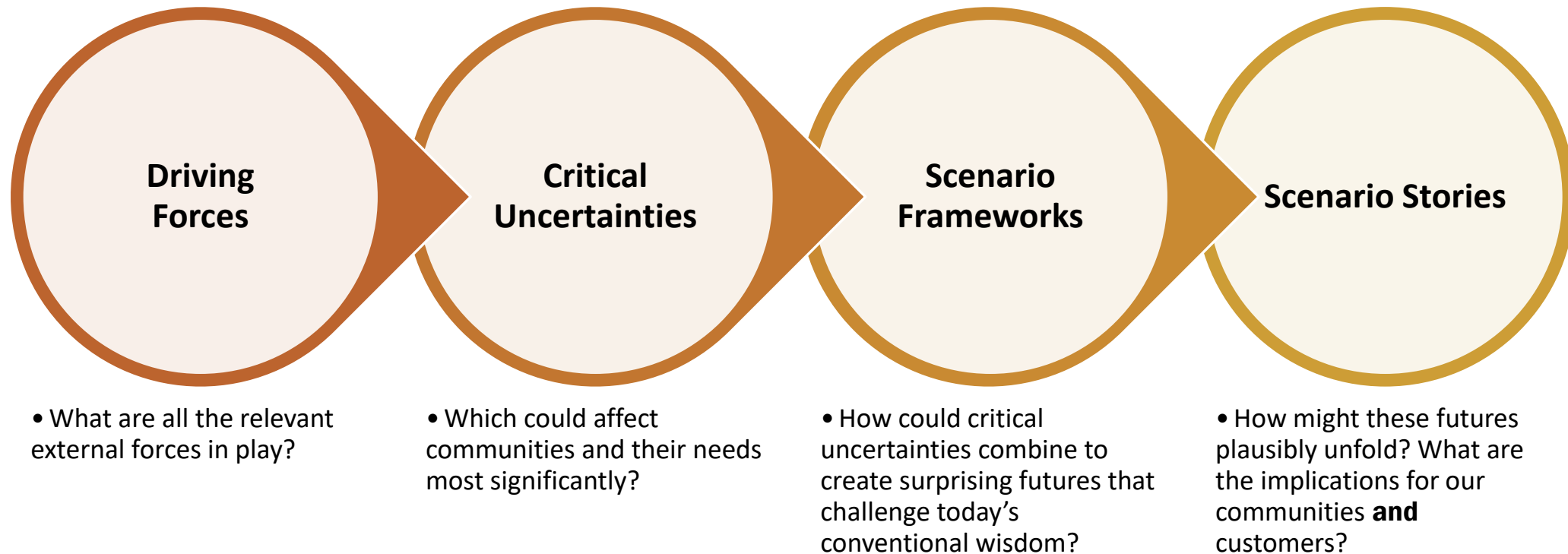
Human Resources
Consultant

Our Future Thinkers 75/313 (aka workshop participants)

Our Process

Focal Question:

What might the communities we serve look like in 2040? How might our region change?

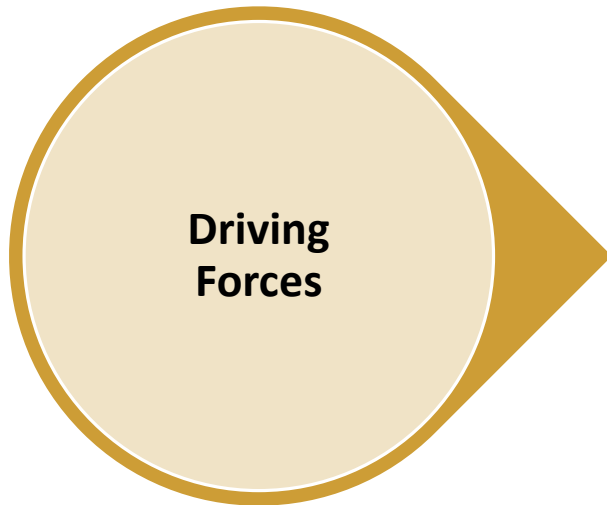


Our Process

Focal Question:

What might the communities we serve look like in 2040? How might our region change?

WORKSHOP 1



- What are all the relevant external forces in play?



Society / Demographics																			
Real schools need to exist for some students - virtual doesn't work for all	Attraction of stronger generation in remote areas may be difficult - how do we attract?	Social tensions may continue to escalate - how will the impact PUD staff?	Wage inequality in the community has been a long time in the making	Younger generation will grow and development	Demographics of PUD are not seen to reflect the broader world - we may need to adjust	Education over time shifts - degrees may not be as attainable	Increased wages to trade workers to attract younger workers	Increased threat of displacement caused by social tensions	Physical space may be unnecessary	Environmental migration may cause population increase	Increasing digital capacity in humanity and less need to face impact social dynamics	The physical layout of cities and buildings may change due to our changing mobility	Very little human interaction for customer or service	International migration may cause shifts in local or regional public structure	Significant retirement in future will focus on to make cultural shift look at diversity				
There may be a shift from employees in the country and will change job opportunities	How do we become a place to attract a younger generation?	Social trends and attitudes towards unions may shift	The population will age - social and financial needs	Employees may choose to live elsewhere and work remotely	Losing and replacing may displace many living jobs	We may be able to shift our focus to other types of jobs	Customer needs will change in 20 years	Overgrowth in population may cause issues with infrastructure	People may choose to live back and work elsewhere	Business models will have to change to continue to exist due to our changing customer needs	Business models will have to change to continue to exist due to our changing customer needs	Quality of education may be a factor in where people live	Public schools may have to change to meet the needs of a changing population	Less of a shift in the balance between home and work - expectations will change	Population growth patterns change	People may want to go back to work and be with people	There may be a shift for density and city living	Disperse and drive for social justice will continue to grow	There may be a shift for density and city living
Increased growth and cost to live in the country may lead to more people moving to the community	Social media might create new job markets for the future	Technical pathways need to be available for the future	More collaborative - self-organizing	Might take a while to catch up to the technology	More listening to voices of employees - through different means	Continue to see social unrest	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns	Cost of living in our area might affect migration patterns
Racial tension may become more challenging being virtual	Offshore production might be an option for some companies	We could become more diverse due to the influx of people working and living elsewhere	Health disparities and ability to access care will be a challenge	Cyberbullying will increase	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge	Health disparities and ability to access care will be a challenge
Employees might have access to a more diverse workforce	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work	People can live anywhere, not just closer to where they work
Property prices and demand in desirable places will continue to grow	Increased in middle class due to current programs being set up right now from the government	People are having less children in the future - population growth might be more stagnant	We may need to learn new languages	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge	The future of remote work will be a challenge
Erosion of trust in public entities	Sentiment / expectations for the future	Increased desire to be self-sufficient	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?	Electricity / Water / Internet - are they becoming a requirement?

Technology														
Customers have greater choice in energy and supplies	With these new technologies do our communities have more choice, do they choose PUD?	Internet of Things becomes prevalent	Drones for meter reading, line inspection, energy efficiency	Does the technology of IoT and microgrids have the need for a shift?	Electrification of aviation. Our customers are pretty focused on aviation	Increased reliance on technology brings greater cyber security risks	As we move from a fossil fuel economy to a renewable one, how do we manage the transition?	Historic infrastructure and a sustainable energy source (like a battery or solar?)	Do we change the Navy vessels?	Drones and automated delivery	5G expansion impacts on our service	Connected devices - Alexa/Amazon/Google	Work from home technology continues to grow (Zoom, Teams, etc.)	
AI will change our ability to do things that we need to do	HOAs become new utilities	Drones - deliver everything on demand	Community based electric utilities	Machines master humanly through addition and exposure	Humans evolve into Cyborgs	Artificial intelligence - medical uses and superhuman capabilities	Modular nuclear generation becomes commonplace	As tech expands, how do we keep any privacy?	Algorithms and AI - how humans out of the decision making process?	Jetsons - self-driving (flying) cars	Customer expectations are changing because of the connected world with other products	Some, maybe interest in things like education and healthcare in the world - competition	The virtual world technology improvements leads to a more robust grid	
Cyber warfare in a world with more and more connections	Genetic research has led to career paths based on aptitude	Population control - Longer lives	The divide between haves and have nots based on access to technology	Somebody - maybe private - could master humanly through addition and exposure	Medical advances lead to increased life expectancy (working years)	Medicine generation in general becomes common	How we handle a technology singularity point?	Where does water come from - Desalination?	Food is replaced with pills/shakes	Energy Storage becomes commonplace	DC becomes a preferred distribution option	3D printing - Print our own supplies for resiliency	Distributed generation becomes prevalent at each home	
Trade down industries to recycle or reuse energy storage	Cryptocurrency is used everywhere	Drones become commonplace for delivery of food and goods	Increased number and capabilities of connected devices	Increased accessibility - how can we keep up?	Self-driving technology gets mainstream leading to shared vehicles	Increased reliance on technology brings greater cyber security risks	As we move from a fossil fuel economy to a renewable one, how do we manage the transition?	Historic infrastructure and a sustainable energy source (like a battery or solar?)	Do we change the Navy vessels?	Drones and automated delivery	5G expansion impacts on our service	Connected devices - Alexa/Amazon/Google	Work from home technology continues to grow (Zoom, Teams, etc.)	
Virtual Reality in the workplace	Over distribution of electricity from home to work and back	DC becomes a preferred distribution option	Electric vehicles become the dominant transportation	Will removal of fossil fuel generation increase the need for a new energy source?	How do our vehicle fleets evolve? Think truckspider/leggs	Crypto-currency at the district	Convergence of massive data and AI managing grid	DEF allows for grid-selection and microgrids	Medical field using virtual reality for remote health access	Hydrogen becomes a viable systemic resource	Flying cars and jetpacks	Do we need to do anything manual?	Rebels - Do we need to do anything manual?	
Co-engineered foods that reduce hunger (less food waste)	Genomics - Disrupt reduction in (less food waste)	Hydrogen becomes a viable systemic resource	Self-driving cars remove the need for a personal vehicle	Bullet trains or hypertrains become mainstream	What is the future of poles and wires? Do we need the grid in the future?	Will there be a precious metal storage (new IPCC)	Interstellar travel and colonization	We are all using our phones more, will that be the main interface with PUD?	Will DER and tech result in grid-deficit?	Hydrogen becomes a viable systemic resource	Flying cars and jetpacks	Do we need to do anything manual?	Rebels - Do we need to do anything manual?	
Wires? What wires?														

Economy																			
Cost of housing - Southern County needs to be there - Our costs rising more than the rest	Wage segments will boom and which ones will survive?	Migration out and in - will it be a net loss?	Connecting lunch industry - Rise of the evening industry	Challenges facing the commercial sector - how do we survive?	Converting commercial to residential - how do we survive?	Compensation for local - how do we survive?	Workforce balance - how do we survive?	Technology workers are leading edge of necessary movement											
Flexibility is key to employees - Make work for them	How do we continue to attract and retain talent?	Creation of resiliency hubs	Decentralization of the economy into distributed, residential, WFH	Costs of carbon elimination	AI and robotics displacing workers	Year-round school impacts on parents	Utilities are a right - provided "for free"	Cryptocurrency becomes a currency	Landlords, utilities, creditors have to take this on										
Optimal safety (personalized) costs think pandemic, health, safety	How do we continue to attract and retain talent?	Creation of resiliency hubs	Decentralization of the economy into distributed, residential, WFH	Costs of carbon elimination	AI and robotics displacing workers	Year-round school impacts on parents	Utilities are a right - provided "for free"	Cryptocurrency becomes a currency	Landlords, utilities, creditors have to take this on										
Health recovery - years to go - Controllable cost - cost of care	How do we continue to attract and retain talent?	Creation of resiliency hubs	Decentralization of the economy into distributed, residential, WFH	Costs of carbon elimination	AI and robotics displacing workers	Year-round school impacts on parents	Utilities are a right - provided "for free"	Cryptocurrency becomes a currency	Landlords, utilities, creditors have to take this on										
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Political / Legal																			
Elimination of natural gas - how do we survive?	Role of disinformation	Universal income	Portable benefits	Political polarization	Distort of big business	How public utilities are opposed to investor owned	More power at local level (decentralized)	More power at local level (decentralized)	More power at local level (decentralized)										
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Environmental																			
Western urban wildfires	Impact of dam removals	Salmon-breeding dams	Requirements for local restoration	Law and regulations date specific technologies / solutions															
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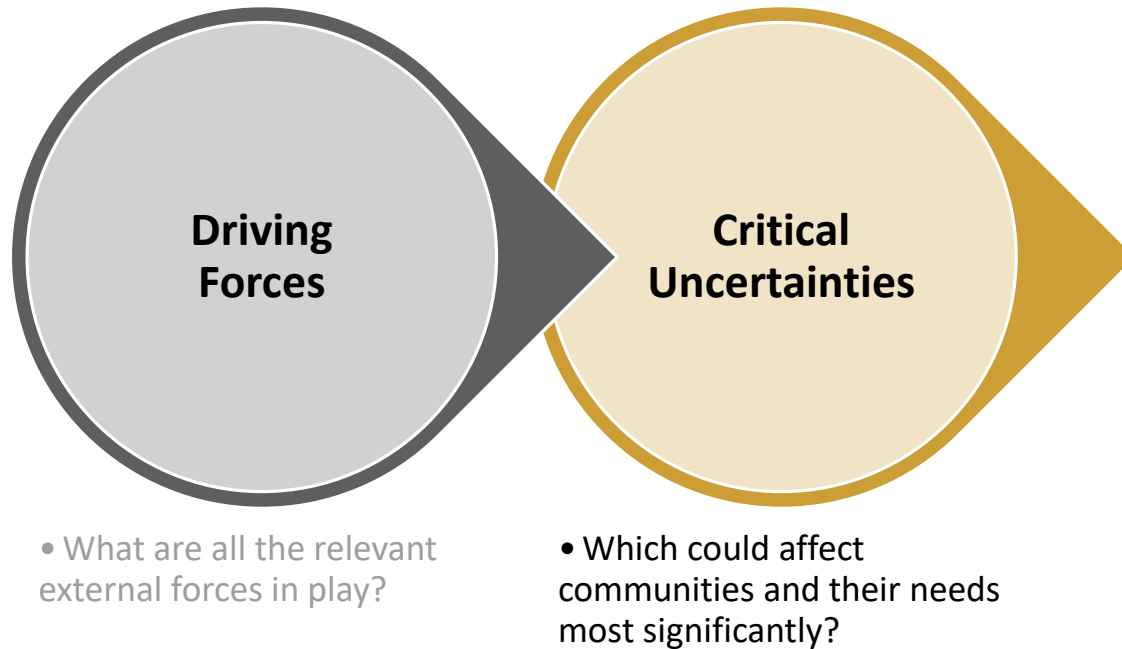


Our Process

Focal Question:

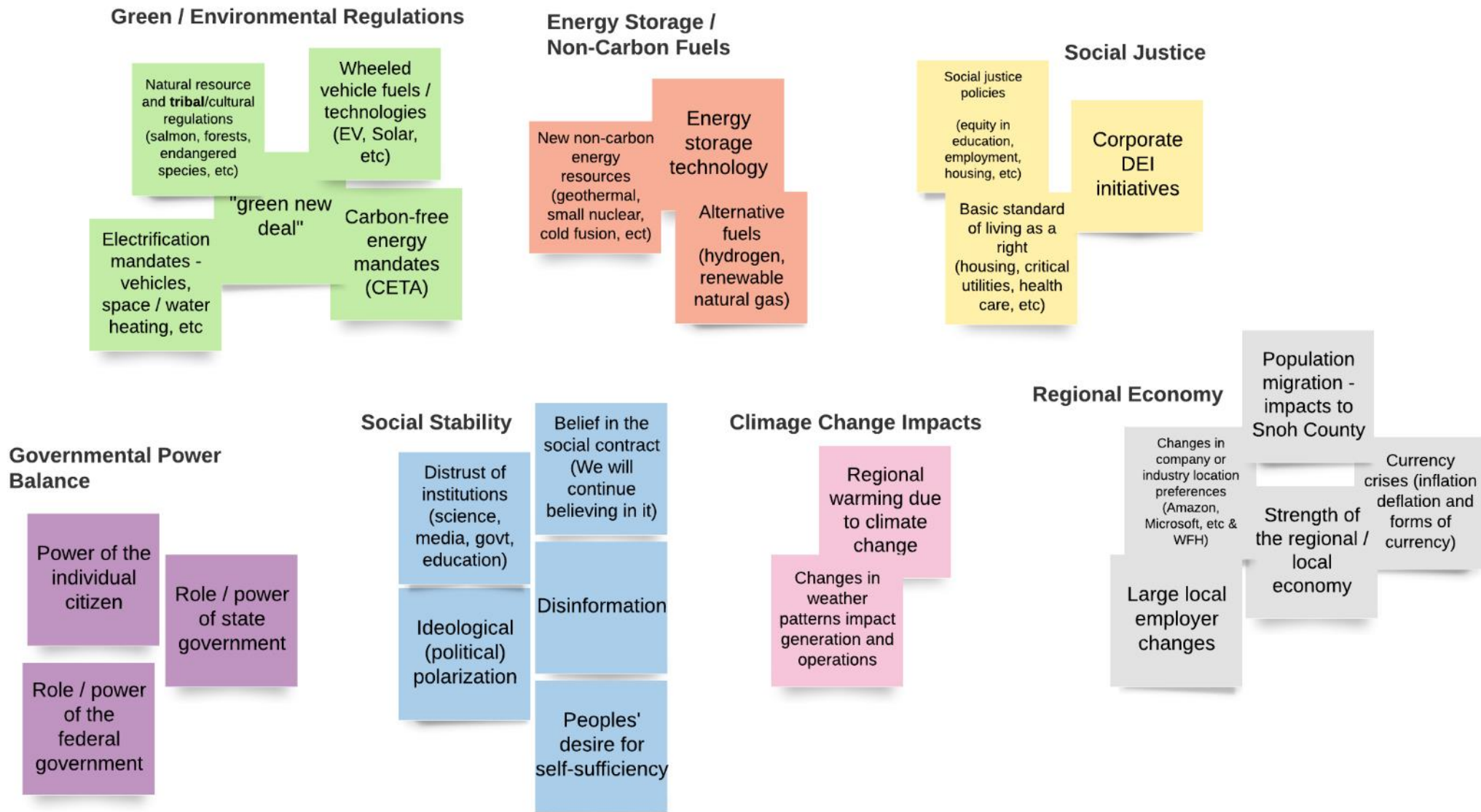
What might the communities we serve look like in 2040? How might our region change?

WORKSHOP 2



Summarized Forces

Natural resource and tribal regulations	Cyber terrorism	Tribal sovereignty / influence	Housing type / format preferences	Changes in weather patterns	More frequent extreme weather events	"green new deal"	Role / power of the federal government
Role / power of state government	Changes in immigration policy	Changes in birth rate	Large local employer changes	Perception of hydropower as environmentally sustainable	Young-ing of the workforce	Changes to zoning and urban growth boundaries	Naval base "footprint"
Population migration - impacts to Snoh County	Strength of the economy	Pace of economic cycles (boom / bust)	Global collaboration vs isolation	Diet changes - move away from meat	Vehicle fuel / electrification standards	Aliens arrive at planet earth	Regional warming due to climate change
Electrification mandates - EV, housing, CETA, etc	World economic power shifts to emerging countries	Continued waves of pandemic (same or new)	Cascadia Rising	Public institution funding (roads, schools, etc)	Washington East-West Tensions	Access to technology	Environmental impact regulations / penalties
Electrification acceptance by end users	Currency crises (inflation / deflation)	Data privacy regulations	Agriculture moves indoors	Clean energy standards	Changes in company or industry location preferences	Water use regulations	Weath distribution
Changes in household size / make-up	Wildfire patterns	Aging small local water systems	Social justice policies	US regionalism	Changes in global supply chains	Wage disparity	Domestic terrorism



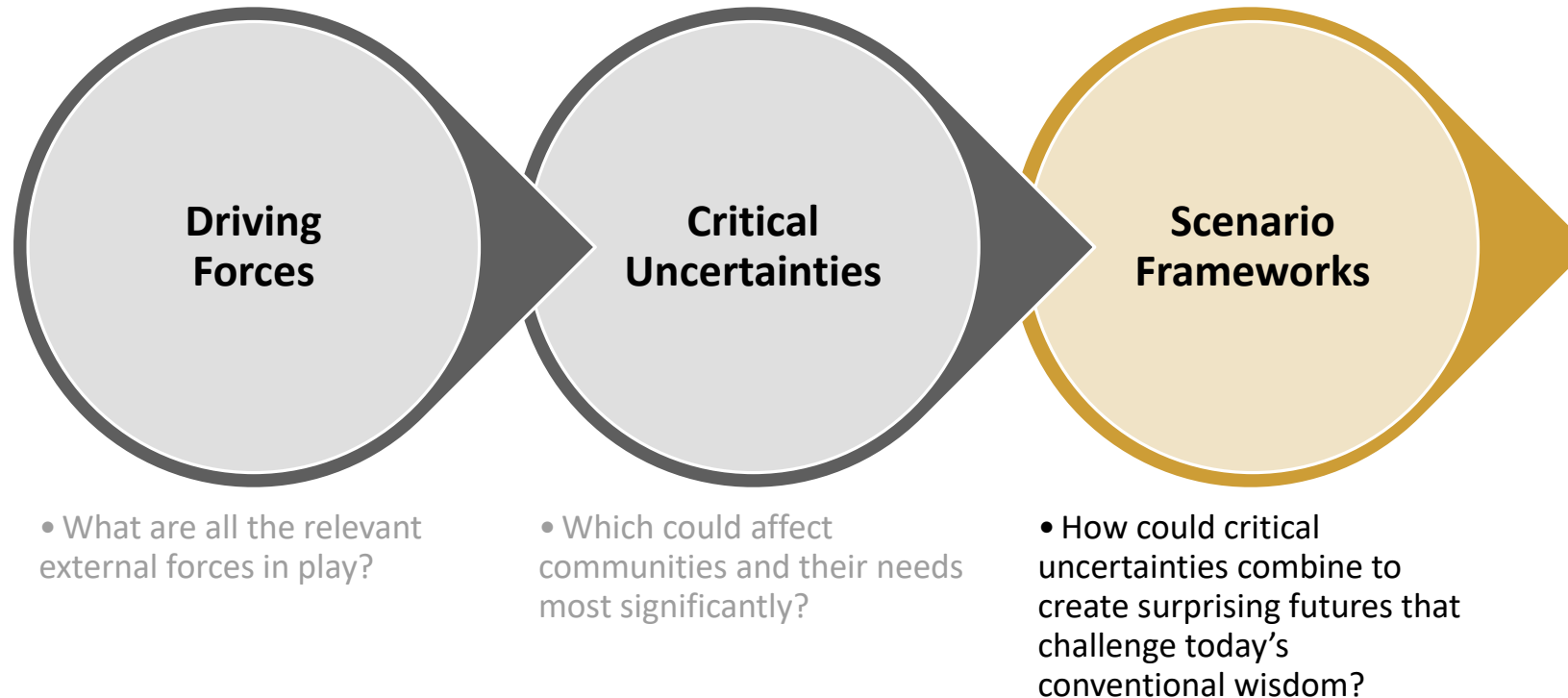
Selected Critical Uncertainties

Our Process

Focal Question:

What might the communities we serve look like in 2040? How might our region change?

WORKSHOP 3



Automated Vehicles Example

Policy makers considered:

High vs Low Technological Development

and

Restrictive vs Supportive Policies

From: Scenarios about development and implications of automated vehicles in the Netherlands, [published Jan 2016](#)

AV ...in standby

High technological development

AV ...in bloom

- Fully automated & cooperative vehicles (V2V) in 2030.
- Legislation inflexibility for AV. Transport policies restraining use of AV. High regulation of AV trials.
- Modest economic growth.
- "Wait and see..." customers attitude, mid-low demand for AVs.
- No major environmental problems, but still low penetration of electric vehicles.

- Fully automated & cooperative vehicles (V2V & V2I) in 2025.
- Laws allowing AV traffic. Limited regulation of AV trials. Public investments on AV research and on smart infrastructure.
- High economic growth.
- Positive customers attitudes, strong demand for AVs.
- Limited environmental problems. Clean technologies prevail.

Restrictive AV policies

Supportive AV policies

- Fully automated vehicles in 2045.
- Limited legislation for AV integration. No AV trials allowed.
- Recessive economy, high unemployment.
- Negative customers attitude, almost no demand for AVs.
- Important environmental problems. Very slow transition to low-carbon economy.

- Fully automated & cooperative (V2I) vehicles in 2040.
- Progressive legislation for AV integration. No regulation of AV trials. Promotional campaigns.
- Slow economic growth.
- "Not really interested..." customers attitude, low demand for AVs.
- Increased environmental problems. Transport sector still among major polluters.

AV ...in doubt

Low technological development

AV ...in demand

Uncertainties We Worked With

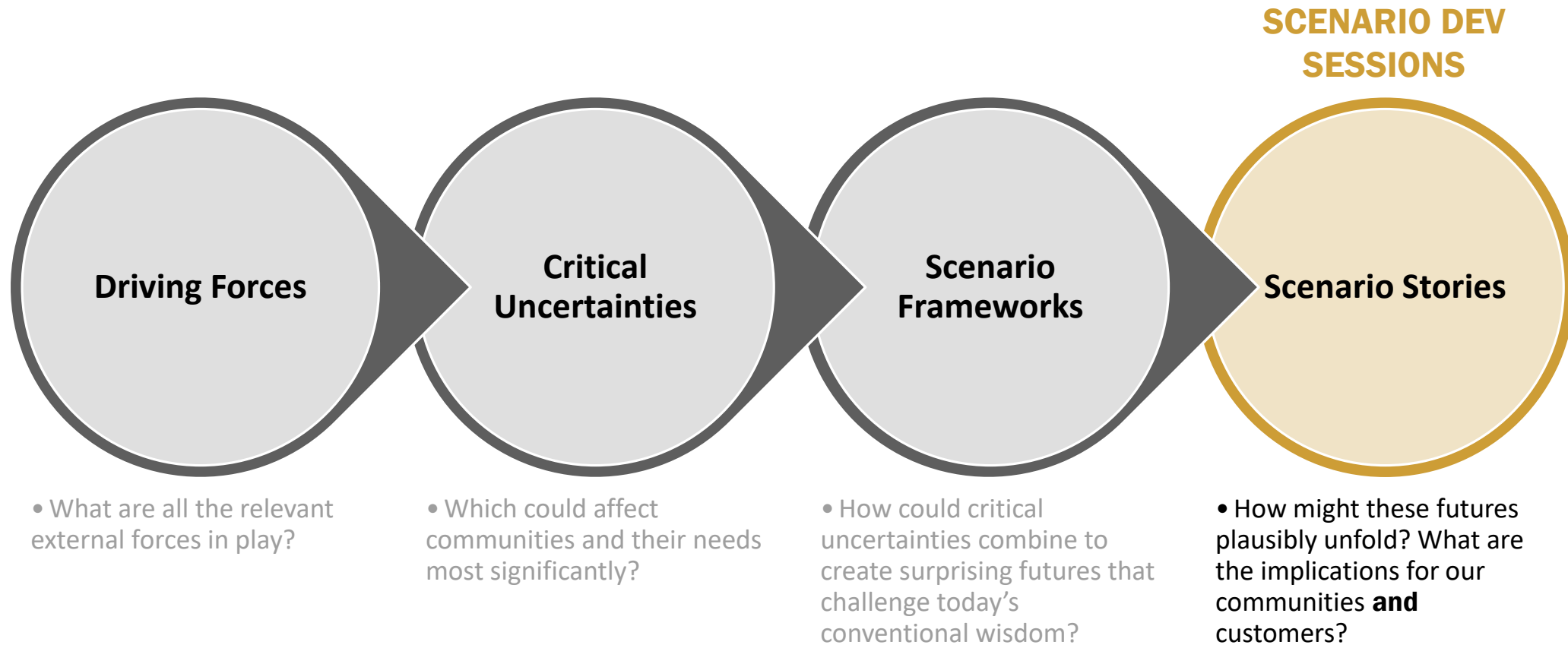
Small groups of SMEs considered 21 combinations of uncertainties and their implications for our communities and operations

- Governmental power balance
- Regional economy
- Decarbonization and environmental regulations
- Climate change impacts
- Social stability
- Social equity / justice reform
- Energy storage development and new non-carbon fuels

Our Process

Focal Question:

What might the communities we serve look like in 2040? How might our region change?





Crafting Scenario Stories



OUR 2040 SCENARIOS

Our scenarios examine the ways that the next 20 years could diverge from the world today, and the events and forces that could determine which way things go.

We are not trying to predict the future.

None of these scenarios should be considered more likely than another.

Crafting our Scenarios

Based on the input from our workshop participants, we settled on five critical uncertainties.

Our scenarios consider how various combinations of them might interact, creating different versions of 2040 in our communities.

Our critical uncertainties:

- Strength and basis of regulations (state vs federal)
- Regional economy (strong vs weak)
- Climate change (stabilizing vs accelerating)
- Social discord (increasing vs decreasing)
- Energy storage and new non-carbon fuels development (slow vs fast)

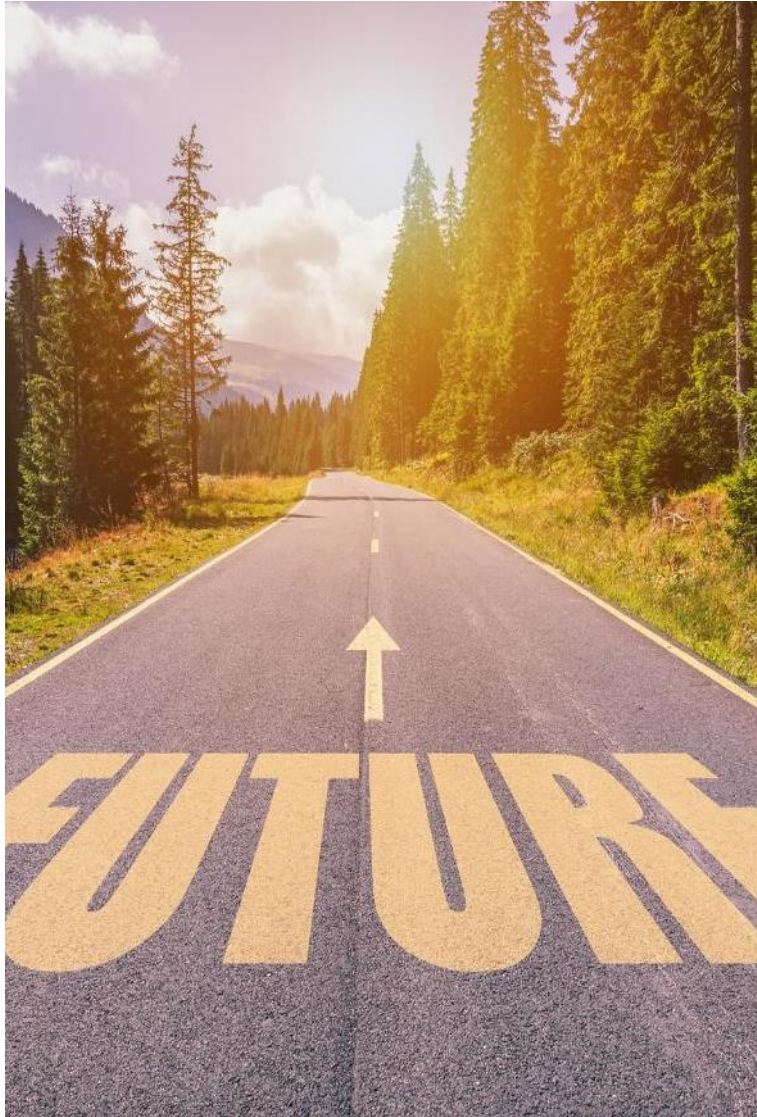


Our Five Scenarios

As you listen to our overview of each, please consider:

- Is it plausible?
- Is it distinct?
- Is it meaningful?





Regulations	Economy	Equity	Climate Change	Electrification	Automation
Strong state	Strong	Moderate	Moderate	Moderate	Moderate

BUSINESS AS USUAL

- WA state continues strong decarbonization, sustainability, and social reform regulations.
- Uneven federal infrastructure and decarbonization leadership (2022-28).
- Expected trajectory for climate change.
- Puget Sound economy is strong by conventional standards, with official unemployment steady at 4%.
- Snohomish County has 1 million people with increased urbanization and continued equity issues.
- Cities are crowded and rural communities continue to transform into suburbs.
- There has been moderate regional electrification and commercial decarbonization.



Regulations	Economy	Equity	Climate Change	Electrification	Automation
Strong federal	Moderate	High	Stabilizing	High	Moderate

ALL TOGETHER NOW

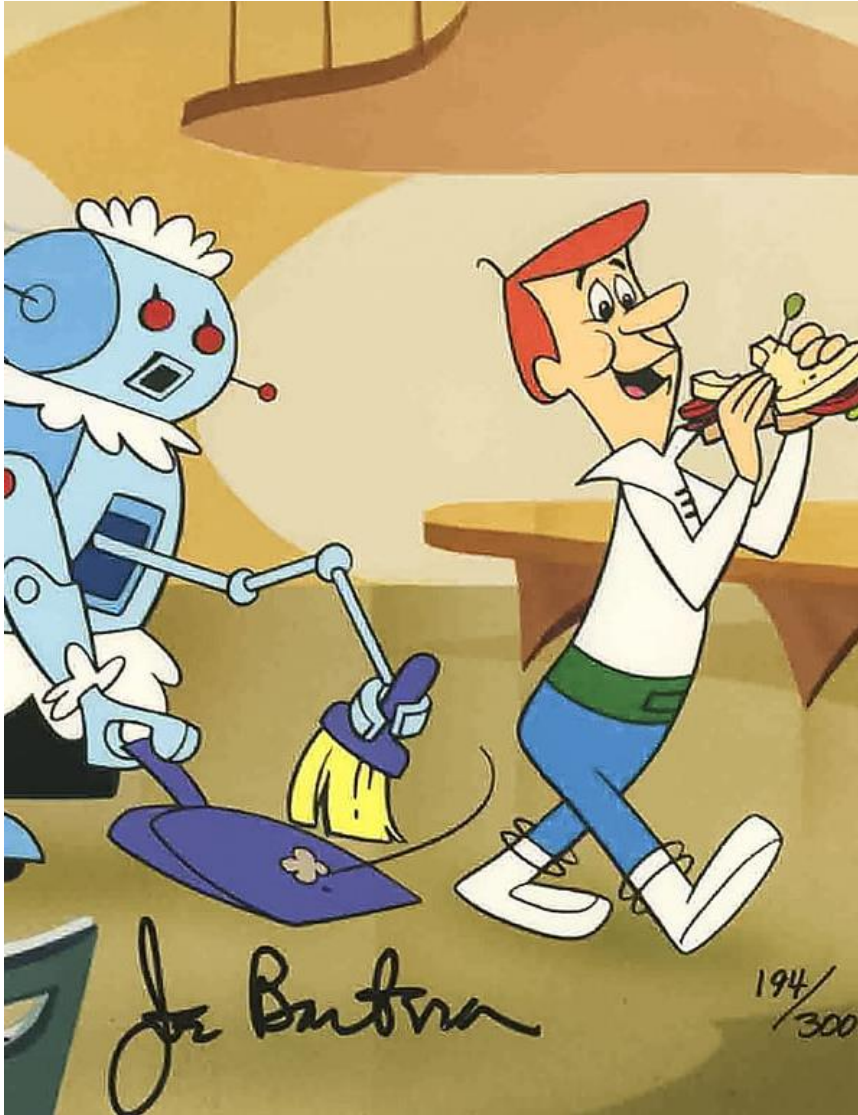
- A series of devastating weather events prompts decisive and collective global action on climate change.
- US Federal government enacts comprehensive infrastructure and decarbonization legislation and launches a modern civilian conservation corps.
- Puget Sound leads in carbon-reduction innovation and implementation. Regional industry, transportation, and buildings are approaching full decarbonization, meeting ambitious emissions reduction targets.
- Local leaders, public and private, work together to proactively solve local issues and position the County as a great place to live, work, and visit.
- Intense competition for carbon-free electric generation resources as all utilities must comply by 2045.



Regulations	Economy	Equity	Climate Change	Electrification	Automation
Weak	Weak	Low	Accelerating	Low	Moderate

GLOBAL CATASTROPHES

- Uneven COVID-19 recovery followed by additional pandemics and natural disasters disrupt global supply chains and cause economic collapse.
- Climate change impacts make some regions unlivable, pushing a surge of refugees to our region.
- Recession and social unrest force governments to prioritize housing, food, and economic recovery at the expense of decarbonization and environmental protections.
- Snohomish County has just passed 1.2 million residents and communities are bursting at the seams. What once were rural communities are now unrecognizable suburbs. Local governments face competing demands of tent cities, discontented middle class neighborhoods, and gated wealthy enclaves.
- Companies are relocating to the region for the better weather, but displaced workers outnumber new job opportunities. Unemployment is nearing 25%.



Regulations	Economy	Equity	Climate Change	Electrification	Automation
Strong state	Strong	Low	Moderate	High	High

RISE OF THE MACHINES

- Automation accelerates at an unexpected pace -- artificial intelligence, machine learning, and robots are revolutionizing daily life.
- Worker displacement happens faster than new jobs are created.
- The world finds itself with two opposing realities. In one, highly paid tech and knowledge workers are living a life the Jetson's would envy. In the other, low wage workers have found themselves displaced by machines and their future dictated by algorithms they can't control.
- Puget Sound led the technological revolution and population fell as displaced workers left to find work in parts of the US that were slower to automate or where work was less susceptible to automation. Snohomish County's population has fallen to 750,000.
- Attempting to quell despair and civil unrest, Washington state passed universal income and basic "right to living conditions" legislation.



Regulations	Economy	Equity	Climate Change	Electrification	Automation
Pacific region	Weak	Legally required	Moderate	Mod-High	Moderate

FRAGMENTED UNION

- The social discord and partisan division of the early 2020s accelerated, leaving little common ground for solutions.
- Federal government gridlock continued. As positions hardened and tensions escalated, states claimed more power and formed operating pacts based on common goals.
- As court battles play out states move forward, flouting norms and traditions. Regional feuds ignite over state versus federal rights.
- Washington, Oregon, and California joined to coordinate decarbonization and social reform, leveraging their economic clout and access to global markets.
- The Puget Sound region is in transition. The population is 900,000, with tensions between idealistic newcomers and long-time residents.
- There are mixed results from ambitious regulations. DOE and region are battling for control of BPA .

Initial Reactions

- Are they plausible?
- Are they distinct?
- Are they meaningful?
- Are there any gaps?

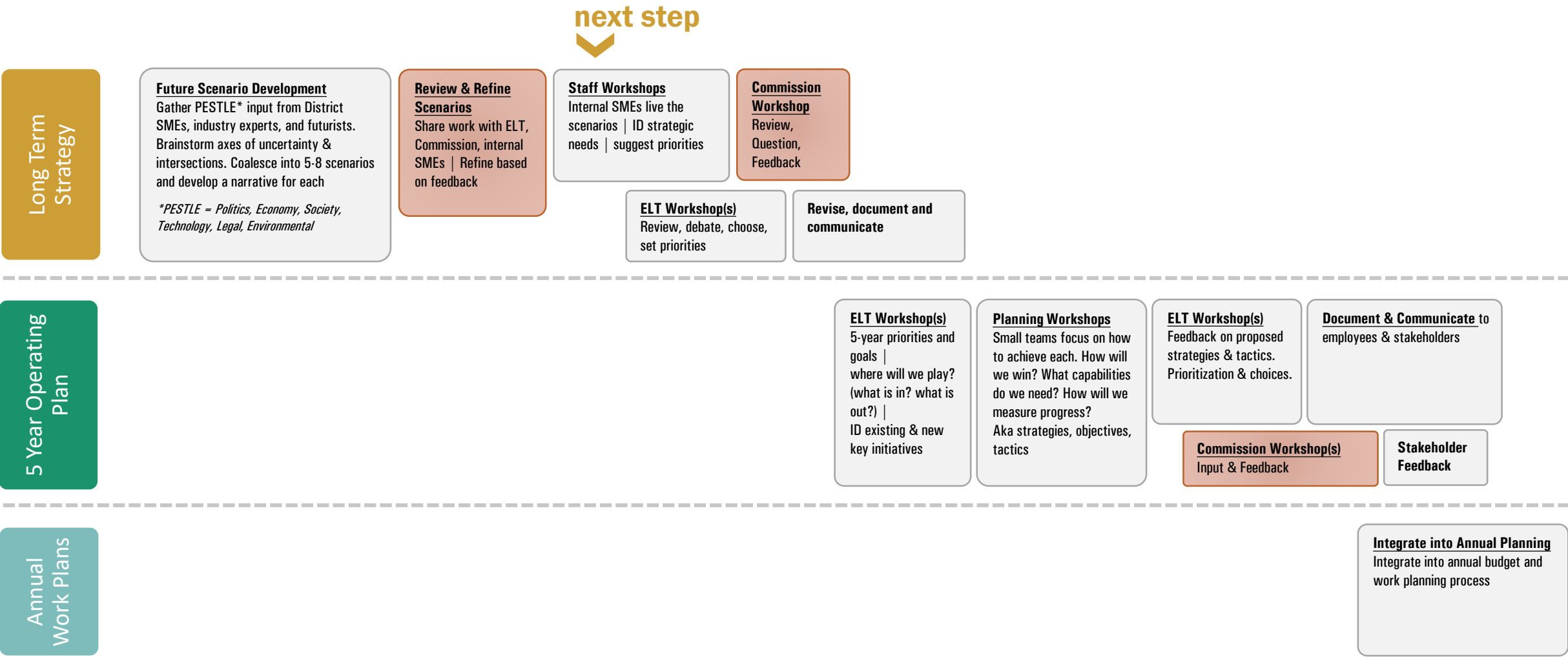


Next Step: **Scenario Planning** **Workshops**

INHABIT AND EXPLORE OUR SCENARIOS



High Level Work Plan



Scenario Workshops

Internal subject matter experts will be split into small groups and to review and play out the scenarios.

Each group will play out a scenario and identify

- Impacts on our communities, customers, and partners
- Opportunities and challenges for the District
- How our operations or services would need to change
- Relevant current strengths and weaknesses
- Key capabilities and resources we need to develop, improve, or maintain to be successful (strategic needs)
- What the District should start doing now to be successful in this future (strategies)





Scenario Workshops

The small groups will present their work to the other workshop groups.

Scenario specific strategic needs and strategies will be compared to identify which are robust across many or all scenarios.

The robust strategies and strategic needs generated in the workshops will be considered in long-term strategy work sessions with the ELT and Commission.





BPA and the Western Energy Imbalance Market (EIM)

August 17, 2021

Adam Cornelius
Senior Utility Analyst
Power Supply

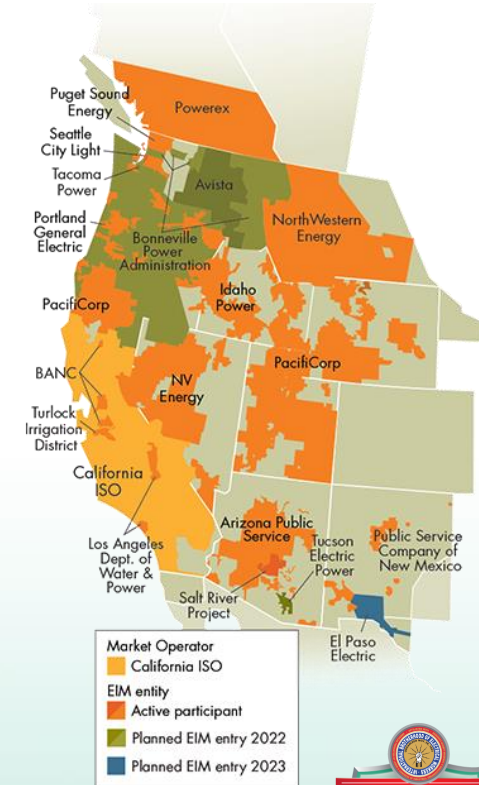


Context and Agenda

- BPA issued a draft letter on July 29 proposing to join the Western Energy Imbalance Market (EIM) in March 2022
- Agenda
 - EIM Overview
 - BPA decision process and Snohomish PUD engagement
 - BPA Draft Letter
 - Snohomish position and potential comments
 - Preparation and Operational Impact

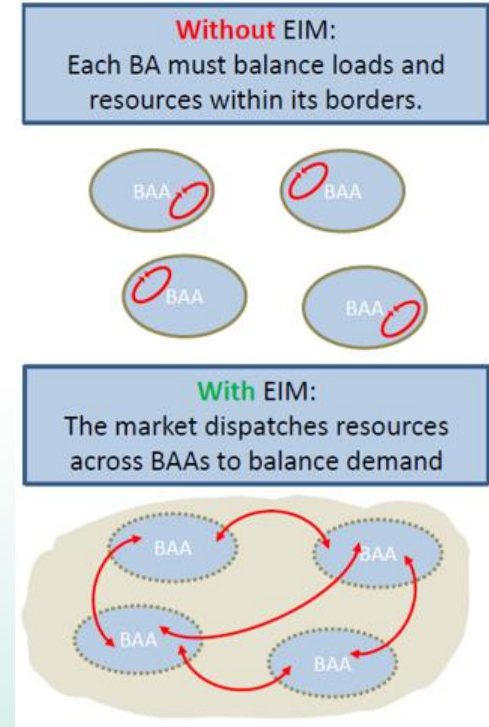
EIM Overview

- Energy Imbalance Market (EIM) is a real-time energy market operated by the California Independent System Operator (CAISO)
 - Formed in 2014 by CAISO and PacifiCorp
 - Voluntary market open to all Balancing Authorities (BAs) in the West
 - 15 BAs currently participate
 - 6 plan to join by 2023

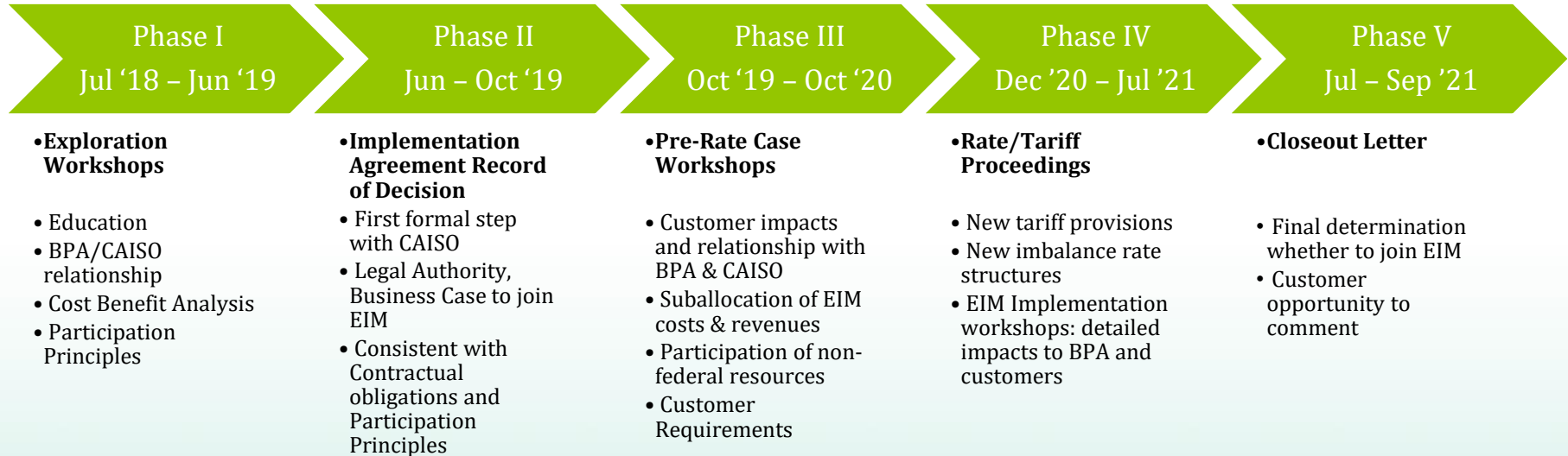


EIM Overview

- **How it works**
 - Provides sub-hourly balancing service across entire market footprint
 - Today, BPA supplies all imbalance for its BAA
 - Resources bid supply in to be dispatched by market operator
 - Different framework than current bilateral trading
 - Bilateral trades will still occur in same timeframes as today (real-time hourly, day-ahead, monthly, etc.)
 - BPA intends to participate with reserves and surplus
 - Limited impact to Block/Slice products
 - Optimizes transmission usage and congestion management
- **Leveraging geographic diversity**
 - Load in high-cost area opportunity to buy lower-cost supply
 - BPA resources may be dispatched down to save energy for future periods
 - Resources in low-cost area opportunity to sell in higher-cost areas
 - Reduced curtailment of intermittent wind & solar resources
- **CAISO estimated net dispatch benefits of \$325M across EIM footprint in 2020**
 - Individual EIM Entity net benefit estimates ranged from \$4M - \$48M in 2020



BPA's EIM Decision Process



Snohomish Staff Engagement in Process

Power Supply, Power Scheduling, General Council active in all five phases

- Approach: Push BPA to participate in manner most beneficial to BPA and to public power customers

Key Issues	Outcomes/Status
BPA's flexible hydro system properly valued in EIM	CAISO improved bidding rules for hydro resources (FERC approved)
Opportunity for Slice to share in EIM benefits	Slice will receive share of costs, benefits, and energy changes
Equitable allocation of costs/benefits	<ul style="list-style-type: none"> • Suballocation of EIM charges/credits consistent with other EIM entities; potential to revisit in BP-24 • BPA chose to apply <u>no</u> net EIM benefits to power rates in initial rate period (actual net benefits will accrue to power reserve funds); commitment to revisit in BP-24
Preserve value of firm transmission	<ul style="list-style-type: none"> • Transmission used for EIM transfers must be purchased/donated • Requested mechanism to compensate those that donate surplus transmission; not feasible due to insufficient info from CAISO
EIM governance improvements	EIM Governance Review Committee recommended improvements to be in place soon
Carbon impacts on BPA system	Forecasted small increase in emissions attributed to BPA system; pushing BPA on reporting
Data reporting on EIM performance	Working with BPA on additional reporting; working in small group including BPA and PPC staff
EIM billing and settlement statements	Working with BPA to provide customers with sufficient data to validate charges/credits;
BPA decision process	BPA added final Phase V opportunity for customer input after Rate/Tariff impacts settled

BPA Phase V Draft Closeout Letter

- **Proposes to join EIM in Spring 2022**
 - Comments due 8/23
 - Final decision expected 9/29
- **Builds on findings in Phase 2 ROD**
 - BPA has legal authority to join EIM
 - Business case supports joining EIM
- **Reviewed new facts/circumstances since Phase 2 ROD**
 - Found no new barriers to joining
- **Lists Six EIM Participation Agreements with CAISO that BPA would sign**
 - CAISO would file with FERC

Snohomish Position

- **Snohomish generally supportive of BPA proposal to join EIM**
 - Opportunity for BPA to use flexibility of federal system for additional sales and lower cost purchases
 - Long-term should reduce BPA power rates
 - Slice opportunity to directly share in benefits from the outset
 - Improved congestion management – optimized redispatch rather than manual curtailments
- **Provides relatively low-cost, low-risk “market training”**
 - Voluntary nature of EIM (short-term and long-term)
 - Future market discussions coming (Day-ahead, RTO, etc)
 - Joining EIM does not preclude joining/building different market down the line
 - EIM helps us understand how to participate in organized market paradigm
 - Identify important market design elements for any future markets

Snohomish planned comments

- May submit individually or through PPC
- Key points
 - General support for BPA joining
 - BPA can commit more directly on a future equitable allocation of EIM benefits in rates
 - BPA can commit more directly to provide additional performance metrics

Operational Impacts on Snohomish

- Major impacts:
 - New Power Scheduling timelines, processes, and considerations
 - EIM billing/settlements will be very complex
 - Potential new software requirement
- Working closely with Power Scheduling and Finance
- More detailed EIM Implementation info to come in Fall

Appendix

BPA Participation Principles

1. Bonneville's participation is consistent with its statutory, regulatory, and contractual obligations.
2. Bonneville will maintain reliable delivery of power and transmission to its customers.
3. Bonneville's participation is discretionary and Bonneville retains its ability to effectively exit the market in the event participation is no longer consistent with these principles.
4. Bonneville's participation is consistent with a sound business rationale.
5. Bonneville's participation is consistent with the objectives of Bonneville's Strategic Plan.
6. Bonneville's evaluation of EIM participation includes transparent consideration of the commercial and operational impacts on its products and services.

COMMENTS FROM THE PUBLIC



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 3A

TITLE

Approval of the Minutes for the Regular Meeting of August 3, 2021

SUBMITTED FOR: Consent Agenda

Commission	Allison Morrison	8037
Department	Contact	Extension
Date of Previous Briefing:		
Estimated Expenditure:		Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- | | | |
|---|-------------------------------------|--|
| <input type="checkbox"/> Decision Preparation | <input type="checkbox"/> Incidental | <input type="checkbox"/> Monitoring Report |
| <input type="checkbox"/> Policy Discussion | (Information) | |
| <input type="checkbox"/> Policy Decision | | |
| <input checked="" type="checkbox"/> Statutory | | |

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4) ... a non-delegable, statutorily assigned Board duty as defined under RCW 54.12.090 - minutes.

List Attachments:

Preliminary Minutes

**PRELIMINARY
SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT**

Regular Meeting

August 3, 2021

The Regular Meeting, held virtually, was convened by Vice President Rebecca Wolfe at 9:00 a.m. Those attending were Tanya Olson, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler; Assistant General Managers Pam Baley, Guy Payne, Brant Wood, and Jason Zyskowski; Chief Financial Officer Scott Jones; other District staff; members of the public; Commission & Executive Services Director Melissa Collins; Assistant Clerk of the Board Allison Morrison; and Deputy Clerks of the Board Jenny Rich and Lela Wall. President Sidney Logan was absent.

*** Items Taken Out of Order**

****Non-Agenda Items**

****Commissioner Wolfe read the following statement:**

In accordance with the governor's Proclamation 20-28.15, we are holding meetings remotely.

1. CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION

A. Updates

1. Media. Communications, Marketing & Business Readiness Director Julee Cunningham reported on District related news and activities.
2. Legislative. There were no questions about the Legislative report.
3. Other. There were no other topics.

B. City of Stanwood PUD Office Pole Yard Update

A cross-functional team that included Senior Executive Account Manager Tom Hovde, Principal Engineer Ben Davis, Manager Real Estate Maureen Barnes, and Assistant General Counsel Paul McMurray reported on the City of Stanwood's (the City's) proposed acquisition of a portion of a Pole Yard for a street extension project. Improvements to the District's Stanwood local office and the Twin City Substation were also mentioned.

Additional slides that provided a brief overview of the City's Viking Way Street Improvement project were shared at places, by reference made a part of the packet, by Stanwood City Administrator Jennifer Ferguson.

The next steps included vacating the southern portion of the Pole Yard in preparation for a future Commission determination that the requested property be surplus and an authorization of the sale to the City.

C. Long Term Care (LTC) Overview

Human Resources Director Allison Jubb introduced Senior Human Resources Business Partner Dana Pollow, who spoke about the Washington State Long Term Care (LTC) program and an Allstate Life Insurance with LTC plan that District employees could choose as an opt-out (exemption) for the Washington State LTC payroll tax.

D. Connect Up Program – Implementation Phase Review

Program Manager Kevin Lavering shared an overview of the next step in the Connect Up program, the Implementation Phase. The overview included a high level schedule, a summary of key deliverables that would be focused on during this phase, and the areas that would need support from the consulting firm Z2 Solutions to prepare for the Deployment Phase of the program.

The Commission afternoon Consent Agenda would include a contract amendment to add program budgeted funds for Z2 Solutions consulting services to support the Implementation Phase scope.

****X. COMMENTS FROM THE PUBLIC**

Gayla Shoemake, Edmonds, commented on the July 20, 2021, Commission meeting minutes and solar panels.

The meeting recessed at 10:15 a.m.

RECONVENE REGULAR MEETING

The Regular Meeting, held virtually, was reconvened by Vice President Rebecca Wolfe at 1:30 p.m. Those attending were Tanya Olson, Secretary; CEO/General Manager John Haarlow; General Counsel Anne Spangler; Assistant General Managers Guy Payne, Brant Wood, and Jason Zyskowski; Chief Financial Officer Scott Jones; other District staff; Commission & Executive Services Director Melissa Collins; Assistant Clerk of the Board Allison Morrison; and Deputy Clerks of the Board Jenny Rich and Lela Wall. President Sidney Logan was absent.

*** Items Taken Out of Order******Non-Agenda Items**

****Commissioner Wolfe read the following statement:**

In accordance with the governor's Proclamation 20-28.15, we are holding meetings remotely.

2. RECOGNITION/DECLARATIONS**A. Employee of the Month for August – Lee Ervin**

Lee Ervin was recognized as Employee of the Month for August.

3. COMMENTS FROM THE PUBLIC

There were no comments from the public.

4. CONSENT AGENDA**A. Approval of Minutes for the Regular Meeting of July 20, 2021****B. Bid Awards, Professional Services Contracts and Amendments**

Public Works Contract Award Recommendations Over \$25,000:

None

Formal Bid Award Recommendations \$120,000 and Over:

None

Professional Services Contract Award Recommendations \$200,000 and Over:

None

Miscellaneous Contract Award Recommendations \$200,000 and Over:

None

Interlocal Agreements and Cooperative Purchase Recommendations:

Contracts:

None

Amendments:

None

Sole Source Purchase Recommendations:

None

Emergency Declarations, Purchases and Public Works Contracts:

None

Purchases Involving Special Facilities or Market Condition Recommendations:

None

Formal Bid and Contract Amendments:

Professional Services Contract No. CW2239483 with Z2 Solutions LLC

Contract Acceptance Recommendations:

Public Works Contract No. CW2238076 with Titan Electric, Inc., dba Titan Electric Contracting, Inc.

Public Works Contract No. CW2241322 with TRICO Companies, LLC

C. Consideration of Certification/Ratification and Approval of District Checks and Vouchers

A motion passed approving Agenda Items 4A – Approval of the Minutes for the Regular Meeting of July 20, 2021; 4B – Bid Awards, Professional Services Contracts and Amendments; and 4C – Certification/Ratification and Approval of District Checks and Vouchers.

5. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Consideration of a Motion Accepting the 2nd Quarter 2021 Financial Conditions and Activities Monitoring Report

Senior Manager Controller & Auditor Julia Anderson provided the 2nd Quarter 2021 Financial and Budget Results for the District's Electric System and Water System.

A motion passed accepting the 2nd Quarter 2021 Financial Conditions and Activities Monitoring Report.

6. CEO/GENERAL MANAGER REPORT

CEO/General Manager John Haarlow reported on District related topics and accomplishments.

The pilot Wrap program was mentioned that would use artistic wraps on transformers. Commissioner Olson and Commissioner Wolfe commented that they would like additional information on the project. Mr. Haarlow said that a presentation could be provided.

7. COMMISSION BUSINESS

- A. Commission Reports

The Commissioners reported on Commission related activities and Board related topics.

- *B. Commissioner Event Calendar

There were no changes to the Commissioner Event Calendar.

- *C. 2021 Budget, Forecast, and Major Project Status Report – June Results

There were no questions regarding the report.

8. GOVERNANCE PLANNING

- A. Governance Planning Calendar

There were no changes to the Governance Planning Calendar.

ADJOURNMENT

There being no further business or discussion to come before the Board, the Regular Meeting of August 3, 2021, adjourned at 2:19 p.m. An audio file of the meeting is on file in the Commission Office and available for review.

Approved this 17th day of August 2021.

Secretary

President

Vice President



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 3B

TITLE

CEO/General Manager's Report of Public Works Contract Award Recommendations; Formal Bid Award Recommendations; Professional Services Contract Award Recommendations; Miscellaneous Contract Award Recommendations; Cooperative Purchase Recommendations; Sole Source Purchase Recommendations; Emergency Declarations, Purchases and Public Works Contracts; Purchases Involving Special Facilities or Market Condition Recommendations; Formal Bid and Contract Amendments; and Contract Acceptance Recommendations

SUBMITTED FOR: Consent Agenda

<u>Contracts/Purchasing</u>	<u>Clark Langstraat</u>	<u>5539</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:		
Estimated Expenditure:		Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- | | | |
|---|-------------------------------------|--|
| <input type="checkbox"/> Decision Preparation | <input type="checkbox"/> Incidental | <input type="checkbox"/> Monitoring Report |
| <input type="checkbox"/> Policy Discussion | (Information) | |
| <input type="checkbox"/> Policy Decision | | |
| <input checked="" type="checkbox"/> Statutory | | |

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4) ... non-delegable, statutorily assigned Board duty – Contracts and Purchasing.

The CEO/General Manager's Report of Public Works Contract Award Recommendations Over \$25,000; Formal Bid Award Recommendations \$120,000 and Over; Professional Services Contract Award Recommendations \$200,000 and Over; Miscellaneous Contract Award Recommendations \$200,000 and Over; Cooperative Purchase Recommendations; Sole Source Purchase Recommendations; Emergency Declarations, Purchases and Public Works Contracts; Purchases Involving Special Facilities or Market Condition Recommendations; Formal Bid and Contract Amendments; and Contract Acceptance Recommendations contains the following sections:

Public Works Contract Award Recommendations Over \$25,000 (Page 1);
Recommend Rejection for Request for Proposal No. 21-1189-KS

Formal Bid Award Recommendations \$120,000 and Over;
None

Professional Services Contract Award Recommendations \$200,000 and Over;
None

Miscellaneous Contract Award Recommendations \$200,000 and Over (Pages 2 – 3);
Request for Proposal No. 20-1079-HL with TRC Engineers, Inc.

Interlocal Agreements and Cooperative Purchase Recommendations (Page 4);
Contracts:
Purchase Order No. 4500071074 with Clary Longview Ford
Purchase Order No. 4500071075 with Clary Longview Ford
Amendments:
None

Sole Source Purchase Recommendations;
None

Emergency Declarations, Purchases and Public Works Contracts;
None

Purchases Involving Special Facilities or Market Condition Recommendations;
None

Formal Bid and Contract Amendments (Pages 5 - 8);
Request for Proposal No. 10280 with Tyndale
Miscellaneous No. CW2235627 with Colehour and Cohen, Inc.
Public Works Contract No. CW2239806 with SRV Construction, Inc.

Contract Acceptance Recommendations;
None

List Attachments:
August 17, 2021 Report

Public Works Contract Award Recommendation(s) Over \$25,000
August 17, 2021

RFP No. 21-1189-KS

PWC – 2021 Capital Improvement
32nd St. SE Highway 9 Crossing
Water Main Project

No. of Bids Solicited:	40	
No. of Bids Received:	2	
Project Leader & Phone No.:	Paul Federspiel	Ext. 3032
Estimate:	\$190,000.00	

This project provides all labor, equipment, tools, goods, material and incidentals necessary to install approximately 214 lineal feet of 10-inch high density polyethylene (HDPE) water main in approximately 210 lineal feet of directionally bored 16-inch HDPE casing and approximately 25 lineal feet of 8-inch ductile iron water main with associated erosion control and surface restoration. The primary purpose of the proposed project is to increase capacity of the water system infrastructure and replace two portions of the existing water main crossing that are comprised of asbestos cement. The project location is on and in the vicinity of 32nd St. SE and Highway 9, near the City of Lake Stevens, in Snohomish County, Washington.

<u>Contractor</u>	<u>Subtotal (w/o tax)</u>
New X, Inc.	\$218,605.47
D & G Backhoe, Inc.	\$247,139.80

Summary Statement: Staff recommends rejecting both bids received as they exceed 15% of the estimate.

The bid submitted by New X was in the amount of \$218,604.97 and contained a 50-cent mathematical extension error. After correcting this error, their bid still exceeds 15% of the estimate.

Miscellaneous Contract Award Recommendation(s) \$200,000 And Over August 17, 2021

RFP No. 20-1079-HL

Advanced Metering Infrastructure
Meter Data Management System
(MDMS) and Services

No. of Bids Solicited:	71	
No. of Bids Received:	8	
IT Project Leader & Phone No.:	Kevin Luong	x8289
Business Leader & Phone No.:	Adam Peretti	x4171
Estimate:	\$3,000,000.00	

The Connect Up program is the District's initiative to implement Advanced Metering Infrastructure (AMI) and is the foundation to the District's smart grid future. This program will enable the utility to deliver a new and broader set of benefits and capabilities, which benefit the District's operations, and provide additional customer products and services.

AMI enables customer benefits that include enhanced outage and billing notifications, flexible billing dates, detailed usage displays, prepay options for electricity, new rate options and programs, enhanced self-serve options, easier move-in and move-out processes, and better outage response times. AMI will also improve reliability, resiliency, and efficiency in District operations across multiple divisions, increase employee safety (not having to read meters manually), and reduce greenhouse gas emission through fleet reduction.

The Meter Data Management System (MDMS) is an important component of the end-to-end AMI solution. The MDMS collects and stores large quantities of meter data from an AMI head end system and processes it into usable information for various systems such as customer information and billing, mysnopud.com, and District analytics applications.

On October 1, 2020, the District advertised a Request for Proposal (RFP No. 20-1079-HL) for an MDMS solution that includes all necessary hardware, software, professional services, third-party components and/or support services required to use the solution effectively.

On May 18, 2021, the Board approved the award of the professional services contract, Oracle and Siemens EIP software licenses, and six years of support for each license to TRC Engineers, Inc. in the amount of \$5,581,235.10. In the recommendation for award, staff indicated that once the MSaaS agreement had been negotiated and finalized by the parties, this agreement would come to the Board for approval. Since that time, District staff and TRC have come to agreement on the terms and conditions, including pricing, applicable to the MSaaS contract. The MSaaS provides for TRC to manage the Siemens EIP software licenses in the cloud, including support, upgrades, and security patching. The agreement will commence in January 2023 and will remain in effect for an initial five-year term.

<u>Vendor</u>	<u>Subtotal (w/o tax)</u>
Award To TRC Engineers, Inc.	\$3,301,044.41

Summary Statement: Staff recommend that the District enter into a Managed Services Agreement with TRC Engineers to provide for the ongoing managed services of the Siemens Energy IP software for an initial five-year term for the total amount of \$3,301,044.41 plus applicable tax. After the initial term, staff may choose to renew in one-year increments subject to an annual cost increase equal to the lesser of CPI increase or 3%.

Summary Statement
(continued):

By approval of this bid award recommendation, the Board authorizes the District's CEO/General Manager or his designee to enter into a Managed Services Agreement with TRC Engineers in a form approved by General Counsel in accordance with the terms and conditions described above and additional terms and conditions mutually acceptable to the parties.

Cooperative Purchase Recommendations

August 17, 2021

State law permits a public agency to purchase from a contract entered into by another public agency as long as the contract is determined to have been awarded in compliance with the bidding requirements of the agency seeking to make the purchase, provided that the requirement for advertising or providing notice for bids is deemed satisfied if the awarding entity advertises according to its own bidding requirements, and either (i) posts the advertisement on any website sponsored by a public agency, purchasing cooperative or similar service provider, or (ii) provides an access link on the state's web portal to the notice. District staff have verified through documentation and/or individual questions to the applicable awarding entity that the bid process used for each purchase recommended below meets the District's procurement requirements.

Accordingly, staff recommends approval of the following contracts/amendments:

A. CONTRACTS

Awarded Vendor Name: Clary Longview Ford \$228,796.00

Purchase Order Number: 4500071074

Department of Enterprises (DES) Master Usage Agreement Number KK2295, DES Contract 05916.

Description of Purchase:

Purchase of four Ford F-550s Extended Cab 4x4 chassis to be outfitted as Flatbed Dump trucks that are planned fleet additions and will be used by Distribution Engineering Services Division.

Project Lead: Mark Stephens, ext. 5507

Awarded Vendor Name: Clary Longview Ford \$ 391,090.00

Purchase Order Number: 4500071075

Department of Enterprises (DES) Master Usage Agreement Number KK2295, DES Contract 05916.

Description of Purchase:

Purchase of ten Ford F-350s Extended Cab 4x4 chassis to be outfitted as flagging trucks that are planned fleet additions and will be used by Distribution Engineering Services Division.

Project Lead: Mark Stephens, ext. 5507

Formal Bid and Contract Amendment(s)
August 17, 2021

RFP No. 10280

Vendor Managed Flame Resistant
Clothing Program

Contractor/Consultant/Supplier	Tyndale
Project Leader & Phone Number:	Jana Easterling, Ext. 4410
Amendment No:	2

Awarded Amount:	\$202,550.00	
Approximate Present Amount:	\$405,100.00	Original Start/End: 1/6/ 2020 - 1/7/2021
Amendment Amount:	\$272,462.00	Present Start/End: 1/7/2021 - 1/6/2022
Approximate New Amount:	\$677,562.00	

Summary Statement:

The flame resistant (FR) clothing program provides protective apparel for District employees who work in the arc zone or other areas with electrical hazard. Contract usage was greater than originally estimated and this amendment adds \$272,462.00 to cover projected clothing needs for the remainder of the current contract term.

Amendment Summary:

Amendment 1 dated December 28, 2020, to extend validity date to January 7, 2022, and add \$202,550.00.

Formal Bid and Contract Amendment(s)
August 17, 2021

MISC No. CW2235627
Energy Efficiency Retail
and Smart Rewards Program

Contractor/Consultant/Supplier:	Colehour and Cohen, Inc.	
Project Leader & Phone No.:	Carolyn Beebe	Ext. 1720
Amendment No.:	1	
Amendment:	\$15,000,000.00	

Original Contract Amount:	\$10,000,000.00	
Present Contract Amount:	\$10,000,000.00	Original Start/End: 01/01/2019 – 03/31/2022
Amendment Amount:	\$15,000,000.00	Present Start/End: 01/01/2019 – 03/31/2022
New Contract Amount:	\$25,000,000.00	New End Date: 03/31/2025

Summary Statement: Staff recommends approval of Amendment No. 1 to increase the contract value by \$15,000,000.00, extend the contract term by three years to March 31, 2025 and modify the Scope of Work.

In January 2019 the District entered a three-year contract with Colehour and Cohen, Inc. (C+C) to provide implementation of the Retail, Smart Rewards, Smart Thermostat, and Heat Pump Water Heater Programs.

Since the start of this contract C+C has:

- Sustained strong performance by expanding delivery channels and reaching challenging markets. This work resulted in over 40,000,000 total kWh savings for the District and its customers.
- Built relationships with local retailers and distributors by carrying out program training for sales staff, placing point-of-purchase materials and providing consistent store visits. This support has empowered sales staff to help our customers make informed decisions when purchasing products for their homes.
- Worked with local utilities to align programs when possible, which has removed confusion for sales associates and customers and has kept costs down by using economies-of-scale as demonstrated by the electric hybrid water heater and new manufactured homes programs.
- Launched the PUD Marketplace as a flexible online tool for our customers to order energy-saving products with instant rebates. The Marketplace has allowed us to run limited-time-offers on smart thermostats, electric hybrid water heaters, advanced power strips and offer free bundles of energy-saving products for residential and commercial customers during the pandemic. The Marketplace has generated over 10,000,000 kWh savings since its launch in October 2019 and recently added EV chargers and commercial products to its portfolio.
- Additionally, C+C has leveraged their field team for other strategic initiatives such as providing energy-efficient products to area food banks to achieve over 900,000 kWh savings and promote our income-qualified rate discount to our shared customers.

Summary Statement
(continued):

In upcoming years, C+C will:

- Continue to provide field services, develop and place point-of-purchase materials, and provide ongoing promotional support and training to ensure program equity and accessibility across our community.
- Continue to collaborate with other utilities and regional programs as deemed necessary and useful for the DISTRICT and customers.
- Provide the DISTRICT and its customers with a superior level of program offerings and services in an effective and efficient manner.
- Leverage their knowledge and understanding of the retail segment to continually evolve the DISTRICT's portfolio and adjust to market changes.
- Continue DISTRICT's support of Demand Response programs by providing relevant products to customers through open channels.
- Provide innovation in program design to increase diverse customer participation and market segmentation.

C+C was the only responsive proposer for the July 19, 2018 RFP and they have consistently provided superior services in a reliable and cost-effective manner. For these reasons staff recommends approval of Amendment 1 to the current agreement for continued service through March 31, 2025.

Formal Bid and Contract Amendment(s)
August 17, 2021

PWC No. CW2239806

WB CIP #53 DWSRF DWL23475 and
DWL23480, Warm Beach Water System
Water Replacement Project

Contractor/Consultant/Supplier:	SRV Construction, Inc.
Project Leader & Phone No.:	Max Selin Ext. 3033
Amendment No.:	4
Amendment:	\$498,223.69

Original Contract Amount: \$656,327.00
Present Contract Amount: \$656,327.00
Amendment Amount: \$498,223.69
New Contract Amount: \$1,154,550.69

Original Start/End: 2/28/20 – 6/3/20
Present Start/End: 2/28/20 – 6/1/21
New End Date: 2/28/20 – 4/12/21

Summary Statement: Staff recommends approval of Amendment No. 4 to increase the contract amount by \$498,223.69. This increase includes direct project cost impacts resulting from the COVID-19 Pandemic. Permit issuance for the project was significantly delayed by Snohomish County due to the COVID-19 Pandemic. This delay shifted the construction timeline to the wet winter months when the ground water table is higher and the soils are saturated and have less structural strength creating unfavorable construction conditions in the roadway shoulder as designed. These conditions coupled with the need to protect the existing water main that was the sole conveyance of water to over 600 customers forced the water main construction to be moved from the roadway shoulder to the structurally stable asphalt roadway for reduced risk and construction safety. The change in water main alignment resulted in Snohomish County requiring the District to complete a half street asphalt overlay and full intersection asphalt overlays within the project limits. Additionally, Snohomish County required the District to fill the existing water main to be abandoned with lightweight concrete (CDF). A storm drainpipe in conflict with the new water main alignment was also required to be abandoned in-place. These changes to the project were captured in Field Orders 1, 2 and 3 through agreed lump sum prices or bid units installed. Although all work was completed on April 12, 2021, the contractor needed additional time to replace District stock of some fittings used on the project and time to resubmit correct certified payroll documents as part of the grant requirements.

Summary of Amendments:

Amendment No. 1 dated June 3, 2020 extended the contract completion date from June 26, 2020 to December 31, 2020 due to the pending Snohomish County permitting.

Amendment No. 2 dated December 24, 2020 extended the contract completion date from December 31, 2020 to May 1, 2021 due to Snohomish County staffing and permitting review delays caused by the COVID-19 pandemic.

Amendment No. 3 dated April 13, 2021 extended the contract completion date from May 1, 2021 to June 1, 2021 to allow punch list items to be completed for project close out.



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 3C

TITLE:

Consideration of Certification/Ratification and Approval of District Checks and Vouchers

SUBMITTED FOR: Consent Agenda

General Accounting & Financial Systems

Julia Anderson

8027

Department

Contact

Extension

Date of Previous Briefing: _____

Estimated Expenditure: _____

Presentation Planned ☐

ACTION REQUIRED:

- ☐ Decision Preparation
- ☐ Policy Discussion
- ☐ Policy Decision
- ☒ Statutory

☐ Incidental
(Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4)(B)(2)a non-delegable, statutorily assigned Board duty to approve vouchers for all warrants issued.

The attached District checks and vouchers are submitted for the Board's certification, ratification and approval.

List Attachments:

Voucher Listing



CERTIFICATION/RATIFICATION AND APPROVAL

We, the undersigned of the Public Utility District No. 1 of Snohomish County, Everett, Washington, do hereby certify that the merchandise or services hereinafter specified have been received, and the Checks or Warrants listed below are ratified/approved for payment this 17th day of August 2021.

CERTIFICATION:

Certified as correct:

CEO/General Manager
Angela M. Johnston

Auditor
[Signature]

Chief Financial Officer/Treasurer

RATIFIED AND APPROVED:

Board of Commissioners:

President

Vice-President

Secretary

TYPE OF DISBURSEMENT	PAYMENT REF NO.	DOLLAR AMOUNT	PAGE NO.
REVOLVING FUND			
Customer Refunds, Incentives and Other	1110870 - 1111198	\$49,081.74	2 - 12
Electronic Customer Refunds		\$3,479.48	13
WARRANT SUMMARY			
Warrants	8064438 - 8064598	\$2,379,978.01	14 - 19
ACH	6024964 - 6025179	\$2,608,158.26	20 - 26
Wires	7002260 - 7002272	\$6,905,200.03	27
Payroll - Direct Deposit	5300000510 - 5300000510	\$3,982,637.93	28
Payroll - Warrants	844387 - 844399	\$41,674.66	28
Automatic Debit Payments	5300000506 - 5300000511	\$3,189,395.82	29
	GRAND TOTAL	\$19,159,605.93	

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
7/26/21	1110870	ROSALIE FISHER	\$9.88
7/26/21	1110871	BERTRAM TSUTAKAWA	\$71.47
7/26/21	1110872	RHONDA GETTER	\$1,000.00
7/26/21	1110873	WEIDNER PROPERTY MANAGEMENT LLC	\$15.90
7/26/21	1110874	MILL AT MC 1 LLC	\$23.78
7/26/21	1110875	AVALONBAY COMMUNITIES, INC	\$57.86
7/26/21	1110876	AVALONBAY COMMUNITIES, INC	\$49.61
7/26/21	1110877	PAUL MIGRALA	\$106.25
7/26/21	1110878	ARCADIA HOMES LLC	\$455.52
7/26/21	1110879	MADISON PARK APTS	\$25.65
7/26/21	1110880	SOWMYA YALAMANCHILI	\$62.02
7/26/21	1110881	JENNIE LAMPINEN	\$24.00
7/26/21	1110882	ALICIA YOUNG	\$9.80
7/26/21	1110883	JILL JOHNSON	\$54.39
7/26/21	1110884	CLYDE MINER	\$41.66
7/26/21	1110885	DALE HYLTON	\$26.57
7/26/21	1110886	EVERETT HOUSING AUTHORITY	\$40.45
7/26/21	1110887	BAY COURT AT HARBOUR POINTE	\$114.01
7/26/21	1110888	IVEE ROSE FLETCHER	\$95.77
7/26/21	1110889	DIANA KUHN	\$31.35
7/26/21	1110890	KRISTINE MAYLE	\$183.50
7/26/21	1110891	101 WEST LLC	\$38.03
7/26/21	1110892	EVERGREEN COURT SENIOR APTS	\$945.83
7/26/21	1110893	JESSICA MURPHY	\$30.82
7/27/21	1110894	LORETTA HENDRIKSEN	\$49.04
7/27/21	1110895	TROY STEPHAN	\$17.42
7/27/21	1110896	MARY TALBOT	\$89.26
7/27/21	1110897	KATHRYN DIXON	\$8.83
7/27/21	1110898	JOSHUA OWENS	\$16.83
7/27/21	1110899	BRIANA MCGINTY	\$40.19
7/27/21	1110900	COURTNEY REID	\$100.16
7/27/21	1110901	DAN HENDRICKSON	\$74.46

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
7/27/21	1110902	ORTING RE LLC	\$19.63
7/27/21	1110903	HYUN KIM	\$52.34
7/27/21	1110904	SHERRI GIRAGOSIAN	\$25.18
7/27/21	1110905	JUSTIN BROGI	\$64.73
7/27/21	1110906	MJK MIETZNER PROPERTIES LLC	\$77.67
7/27/21	1110907	DARRIK PUETZ	\$127.59
7/27/21	1110908	SHERRI GIRAGOSIAN	\$16.29
7/27/21	1110909	ROBYN CORCORAN	\$44.94
7/27/21	1110910	MARILYN BULLOCK	\$551.93
7/27/21	1110911	STEVEN SCHNEIDER	\$236.26
7/27/21	1110912	LESLEE PORTA DUVAL	\$109.28
7/27/21	1110913	KEVIN SPARKS	\$65.12
7/27/21	1110914	BEN MAGNUSON	\$72.95
7/27/21	1110915	HOUSING AUTHORITY SNO CO	\$21.58
7/27/21	1110916	NAYELI DIAZ	\$108.17
7/27/21	1110917	RICHARD DAVID	\$1,287.00
7/27/21	1110918	LAVERNE WELCH	\$41.12
7/27/21	1110919	CHARLES JORDAN	\$13.55
7/27/21	1110920	ORLANDO MIGUEL	\$32.83
7/27/21	1110921	SR TERRY WELLS	\$115.94
7/27/21	1110922	AMERICAN DREAM REALTY INVESTMENT GRP LLC	\$476.23
7/27/21	1110923	CHILD HOOD DREAMS INC	\$151.72
7/27/21	1110924	LILY VRANEY	\$128.83
7/27/21	1110925	JENNIFER WORCESTER	\$110.11
7/27/21	1110926	ORIENT COLEMAN	\$46.22
7/27/21	1110927	GREGORY EVERSON	\$5.05
7/27/21	1110928	MARYJO LONGLEY	\$73.56
7/27/21	1110929	LESLEE LURA	\$360.00
7/27/21	1110930	DEBORAH BOYSON	\$178.28
7/27/21	1110931	ERICK MORENO	\$141.07
7/27/21	1110932	SAMANTHA LEAHY	\$199.70
7/27/21	1110933	CITYCENTER APARTMENTS LYNNWOOD PARTNERS	\$16.29

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
7/27/21	1110934	TRAN FAMILY PHO LLC	\$738.60
7/27/21	1110935	FELIX RAMOS	\$103.64
7/27/21	1110936	RAFAEL MALDONADO	\$150.11
7/27/21	1110937	REGINAH NAMPINGA	\$116.09
7/27/21	1110938	JEFF MAU	\$53.93
7/27/21	1110939	EDWARD WILLIAMS	\$37.10
7/27/21	1110940	MARTIN ZARAGOZA	\$39.30
7/27/21	1110941	STACK DESIGN LLC	\$17.07
7/27/21	1110942	DANA HEIGHTON	\$8.89
7/28/21	1110943	EVERETT HOUSING AUTHORITY	\$18.54
7/28/21	1110944	KAYLA WALCOM	\$6.17
7/28/21	1110945	DANIEL WINNINGHAM	\$17.27
7/28/21	1110946	KEVIN ORME	\$11.27
7/28/21	1110947	JOSEPHINE ONEILL	\$34.32
7/28/21	1110948	SSHI LLC	\$55.92
7/28/21	1110949	SSHI LLC	\$83.92
7/28/21	1110950	C SCHWARTZ	\$1,737.24
7/28/21	1110951	LAWRENCE GATEWOOD	\$126.91
7/28/21	1110952	RACHEL FOSS	\$22.96
7/28/21	1110953	SILVINA NUNO	\$145.45
7/28/21	1110954	TAWNYA RUDOLFO	\$32.06
7/28/21	1110955	LARRY SPEICHER	\$1,710.95
7/28/21	1110956	KEJUN LI	\$36.61
7/28/21	1110957	JADYN MOORE	\$16.71
7/28/21	1110958	JACK MCLEOD	\$20.51
7/28/21	1110959	AUGUSTA GLEN APTS	\$51.19
7/28/21	1110960	REAL PROPERTY ASSOCIATES INC	\$12.17
7/28/21	1110961	STEPHANIE RUSSELL	\$19.65
7/28/21	1110962	CAROL DAVIS	\$14.26
7/28/21	1110963	SYED HAIDER	\$17.16
7/28/21	1110964	ANANDKUMAR REGUPATHY	\$28.18
7/28/21	1110965	BROADWAY PROPERTIES, LLC	\$8.02

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
7/28/21	1110966	JOHN BUSKIRK	\$95.80
7/28/21	1110967	YIBING NIE	\$92.87
7/28/21	1110968	TABITHA ANDERSON	\$266.25
7/28/21	1110969	CEP III VILLAS 19 LLC	\$12.17
7/28/21	1110970	MARINNA EWING	\$66.19
7/28/21	1110971	ARCADIA HOMES LLC	\$12.75
7/28/21	1110972	SANDRA MOORE	\$17.49
7/28/21	1110973	ASHLEY MALM	\$31.98
7/28/21	1110974	SVETLANA VOVKULIN	\$268.15
7/28/21	1110975	FEW TAX INC	\$40.26
7/29/21	1110976	NEHEMIAH ZARATE-ROURKE	\$40.61
7/29/21	1110977	KENNEDY ROWAN	\$138.33
7/29/21	1110978	GUNELL RAWLINSON	\$6.62
7/29/21	1110979	ZHICHENG YUE	\$6.62
7/29/21	1110980	NAGARAJAN PANNEERSELVAM	\$10.34
7/29/21	1110981	KRISTOPHER SHARROCK	\$6.03
7/29/21	1110982	KAREN LEWIS	\$32.35
7/29/21	1110983	AVALONBAY COMMUNITIES, INC	\$29.25
7/29/21	1110984	BRUNO PAYETTE	\$18.21
7/29/21	1110985	20201WY-39, LLC	\$257.81
7/29/21	1110986	JENNIFER ROJAS	\$118.42
7/29/21	1110987	MAUREEN LONDON	\$52.11
7/29/21	1110988	ROBERT WEDEMEYER	\$38.30
7/29/21	1110989	ENRIQUE RIVERA PALMA	\$12.01
7/29/21	1110990	ANDREW MALONE	\$79.24
7/29/21	1110991	OLIVIA CAFFREY	\$144.05
7/29/21	1110992	OMNI CONTRACTING SOLUTIONS LLC	\$90.69
7/29/21	1110993	MADISON PARK APTS	\$55.42
7/29/21	1110994	TYLER WAGGLE	\$60.79
7/29/21	1110995	SYLVIA FUGATE	\$136.01
7/29/21	1110996	JACOB STENBERG	\$28.23
7/29/21	1110997	KATHERINE JACOBSON	\$10.00

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
7/29/21	1110998	FRIEDA KIDD	\$47.12
7/29/21	1110999	JEAN BANKSON	\$227.59
7/29/21	1111000	TAMMY YOUNGS	\$91.63
7/29/21	1111001	JILLIAN MANSFIELD	\$98.96
7/29/21	1111002	BUSTARD CUSTOM CONSTRUCTION INC	\$107.64
7/29/21	1111003	SILVER LAKE TOWNHOMES LLC	\$8.89
7/29/21	1111004	MIRIAM DOYLE	\$224.08
7/29/21	1111005	SOO CHI	\$22.36
7/29/21	1111006	BREAWN BRADFORD	\$100.11
7/29/21	1111007	CHRISTINE DAUGHERTY	\$44.68
7/29/21	1111008	CHRISTOPHER LOTORTO-YOUNG	\$177.22
7/29/21	1111009	DEANNA BALL	\$131.78
7/29/21	1111010	SILVER OAK APARTMENTS, LLC	\$31.80
7/29/21	1111011	NORTH HAVEN EDMONDS LLC	\$33.10
7/29/21	1111012	MARIO VACCARI	\$18.44
7/29/21	1111013	KIMBERLY WHITFIELD	\$136.15
7/29/21	1111014	MICHAEL BAILEY	\$115.50
7/29/21	1111015	ARTURO HERNANDEZ	\$19.98
7/29/21	1111016	SAR AUNG HPALA	\$757.64
7/29/21	1111017	HAZEL MARTELL	\$15.90
7/29/21	1111018	MATTHEW LARSON	\$195.70
7/29/21	1111019	ABDALSLAM MOHAMMED	\$108.30
7/29/21	1111020	GIRIDHAR KUMARAN	\$15.00
8/2/21	1111021	BETTIE RAYMOND	\$44.04
8/2/21	1111022	JONATHAN WATSON	\$138.05
8/2/21	1111023	JOSEPH BEARDSLEE	\$800.52
8/2/21	1111024	MICHAEL GARDNER	\$9.98
8/2/21	1111025	ANDREW FALCON	\$63.57
8/2/21	1111026	NANCY THACKER	\$105.00
8/2/21	1111027	LIPT 27TH AVENUE SE LLC	\$24.42
8/2/21	1111028	BOYDEN ROBINETT & ASSOC LP	\$16.18
8/2/21	1111029	BARBARA LINDAHL	\$19.51

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
8/2/21	1111030	ALEXIS BRASHEAR	\$62.40
8/2/21	1111031	JOY LEE	\$117.58
8/2/21	1111032	BARRY HURT	\$22.80
8/2/21	1111033	RHODA WASSWAS	\$13.44
8/2/21	1111034	PACIFIC RIDGE - DRH, LLC	\$101.23
8/2/21	1111035	AMAR ELMUKHTAR	\$125.64
8/2/21	1111036	BRETT BERGEVIN	\$153.06
8/2/21	1111037	JESSICA MCARTHUR	\$145.42
8/2/21	1111038	NAEEM AHMAD	\$32.20
8/2/21	1111039	JOEL PATIENCE	\$69.17
8/2/21	1111040	ESTATE OF JANA HAMILTON	\$247.19
8/2/21	1111041	DEANNA RIECHEL	\$5.20
8/2/21	1111042	JOSEPH SCULLION	\$176.62
8/2/21	1111043	CARROLLS CREEK APARTMENTS PROPERTY OWNER	\$12.60
8/2/21	1111044	PACIFIC RIDGE - DRH, LLC	\$28.76
8/2/21	1111045	JAN VANNIEL	\$9.62
8/2/21	1111046	SUSAN SEABRIGHT	\$12.39
8/2/21	1111047	LAUREN SAVAGE	\$244.12
8/2/21	1111048	RAMAKRISHNA YANNAM	\$23.07
8/2/21	1111049	PAUL KOCH	\$12.18
8/2/21	1111050	PROJECT PRIDE	\$1,994.03
8/2/21	1111051	MABEL NORRIS	\$53.60
8/3/21	1111052	MICHAEL BRADFORD	\$38.99
8/3/21	1111053	RYAN HUBBARD	\$13.78
8/3/21	1111054	ANDREW REICHELT	\$92.53
8/3/21	1111055	VALARIE HASTINGS	\$93.22
8/3/21	1111056	TYLER MCGUIRE	\$75.46
8/3/21	1111057	EMILY MUNIZ	\$22.58
8/3/21	1111058	CURTIS SIMS	\$323.77
8/3/21	1111059	SUN KYOUNG OH	\$18.53
8/3/21	1111060	TARON DEEDS	\$37.82
8/3/21	1111061	BAY COURT AT HARBOUR POINTE	\$97.27

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
8/3/21	1111062	LIVE SOUND AND STAGE LLC	\$59.95
8/3/21	1111063	5030 LLC	\$861.57
8/3/21	1111064	RM HOMES	\$10.55
8/3/21	1111065	NANCY WENDT	\$270.11
8/3/21	1111066	DIANA COURTER	\$116.37
8/3/21	1111067	RHONDA ROWE	\$79.83
8/3/21	1111068	ISABELLA WHITWORTH	\$15.95
8/3/21	1111069	BAY COURT AT HARBOUR POINTE	\$13.06
8/3/21	1111070	MICHAEL NOEL	\$8.48
8/3/21	1111071	SSHI LLC	\$38.58
8/3/21	1111072	NOAH STEWART	\$129.10
8/3/21	1111073	BURTON JANSEN	\$118.30
8/3/21	1111074	J LYNETTE BLOUNT	\$44.39
8/3/21	1111075	DAVID RANCOURT	\$220.76
8/3/21	1111076	TYLER DOORNENBAL	\$8.77
8/3/21	1111077	STEVEN ROTH	\$27.52
8/3/21	1111078	WESTVANG PROPERTIES LLC	\$42.82
8/3/21	1111079	IMELDA ESTUDILLO	\$663.90
8/3/21	1111080	CAROLINE MASON	\$109.61
8/3/21	1111081	SSHI LLC	\$5.81
8/3/21	1111082	SSHI LLC	\$13.17
8/3/21	1111083	CRITCHLOW HOMES INC	\$38.97
8/3/21	1111084	SIDING CHEN	\$15.34
8/3/21	1111085	DAVID WHITELEY	\$66.35
8/3/21	1111086	GAROLD FOWLER	\$8.82
8/3/21	1111087	MARY DUMAS	\$34.72
8/3/21	1111088	PRESTON BECHLER	\$438.09
8/3/21	1111089	BLAKE HATHAWAY	\$54.86
8/3/21	1111090	ERIC MATTHEWS	\$40.56
8/3/21	1111091	CORY VANCE	\$76.94
8/3/21	1111092	JOSE LUIS GUZMAN SEDANO	\$124.54
8/3/21	1111093	MARK ROESLER	\$56.13

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
8/3/21	1111094	DAVID FLAKE	\$21.61
8/3/21	1111095	STEVE SEITZ	\$9.39
8/3/21	1111096	ANNIE EAGLE	\$31.03
8/3/21	1111097	PACIFIC RIDGE - DRH, LLC	\$5.94
8/3/21	1111098	MARGO MOONEY	\$101.53
8/3/21	1111099	KEENEN FORREY	\$36.50
8/3/21	1111100	BRANDI HEBERT	\$104.80
8/3/21	1111101	TRI NGUYEN	\$133.01
8/3/21	1111102	DMITRY KOZLOV	\$134.40
8/3/21	1111103	NATIONAL FOOD CORP	\$545.12
8/3/21	1111104	DEBORAH RIEHL	\$197.51
8/3/21	1111105	GENEVIEVE CRAVEN	\$570.80
8/3/21	1111106	212TH MLT LLC	\$9.54
8/3/21	1111107	MOUNTLAKE TERRACE INVESTORS LLC	\$45.93
8/3/21	1111108	JOEL BORUCK	\$41.49
8/3/21	1111109	EMILIANO SANCHEZ	\$37.92
8/3/21	1111110	SULIAN LI	\$16.96
8/3/21	1111111	RM HOMES	\$18.80
8/3/21	1111112	LAURA VANDEVENTER	\$44.03
8/3/21	1111113	GOSCH DENTAL CLINIC	\$300.00
8/3/21	1111114	VINCENT FLORES	\$139.59
8/3/21	1111115	ANGELICA FRUSTACI	\$141.70
8/3/21	1111116	YOON SONG	\$111.44
8/4/21	1111117	SIMPLE WIRELESS LLC	\$383.42
8/4/21	1111118	YANCA SOARES	\$81.41
8/4/21	1111119	SSHI LLC	\$7.89
8/4/21	1111120	KEEGAN CALHOUN	\$74.74
8/4/21	1111121	PULTE HOMES OF WASHINGTON, INC.	\$132.37
8/4/21	1111122	SARAH MICHAUD	\$192.94
8/4/21	1111123	CHAMPIONS REAL ESTATE SERVICES INC	\$8.42
8/4/21	1111124	LENNAR NORTHWEST INC	\$90.36
8/4/21	1111125	IRONWOOD MANUFACTURING	\$185.89

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
8/4/21	1111126	MEL BEACH	\$17.48
8/4/21	1111127	INNOVATION GROUP LLC	\$49.94
8/4/21	1111128	PACIFIC RIDGE - DRH, LLC	\$163.10
8/4/21	1111129	DEWAR PROPERTIES LLC	\$19.66
8/4/21	1111130	BEX PORTFOLIO LLC	\$27.95
8/4/21	1111131	KNIGHTS OF COLUMBUS COUNCIL #8476	\$18.43
8/4/21	1111132	JUSTIN LOCKWOOD	\$141.19
8/4/21	1111133	ISABELLE DIAZ	\$72.00
8/4/21	1111134	BRADY KJERSTEN	\$63.79
8/4/21	1111135	SHANNON WALK	\$5.98
8/4/21	1111136	TRISHA DEACH	\$38.32
8/4/21	1111137	CHURCH OF MESSENGER OF TRUTH	\$123.05
8/4/21	1111138	GARY EATON	\$48.18
8/4/21	1111139	SANDRA JACQUET	\$17.81
8/4/21	1111140	MIRA MONTE LLC	\$116.52
8/5/21	1111141	PACIFIC SECURITY VENTURES, LLC	\$25.83
8/5/21	1111142	BRUCE PHILIPP	\$15.31
8/5/21	1111143	ST MARYS COPTIC ORTHODOX CHURCH	\$217.30
8/5/21	1111144	TEODORO CAMPOS	\$140.37
8/5/21	1111145	JAMES SYRETT	\$6.74
8/5/21	1111146	ADAM BORDIANU	\$50.84
8/5/21	1111147	BRITTANY KOEHLER	\$35.45
8/5/21	1111148	JAMES DUFFEY	\$185.00
8/5/21	1111149	WYATT JOHNSON	\$227.81
8/5/21	1111150	NATALIE POWELL	\$57.46
8/5/21	1111151	FULLWILER CONSTRUCTION INC.	\$26.66
8/5/21	1111152	SUSAN JENSEN	\$16.53
8/5/21	1111153	ALAA AL ZARKANI	\$217.22
8/5/21	1111154	C&C COMMUNICATIONS LLC	\$169.05
8/5/21	1111155	NICHOLAS LAVARNWAY	\$811.69
8/5/21	1111156	KELLI VANESS	\$73.96
8/5/21	1111157	HZ COPPERSTONE APARTMENTS, LLC	\$15.47

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
8/5/21	1111158	ANTHONY DEMORAES	\$224.40
8/5/21	1111159	RACHELLE BURRIS	\$594.20
8/5/21	1111160	JULIA HEHN	\$21.26
8/5/21	1111161	TIA JESTER	\$1,322.96
8/5/21	1111162	JASMINE DANIELS	\$86.18
8/5/21	1111163	EDGEWOOD NORTH, LLC	\$58.97
8/5/21	1111164	CORNERSTONE HOMES	\$118.36
8/5/21	1111165	CARRIE HOOD	\$46.42
8/5/21	1111166	JSP LATITUDE LLC	\$43.11
8/5/21	1111167	LAKESIDE APARTMENT ASSOCIATES LLC	\$55.13
8/5/21	1111168	HIEN TU	\$38.59
8/5/21	1111169	WEI HAN LIM	\$14.61
8/5/21	1111170	ESTATE OF JIMMY HOKANSON	\$520.99
8/6/21	1111171	LYNN DELUISE	\$244.88
8/6/21	1111172	CRIMILDA BORJAS	\$73.35
8/6/21	1111173	TAMARON RANCH	\$16.96
8/6/21	1111174	ROBERT SIMPSON	\$5.11
8/6/21	1111175	JOSHUA STONEKING	\$8.76
8/6/21	1111176	TAMARON RANCH	\$36.04
8/6/21	1111177	BERNARD LECLAIRE	\$52.08
8/6/21	1111178	JEMMA GABER	\$34.21
8/6/21	1111179	SUSAN KALLGREN	\$236.35
8/6/21	1111180	OSCAR BARRON	\$131.72
8/6/21	1111181	ASHLEY THORESON	\$160.00
8/6/21	1111182	GALE CRITHFIELD	\$53.31
8/6/21	1111183	RYAN GINSTROM	\$237.84
8/6/21	1111184	ANDREW JONES	\$1,002.49
8/6/21	1111185	*DUPLICATE*COLDWELL BANKER BAIN	\$25.70
8/6/21	1111186	THOMAS GLASS	\$93.30
8/6/21	1111187	ESTATE OF DARRELL G GUNNELLS	\$22.49
8/6/21	1111188	21008 EVERETT HIGHWAY SP, LLC	\$6,721.41
8/6/21	1111189	TAMARON RANCH	\$19.61

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
8/6/21	1111190	DANIEL PFALMER	\$87.51
8/6/21	1111191	DON ORBINO	\$12.33
8/6/21	1111192	SHAWN JUNG	\$13.03
8/6/21	1111193	LISA CARLSON	\$81.55
8/6/21	1111194	NORTH POINTE APT LLC	\$214.74
8/6/21	1111195	SHELBY KOCH	\$157.63
8/6/21	1111196	NHU MANH LE	\$68.26
8/6/21	1111197	SARAH PUTNAM	\$35.25
8/6/21	1111198	MICHAEL FAZIO	\$28.06
Total:			\$49,081.74

Detailed Disbursement Report

Revolving Fund - Electronic Customer Refunds			
Payment Date	Payment Ref Nbr	Payee	Amount
7/26/21	000202483555	TEONI NIEMAN	\$751.23
7/27/21	000202490833	CELINE BUI	\$47.61
7/27/21	000202490834	TESSA MALLOY	\$256.72
7/27/21	000202490835	CHARLES VONSCHAMANN	\$82.77
7/27/21	000202490836	NIR HENDLER	\$160.00
7/27/21	000202490837	TESSA MALLOY	\$256.72
7/29/21	000202507137	MELISSA WHALEN	\$64.46
7/29/21	000202507138	EMMANUEL OGBEIDE	\$160.00
7/29/21	000202507139	JACLYN CUMMINGS	\$43.40
8/3/21	000202537552	KAREN DILLARD	\$40.51
8/3/21	000202537553	DEWAYNE FUNCHES	\$22.38
8/3/21	000202537554	DEWAYNE FUNCHES	\$84.38
8/3/21	000202537555	KAREN DILLARD	\$74.10
8/3/21	000202537556	MISTY BREWDER	\$41.45
8/3/21	000202537557	MARIA PEREZ	\$99.50
8/3/21	000202537558	ROBERT HAYTER	\$124.94
8/4/21	000202546916	ALICIA WHIZ	\$57.55
8/4/21	000202546917	ALICIA WHIZ	\$56.67
8/4/21	000202546918	ALICIA WHIZ	\$11.05
8/4/21	000202546919	COLE SOMES	\$167.94
8/4/21	000202546920	ALICIA WHIZ	\$125.27
8/4/21	000202546921	ERIN CHISMAN	\$351.52
8/4/21	000202546922	SEAN LYONS ABBOTT	\$17.98
8/4/21	000202546923	RILEY MORING	\$345.45
8/4/21	000202546924	ANDREW BOEKELMAN	\$35.88

Total: \$3,479.48

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
7/27/21	8064438	AT&T CORP	\$15,935.18
7/27/21	8064439	COMCAST HOLDING CORPORATION	\$346.84
7/27/21	8064440	CITY OF EVERETT	\$3,658.11
7/27/21	8064441	GLOBAL RENTAL COMPANY INC	\$6,588.00
7/27/21	8064442	KAMAN FLUID POWER LLC	\$17.29
7/27/21	8064443	NEWARK CORP	\$1,022.46
7/27/21	8064444	PITNEY BOWES PRESORT SERVICES INC	\$319.26
7/27/21	8064445	ROBERT HALF INTERNATIONAL INC	\$3,254.40
7/27/21	8064446	SOUND SECURITY INC	\$568.84
7/27/21	8064447	WEST PUBLISHING CORPORATION	\$6,356.69
7/27/21	8064448	ASTROF CONCRETE HARDWARE & RENTAL	\$82.24
7/27/21	8064449	BICKFORD MOTORS INC	\$180.51
7/27/21	8064450	CLEARVIEW GLASS CO INC	\$296.46
7/27/21	8064451	ENGINUIITY ADVANTAGE LLC	\$4,235.76
7/27/21	8064452	GARY D KREIN	\$658.80
7/27/21	8064453	RALPHS CONCRETE PUMPING INC	\$1,570.23
7/27/21	8064454	SKOTDAL MUTUAL LLC	\$400.00
7/27/21	8064455	PUBLIC UTILITY DIST NO 1 OF	\$4,710.49
7/27/21	8064456	MACH PUBLISHING INC	\$548.40
7/27/21	8064457	ZIPPER GEO ASSOCIATES LLC	\$5,876.83
7/27/21	8064458	GRAYBAR ELECTRIC CO INC	\$736.36
7/27/21	8064459	PROCESS SOLUTIONS INC	\$12,703.86
7/27/21	8064460	ENERGY CAPITAL SOLUTIONS LLC	\$7,398.71
7/27/21	8064461	CITY WIDE FENCE CO INC	\$1,013.70
7/27/21	8064462	DOLLAR TREE STORES INC	\$1,004.00
7/27/21	8064463	OCCUPATIONAL HEALTH CENTERS OF WA P	\$55.00
7/27/21	8064464	SNOHOMISH COUNTY 911	\$5,642.81
7/27/21	8064465	CRAWFORD & COMPANY	\$184.00
7/27/21	8064466	HALEY & ALDRICH INC	\$3,171.78
7/27/21	8064467	T BAILEY INC	\$94,801.72
7/27/21	8064468	MARTIN ENERGY GROUP SERVICES LLC	\$98,716.30
7/27/21	8064469	MOUNTLAKE LAUNDROMAT LLC	\$320.00

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
7/27/21	8064470	DOMESTIC VIOLENCE SERVICES	\$600.00
7/27/21	8064471	GLASS BY LUND INC	\$700.00
7/30/21	8064472	NEW CINGULAR WIRELESS PCS LLC	\$1,405.58
7/30/21	8064473	WHITEHORSE CONSTRUCTION INC	\$3,409.64
7/30/21	8064474	TOLL BROS INC	\$3,650.60
7/30/21	8064475	KATRINA HADLOCK	\$275.00
7/30/21	8064476	HARMONY CRAWFORD	\$4,265.00
7/30/21	8064477	D'SHANE TREMBLAY	\$1,962.00
7/30/21	8064478	COMCAST HOLDING CORPORATION	\$560.58
7/30/21	8064479	DICKS RESTAURANT SUPPLY	\$1,050.00
7/30/21	8064480	CITY OF EVERETT	\$160.95
7/30/21	8064481	GLOBAL RENTAL COMPANY INC	\$3,282.24
7/30/21	8064482	GENUINE PARTS COMPANY	\$68.62
7/30/21	8064483	SCADA AND CONTROLS ENGINEERING INC	\$3,040.00
7/30/21	8064484	SOUND PUBLISHING INC	\$120.40
7/30/21	8064485	STILLWATER ECOSYSTEM WATERSHED & RV	\$1,020.00
7/30/21	8064486	REFINITIV US LLC	\$4,835.59
7/30/21	8064487	UNITED SITE SERVICES OF NEVADA INC	\$699.29
7/30/21	8064488	UNIVERSITY OF WASHINGTON	\$304.48
7/30/21	8064489	AAA OF EVERETT FIRE	\$68.08
7/30/21	8064490	ALDERWOOD WATER & WASTEWATER DISTRI	\$34.98
7/30/21	8064491	BICKFORD MOTORS INC	\$20.63
7/30/21	8064492	DIRECTV LLC	\$95.99
7/30/21	8064493	EDS MCDUGALL LLC	\$320.00
7/30/21	8064494	JEFFREY HATHAWAY	\$4.34
7/30/21	8064495	PORTAGE BAY SOLUTIONS INC	\$372.00
7/30/21	8064496	ALEXANDER R ROSS	\$373.50
7/30/21	8064497	SAFELITE FULFILLMENT INC	\$679.32
7/30/21	8064498	SNOHOMISH COUNTY	\$25.08
7/30/21	8064499	SNOHOMISH COUNTY	\$22,364.31
7/30/21	8064500	BRENT STAINER	\$675.00
7/30/21	8064501	US BANK NA	\$4,374.44

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Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
7/30/21	8064502	USGS NATIONAL CENTER	\$5,895.00
7/30/21	8064503	ZIPPER GEO ASSOCIATES LLC	\$3,771.61
7/30/21	8064504	GRAY & OSBORNE INC	\$4,473.37
7/30/21	8064505	NORTH SOUND AUTO GROUP LLC	\$743.13
7/30/21	8064506	DIABSOLUT INC	\$2,255.00
7/30/21	8064507	WHECO CORP	\$2,768.88
7/30/21	8064508	LAKOTA ENTERPRISE INC	\$342.70
7/30/21	8064509	JOLLY FAMILY CORP	\$1,788.77
7/30/21	8064510	HAWK EQUIPMENT SERVICES INC	\$7,335.00
7/30/21	8064511	RYAN W PHILLIPS	\$315.00
7/30/21	8064512	DAVID B KAUFER	\$1,700.00
7/30/21	8064513	BARRON HEATING & AIR CONDITIONING	\$3,300.00
7/30/21	8064514	GLASS BY LUND INC	\$900.00
8/3/21	8064515	HARRY AND MARY LEFEBRE	\$16,740.00
8/3/21	8064516	COMCAST HOLDING CORPORATION	\$135.01
8/3/21	8064517	DAVID DUZENACK	\$269.50
8/3/21	8064518	CITY OF EVERETT	\$100.14
8/3/21	8064519	CORE & MAIN LP	\$315.80
8/3/21	8064520	UNITED SITE SERVICES OF NEVADA INC	\$1,400.00
8/3/21	8064521	ENGINUIITY ADVANTAGE LLC	\$3,286.00
8/3/21	8064522	GARY D KREIN	\$658.80
8/3/21	8064523	MACH PUBLISHING INC	\$365.40
8/3/21	8064524	ACUITY SPECIALTY PRODUCTS INC	\$195.23
8/3/21	8064525	EQUINOX RESEARCH & CONSULTING	\$3,956.47
8/3/21	8064526	WILLDAN ENERGY SOLUTIONS	\$67,620.12
8/3/21	8064527	MARY WICKLUND	\$21.40
8/6/21	8064528	SILVER GLEN 25 LLC	\$4,547.38
8/6/21	8064529	TOLL BROS INC	\$1,373.44
8/6/21	8064530	SPYGLASS RIDGE LLC	\$13,200.46
8/6/21	8064531	SWEETWATER LANDING, LLC	\$5,945.85
8/6/21	8064532	MIETZNER LAND COMPANY LLC	\$2,000.00
8/6/21	8064533	CITY OF ARLINGTON	\$57,436.00

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Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
8/6/21	8064534	AT&T CORP	\$15,741.26
8/6/21	8064535	CCH INCORPORATED	\$1,453.04
8/6/21	8064536	DUNN LUMBER CO INC	\$96.91
8/6/21	8064537	CITY OF EVERETT	\$122,637.17
8/6/21	8064538	FISHERIES SUPPLY CO	\$161.41
8/6/21	8064539	GLOBAL RENTAL COMPANY INC	\$17,019.00
8/6/21	8064540	KAMAN FLUID POWER LLC	\$9,814.79
8/6/21	8064541	GENUINE PARTS COMPANY	\$294.46
8/6/21	8064542	OPEX CORPORATION	\$10,326.69
8/6/21	8064543	PITNEY BOWES INC	\$658.25
8/6/21	8064544	REPUBLIC SERVICES INC	\$348.22
8/6/21	8064545	ROBERT HALF INTERNATIONAL INC	\$5,957.52
8/6/21	8064546	SALISH NETWORKS INC	\$480.39
8/6/21	8064547	SNOHOMISH COUNTY	\$210.00
8/6/21	8064548	SHI INTERNATIONAL CORP	\$15,118.41
8/6/21	8064549	SNOHOMISH COUNTY COUNCIL OF THE	\$6,217.74
8/6/21	8064550	TRIMAXX CONSTRUCTION INC	\$1,045,390.88
8/6/21	8064551	US BANK NA	\$4,666.73
8/6/21	8064552	US BANK NA	\$1,650.00
8/6/21	8064553	VALLEY ELECTRIC CO OF MT VERNON INC	\$397.25
8/6/21	8064554	WASHINGTON STATE DOT	\$2,304.00
8/6/21	8064555	WEST PUBLISHING CORPORATION	\$993.32
8/6/21	8064556	ALDERWOOD WATER & WASTEWATER DISTRI	\$78.59
8/6/21	8064557	ASTROF CONCRETE HARDWARE & RENTAL	\$141.31
8/6/21	8064558	BICKFORD MOTORS INC	\$2,808.40
8/6/21	8064559	CAR WASH ENTERPRISES INC	\$26.00
8/6/21	8064560	LELAND R DART	\$900.00
8/6/21	8064561	THE HO SEIFFERT COMPANY	\$2,935.00
8/6/21	8064562	EDS MCDUGALL LLC	\$700.00
8/6/21	8064563	GREYWARE AUTOMATION PRODUCTS INC	\$1,039.78
8/6/21	8064564	NW PUBLIC POWER ASSOC	\$90.00
8/6/21	8064565	PROVEN COMPLIANCE SOLUTIONS INC	\$26,500.00

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Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
8/6/21	8064566	REX ELECTRIC SERVICE INC	\$4,733.16
8/6/21	8064567	PUBLIC UTILITY DIST NO 1 OF	\$11,166.14
8/6/21	8064568	SPRINGBROOK NURSERY AND TRUCKING IN	\$28.56
8/6/21	8064569	TECHPOWER SOLUTIONS INC	\$898.50
8/6/21	8064570	TWELVE THIRTY ONE INCORPORATED	\$159.21
8/6/21	8064571	CITY OF EVERETT	\$158.40
8/6/21	8064572	GRAYBAR ELECTRIC CO INC	\$6,947.69
8/6/21	8064573	BROWN MATSON LLC	\$819.00
8/6/21	8064574	CENTURYLINK COMMUNICATIONS LLC	\$74,716.67
8/6/21	8064575	RAMON DIAZ PACHECO	\$1,370.92
8/6/21	8064576	WAVE BUSINESS SOLUTIONS	\$1,648.36
8/6/21	8064577	ACCESS INFORMATION HOLDINGS LLC	\$1,620.43
8/6/21	8064578	LANDIS GYR TECHNOLOGY INC	\$828.10
8/6/21	8064579	DOLLAR TREE STORES INC	\$1,580.00
8/6/21	8064580	YULIYA WOLD	\$360.00
8/6/21	8064581	SUSE LLC	\$33,332.80
8/6/21	8064582	NORTHWEST FIBER LLC	\$7,497.52
8/6/21	8064583	ARTHUR J GALLAGHER RISK	\$70.00
8/6/21	8064584	REACH SPORTS MARKETING GROUP INC	\$1,262.70
8/6/21	8064585	ARCHECOLOGY LLC	\$1,530.00
8/6/21	8064586	QUEEN CITY SHEET METAL & ROOFING IN	\$244,263.65
8/6/21	8064587	JONATHAN D YOUNG	\$720.00
8/6/21	8064588	LATERUS WINERY LLC	\$979.63
8/6/21	8064589	KENDALL DEALERSHIP HOLDINGS LLC	\$136.26
8/6/21	8064590	REBEKAH SIEG	\$1,170.00
8/6/21	8064591	DENNIS JOHNSON	\$750.00
8/6/21	8064592	CAROL SANTORO	\$360.00
8/6/21	8064593	ROGER WHITLOCK	\$1,507.77
8/6/21	8064594	CITY OF EVERETT	\$14,911.99
8/6/21	8064595	AA REMODELING LLC	\$756.00
8/6/21	8064596	AA REMODELING LLC	\$1,773.00
8/6/21	8064597	LIGHTNING GROWN LLC	\$103,916.90

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Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
8/6/21	8064598	REFINED CONSULTING GROUP	\$2,500.00
Total:			\$2,379,978.01

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Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
7/26/21	6024964	CONSOLIDATED ELECTRICAL DISTRIBUTOR	\$5,297.85
7/26/21	6024965	EJ BROOKS COMPANY	\$2,322.28
7/26/21	6024966	HOWARD INDUSTRIES INC	\$59,267.85
7/26/21	6024967	IVOXY CONSULTING INC	\$3,650.00
7/26/21	6024968	MOTOR TRUCKS INTL & IDEALEASE INC	\$7.47
7/26/21	6024969	NELSON DISTRIBUTING INC	\$1,999.52
7/26/21	6024970	NORTH COAST ELECTRIC COMPANY	\$2,546.31
7/26/21	6024971	OFFICE DEPOT INC	\$467.49
7/26/21	6024972	STAR RENTALS INC	\$3,745.56
7/26/21	6024973	TK ELEVATOR CORPORATION	\$2,188.79
7/26/21	6024974	VAN NESS FELDMAN LLP	\$4,244.50
7/26/21	6024975	WASTE MANAGEMENT OF WASHINGTON INC	\$4,020.97
7/26/21	6024976	COLEHOUR & COHEN INC	\$46,878.75
7/26/21	6024977	GREENSHIELDS INDUSTRIAL SUPPLY INC	\$33.47
7/26/21	6024978	DICKS TOWING INC	\$259.21
7/26/21	6024979	EDGE ANALYTICAL INC	\$32.00
7/26/21	6024980	GENERAL PACIFIC INC	\$27,861.75
7/26/21	6024981	HARMSSEN & ASSOCIATES INC	\$17,195.00
7/26/21	6024982	LAW DAWGS INC	\$1,000.00
7/26/21	6024983	LENZ ENTERPRISES INC	\$664.91
7/26/21	6024984	LONGS LANDSCAPE LLC	\$538.69
7/26/21	6024985	NORTHWEST CASCADE INC	\$124.50
7/26/21	6024986	LOUIS F MATHESON CONSTRUCTION INC	\$2,877.45
7/26/21	6024987	ALTEC INDUSTRIES INC	\$8,382.87
7/26/21	6024988	ANIXTER INC	\$27,408.75
7/26/21	6024989	AB RETAIL INC	\$537.58
7/26/21	6024990	ARC DOCUMENT SOLUTIONS LLC	\$32,325.88
7/26/21	6024991	ICONIX WATERWORKS INC	\$1,696.75
7/26/21	6024992	HCL AMERICA INC	\$16,994.48
7/26/21	6024993	TRAFFIC CONTROL PLAN CO OF WA LLC	\$150.00
7/26/21	6024994	BURNS & MCDONNELL ENGR CO INC	\$4,373.00
7/26/21	6024995	CENVEO WORLDWIDE LIMITED	\$3,854.97

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Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
7/26/21	6024996	ADVANCED TEST EQUIPMENT CORP	\$17,237.63
7/26/21	6024997	HP INC	\$768.60
7/26/21	6024998	AA REMODELING LLC	\$800.00
7/26/21	6024999	WASHINGTON ENERGY SERVICES COMPANY	\$800.00
7/26/21	6025000	KIANA NAHINU	\$755.03
7/27/21	6025001	CENTRAL WELDING SUPPLY CO INC	\$23.33
7/27/21	6025002	DOBLE ENGINEERING CO	\$520.00
7/27/21	6025003	HARGIS ENGINEERS INC	\$7,425.00
7/27/21	6025004	KUBRA DATA TRANSFER LTD	\$34,859.88
7/27/21	6025005	NORTHSTAR CHEMICAL INC	\$1,959.60
7/27/21	6025006	NW SUBSURFACE WARNING SYSTEM	\$8,084.43
7/27/21	6025007	OFFICE DEPOT INC	\$281.85
7/27/21	6025008	PETROCARD INC	\$1,315.29
7/27/21	6025009	ROMAINE ELECTRIC CORP	\$1,191.15
7/27/21	6025010	RWC INTERNATIONAL LTD	\$139.50
7/27/21	6025011	SEATTLE TIMES COMPANY	\$2,329.15
7/27/21	6025012	STELLAR INDUSTRIAL SUPPLY INC	\$1,503.75
7/27/21	6025013	STELLA-JONES CORPORATION	\$23,094.82
7/27/21	6025014	PRATT DAY & STRATTON PLLC	\$10,505.00
7/27/21	6025015	UNITED PARCEL SERVICE	\$360.09
7/27/21	6025016	WHITNEY EQUIPMENT COMPANY	\$2,942.09
7/27/21	6025017	WASHINGTON STATE NURSERY	\$2,970.00
7/27/21	6025018	WW GRAINGER INC	\$2,226.48
7/27/21	6025019	BACKGROUND INFORMATION SERVICES INC	\$1,590.82
7/27/21	6025020	CONFLUENCE ENGINEERING GROUP LLC	\$5,785.50
7/27/21	6025021	CUZ CONCRETE PRODUCTS INC	\$6,442.80
7/27/21	6025022	DALCO INC	\$81.21
7/27/21	6025023	EDGE ANALYTICAL INC	\$52.00
7/27/21	6025024	LENZ ENTERPRISES INC	\$34.10
7/27/21	6025025	OPEN ACCESS TECHNOLOGY INTL INC	\$822.00
7/27/21	6025026	DAVID JAMES PERKINS	\$2,200.00
7/27/21	6025027	POWER-GLASS INC	\$2,780.79

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
7/27/21	6025028	LOUIS F MATHESON CONSTRUCTION INC	\$1,164.24
7/27/21	6025029	ROHLINGER ENTERPRISES INC	\$5,572.86
7/27/21	6025030	SOUND SAFETY PRODUCTS CO INC	\$3,406.78
7/27/21	6025031	G4S SECURE SOLUTIONS USA INC	\$115,279.37
7/27/21	6025032	ANIXTER INC	\$26,553.38
7/27/21	6025033	MICHAEL NASH	\$9,750.00
7/27/21	6025034	ATWORK COMMERCIAL ENTERPRISES LLC	\$22,175.23
7/27/21	6025035	DS SERVICES OF AMERICA INC	\$4,510.73
7/27/21	6025036	NEXANT INC	\$85,754.95
7/27/21	6025037	CURTIS A SMITH	\$6,825.71
7/27/21	6025038	AMAZON WEB SERVICES INC	\$405.36
7/27/21	6025039	QCERA INC	\$1,994.00
7/27/21	6025040	SHERELLE GORDON	\$22,000.00
7/27/21	6025041	USIC HOLDINGS INC	\$68,520.52
7/27/21	6025042	BLUEBERRY TECHNOLOGIES LLC	\$23,587.50
7/27/21	6025043	MIRO CONSULTING INC	\$12,900.00
7/27/21	6025044	CM HEATING INC	\$2,300.00
7/27/21	6025045	GS HEATING & COOLING LLC	\$1,500.00
7/28/21	6025046	ALS GROUP USA CORP	\$216.00
7/28/21	6025047	DAVID EVANS & ASSOCIATES INC	\$2,729.24
7/28/21	6025048	HOWARD INDUSTRIES INC	\$56,038.62
7/28/21	6025049	NORTH COAST ELECTRIC COMPANY	\$3,004.13
7/28/21	6025050	ON HOLD CONCEPTS INC	\$214.75
7/28/21	6025051	RWC INTERNATIONAL LTD	\$1,114.66
7/28/21	6025052	STELLA-JONES CORPORATION	\$28,475.09
7/28/21	6025053	TK ELEVATOR CORPORATION	\$495.07
7/28/21	6025054	WETLAND RESOURCES INC	\$1,680.00
7/28/21	6025055	WW GRAINGER INC	\$1,523.77
7/28/21	6025056	DUNLAP INDUSTRIAL HARDWARE INC	\$13,409.30
7/28/21	6025057	LUMINOUS CORPORATION	\$2,700.00
7/28/21	6025058	THOMAS D MORTIMER JR	\$1,097.25
7/28/21	6025059	SENSUS USA INC	\$1,453.76

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
7/28/21	6025060	TECH PRODUCTS INC	\$490.00
7/28/21	6025061	ALTEC INDUSTRIES INC	\$656.11
7/28/21	6025062	CAPITAL ARCHITECTS GROUP PC	\$17,173.51
7/28/21	6025063	ROADPOST USA INC	\$1,011.39
7/28/21	6025064	Z2SOLUTIONS LLC	\$78,910.00
7/28/21	6025065	MICHAEL NASH	\$1,050.00
7/28/21	6025066	ATWORK COMMERCIAL ENTERPRISES LLC	\$6,552.45
7/28/21	6025067	THE ADT SECURITY CORPORATION	\$3,758.29
7/28/21	6025068	ENABLE NOW EXPERT LLC	\$1,750.00
7/28/21	6025069	BREEZE FREE INC	\$1,000.00
7/28/21	6025070	CLEAN CRAWL INC	\$909.50
7/28/21	6025071	SUE FRESE	\$84.56
7/29/21	6025072	ASPLUNDH TREE EXPERT LLC	\$35,755.65
7/29/21	6025073	FRUHLING SAND & TOPSOIL INC	\$3,423.61
7/29/21	6025074	HOWARD INDUSTRIES INC	\$46,069.88
7/29/21	6025075	JACO ANALYTICAL LAB INC	\$247.00
7/29/21	6025076	MOTOR TRUCKS INTL & IDEALEASE INC	\$702.76
7/29/21	6025077	NORTH COAST ELECTRIC COMPANY	\$476.97
7/29/21	6025078	TESSCO INCORPORATED	\$160.15
7/29/21	6025079	WW GRAINGER INC	\$2,899.23
7/29/21	6025080	CUZ CONCRETE PRODUCTS INC	\$2,419.80
7/29/21	6025081	HOGLUNDS TOP SHOP INC	\$823.50
7/29/21	6025082	LENZ ENTERPRISES INC	\$1,069.63
7/29/21	6025083	ULINE INC	\$433.40
7/29/21	6025084	ICONIX WATERWORKS INC	\$4,948.82
7/29/21	6025085	BANK OF AMERICA NA	\$243,244.68
7/29/21	6025086	TT FASTER LLC	\$28,273.50
7/30/21	6025087	JACO ANALYTICAL LAB INC	\$650.00
7/30/21	6025088	NORTHWEST CASCADE INC	\$251.08
7/30/21	6025089	AMAZON WEB SERVICES INC	\$711.96
7/30/21	6025090	COMPENSATION WORKS CORP	\$11,700.00
7/30/21	6025091	CLEAN CRAWL INC	\$1,000.00

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Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
7/30/21	6025092	CM HEATING INC	\$2,400.00
7/30/21	6025093	GS HEATING & COOLING LLC	\$1,500.00
7/30/21	6025094	LIBERTY MUTUAL GROUP INC	\$29,997.27
8/2/21	6025095	CONSOLIDATED ELECTRICAL DISTRIBUTOR	\$12.25
8/2/21	6025096	GDS ASSOCIATES INC	\$7,755.00
8/2/21	6025097	MOTOR TRUCKS INTL & IDEALEASE INC	\$504.20
8/2/21	6025098	NELSON DISTRIBUTING INC	\$108.87
8/2/21	6025099	OFFICE DEPOT INC	\$2,129.48
8/2/21	6025100	WESCO DISTRIBUTION INC	\$4,117.50
8/2/21	6025101	ANDERSON HUNTER LAW FIRM PS	\$482.00
8/2/21	6025102	GENERAL PACIFIC INC	\$416.23
8/2/21	6025103	LAW DAWGS INC	\$1,000.00
8/2/21	6025104	LEGACY2012 LLC	\$1,908.75
8/2/21	6025105	LENZ ENTERPRISES INC	\$10.00
8/2/21	6025106	RELIANCE MANUFACTURING CORPORATION	\$1,399.95
8/2/21	6025107	RMG FINANCIAL CONSULTING INC	\$350.00
8/2/21	6025108	ANIXTER INC	\$89,771.11
8/2/21	6025109	JACKAREN CONSULTING	\$6,780.00
8/2/21	6025110	HP INC	\$851.50
8/2/21	6025111	ALLISON GRINCZEL	\$20.72
8/2/21	6025112	TIMOTHY DURAND	\$129.36
8/2/21	6025113	LIBERTY MUTUAL GROUP INC	\$352.04
8/3/21	6025114	CERIUM NETWORKS INC	\$300.00
8/3/21	6025115	ROMAINE ELECTRIC CORP	\$526.22
8/3/21	6025116	STAR RENTALS INC	\$974.57
8/3/21	6025117	WETLAND RESOURCES INC	\$17,800.00
8/3/21	6025118	GENERAL PACIFIC INC	\$3,148.75
8/3/21	6025119	LONGS LANDSCAPE LLC	\$1,509.75
8/3/21	6025120	NORTHWEST CASCADE INC	\$430.00
8/3/21	6025121	ULINE INC	\$1,504.93
8/3/21	6025122	WESTERN ELECTRICITY COORDINATING CO	\$118.40
8/3/21	6025123	WETHERHOLT & ASSOCIATES INC	\$506.25

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
8/3/21	6025124	ALTEC INDUSTRIES INC	\$84.86
8/3/21	6025125	ANIXTER INC	\$35,043.71
8/3/21	6025126	TRU-CHECK INC	\$216,691.72
8/3/21	6025127	ARC DOCUMENT SOLUTIONS LLC	\$5,072.86
8/3/21	6025128	THE SISNEY GROUP LLC	\$3.45
8/3/21	6025129	NORTH COUNTY OUTLOOK INC	\$405.00
8/3/21	6025130	HP INC	\$4,247.06
8/4/21	6025131	ALS GROUP USA CORP	\$576.00
8/4/21	6025132	NORTH COAST ELECTRIC COMPANY	\$1,827.28
8/4/21	6025133	NORTHWEST POWER POOL CORP	\$16,692.68
8/4/21	6025134	PERKINS COIE LLP	\$2,043.90
8/4/21	6025135	STELLAR INDUSTRIAL SUPPLY INC	\$4,904.40
8/4/21	6025136	BENEFITFOCUS COM INC	\$7,705.05
8/4/21	6025137	L&S ELECTRIC INC	\$936.50
8/4/21	6025138	NORTHWEST HANDLING SYSTEMS INC	\$5,657.99
8/4/21	6025139	ALTEC INDUSTRIES INC	\$116.28
8/4/21	6025140	TRAFFIC CONTROL PLAN CO OF WA LLC	\$750.00
8/4/21	6025141	INNOVYZE INC	\$6,197.74
8/4/21	6025142	WORKLOGIX MANAGEMENT INC	\$5,750.00
8/4/21	6025143	MOON CONSTRUCTION CO INC	\$219,821.20
8/4/21	6025144	MONICA GORMAN	\$219.52
8/4/21	6025145	LIBERTY MUTUAL GROUP INC	\$12,631.59
8/5/21	6025146	ASPLUNDH TREE EXPERT LLC	\$34,435.68
8/5/21	6025147	NORTH COAST ELECTRIC COMPANY	\$427.23
8/5/21	6025148	RWC INTERNATIONAL LTD	\$106.24
8/5/21	6025149	S&C ELECTRIC COMPANY	\$426.02
8/5/21	6025150	GEOENGINEERS INC	\$4,488.25
8/5/21	6025151	PUBLIC UTILITY DISTRICT EMPLOYEES	\$1,017.00
8/5/21	6025152	SOUND SAFETY PRODUCTS CO INC	\$5,699.56
8/5/21	6025153	OFFICE OF THE SECRETARY OF STATE	\$2,702.00
8/5/21	6025154	DELTA CONNECTS INC	\$541.42
8/5/21	6025155	WELLNESS BY WISHLIST INC	\$929.16

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
8/5/21	6025156	HP INC	\$1,207.89
8/5/21	6025157	GEORGE HESPE	\$161.28
8/6/21	6025158	IVOXY CONSULTING INC	\$268,213.01
8/6/21	6025159	PTC INC	\$328.65
8/6/21	6025160	STONEWAY ELECTRIC SUPPLY CO	\$276.59
8/6/21	6025161	TOPSOILS NORTHWEST INC	\$220.00
8/6/21	6025162	UNITED PARCEL SERVICE	\$149.87
8/6/21	6025163	WASTE MANAGEMENT OF WASHINGTON INC	\$406.74
8/6/21	6025164	WETLAND RESOURCES INC	\$4,480.00
8/6/21	6025165	AARD PEST CONTROL INC	\$126.27
8/6/21	6025166	CELLCO PARTNERSHIP	\$49,361.24
8/6/21	6025167	COLEHOUR & COHEN INC	\$17,127.99
8/6/21	6025168	GOVERNMENT PORTFOLIO ADVISORS	\$8,750.00
8/6/21	6025169	LI IMMIGRATION LAW PLLC	\$7,720.04
8/6/21	6025170	NORTHWEST CASCADE INC	\$1,143.41
8/6/21	6025171	PACIFIC MOBILE STRUCTURES INC	\$3,554.54
8/6/21	6025172	LOUIS F MATHESON CONSTRUCTION INC	\$1,016.02
8/6/21	6025173	ROHLINGER ENTERPRISES INC	\$6,767.19
8/6/21	6025174	SEMAPHORE CORP	\$1,827.10
8/6/21	6025175	WESTERN STATES FIRE PROTECTION CO	\$780.00
8/6/21	6025176	INFOSOL INC	\$1,800.00
8/6/21	6025177	TWILIO INC	\$3,194.71
8/6/21	6025178	MAPBOX INC	\$583.00
8/6/21	6025179	BENJAMIN DAVIS	\$206.08

Total: \$2,608,158.26

Detailed Disbursement Report

Accounts Payable Wires			
Payment Date	Payment Ref Nbr	Payee	Amount
7/28/21	7002260	US DEPARTMENT OF ENERGY	\$4,093,420.00
7/29/21	7002261	US BANK	\$17,710.92
7/30/21	7002262	ENERGY NORTHWEST	\$55,252.00
7/30/21	7002263	US BANK NA	\$17,295.06
8/5/21	7002264	ICMA-RC	\$207,548.77
8/5/21	7002265	PUBLIC UTILITY DIST NO 1 OF SNOHOMI	\$36,736.03
8/5/21	7002266	WHEAT FIELD WIND POWER PROJECT LLC	\$1,896,807.25
8/5/21	7002267	ICMA-RC	\$520,599.33
8/5/21	7002268	ICMA-RC	\$14,965.95
8/6/21	7002269	VOID	\$0.00
8/6/21	7002270	VOID	\$0.00
8/6/21	7002271	US BANK NA	\$42,756.56
8/6/21	7002272	CRAWFORD & COMPANY	\$2,108.16

Total: \$6,905,200.03

Detailed Disbursement Report

Payroll			
Period End Date	Payment Ref Nbr	Payee	Amount
8/4/21	5300000510	PUD EMPLOYEES - DIRECT DEPOSIT	\$3,982,637.93
8/6/21	844387 - 844399	PUD EMPLOYEES - WARRANTS	\$41,674.66

Detailed Disbursement Report

Automatic Debit Payments			
Payment Date	Payment Ref Nbr	Payee	Amount
7/27/21	5300000506	STATE OF WA DEPT OF REVEN	\$1,982,988.89
7/27/21	5300000507	STATE OF WA DEPT OF RETIR	\$155,047.63
7/30/21	5300000508	STATE OF WA DEPT OF REVEN	\$6,381.25
8/4/21	5300000509	ELAVON INC DBA MERCHANT S	\$1,313.26
8/4/21	5300000510	AUTOMATIC DATA PROCESSING	\$933,664.79
8/5/21	5300000511	US POSTAL SVC	\$110,000.00
Total:			\$3,189,395.82



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 4A

TITLE:

Disposal of Surplus Property – 3rd Quarter 2021 Supplement

SUBMITTED FOR: Public Hearing and Action

Warehouse
Department

Hud Allworth
Contact

5005
Extension

Date of Previous Briefing: _____

Estimated Expenditure: _____

Presentation Planned ☐

ACTION REQUIRED:

- ☒ Decision Preparation
- ☐ Policy Discussion
- ☐ Policy Decision
- ☒ Statutory

☐ Incidental
(Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4) --- non-delegable, statutorily assigned Board duty.

Request approval to dispose of various materials and equipment from all Divisions, as set forth on Exhibit "A" that have accumulated during the quarter. These items are no longer necessary or useful to the District and will be sold for high bid, scrap, junk, or used as trade-in.

List Attachments
Exhibit A

SURPLUS PROPERTY RECOMMENDATIONS

3rd QUARTER 2021, SUPPLEMENT

	DESCRIPTION	STORES REF. #	PURCHASE YEAR	ORIGINAL PURCHASE PRICE	APPROX. MARKET VALUE	DISPOSAL METHOD
1.	(K-181) Portable Substation Transformer: 28MVA Portable Substation Power Transformer is Manufactured in 1981 by Federal Pacific, Serial #50788-1. This transformer has an estimated dry weight is approximately 31,300 lbs. It is beyond economical repair and will not be replaced, it has been removed from service.	S-5280	N/A	N/A	N/A	Scrap
2.	(K-124) Portable Substation Transformer: 10MVA Portable Substation Transformer 115kV high side and 12.47kV low side (phase to phase). This portable substation is no longer economical to maintain and will not be replaced, it has been removed from service. The District has two additional mobile substations, equipped with larger electrical system capacities.	S-5252	N/A	N/A	N/A	Scrap



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 5A

TITLE:

2022 Budget Notice of Public Hearing

SUBMITTED FOR: Items for Individual Consideration

Finance Division

Department

Sarah Bond

Contact

8448

Extension

Date of Previous Briefing: _____

Estimated Expenditure: _____

Presentation Planned ☐

ACTION REQUIRED:

- ☒ Decision Preparation
- ☐ Policy Discussion
- ☐ Policy Decision
- ☒ Statutory

☐ Incidental
(Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4) ... a non-delegable, statutorily assigned Board duty as defined under RCW 54.16.080 ... budget.

The Commission's budget considerations and Public Hearing will commence after delivery of the CEO/General Manager's Proposed 2022 Budget on Monday, October 4, 2021. The Public Hearing will be continued on November 2, 2021 and November 16, 2021. Adoption is scheduled for December 7, 2021. Notices of Public Hearing will be published on September 20 and 27, 2021.

List Attachments:

Proposed Hearing Schedule
Notice of Public Hearing

PROPOSED HEARING SCHEDULE

2022 BUDGET

PROPOSED DATES

PROPOSED ACTIVITY

August 17, 2021

Set Hearing Schedule for 2022 Budget

October 4, 2021¹

Public Hearing - deliver Manager's Proposed 2022 Budget to Commission. Continue hearing as necessary.

November 2, 2021

Continue public hearing

November 16, 2021

Continue public hearing – Discuss Proposed Budget Modifications

December 7, 2021

Public Hearing – Commission considers adoption of 2022 Budget

¹ Statute requires the Commission to hold a public hearing on the first Monday in October.

NOTICE OF PUBLIC HEARING
ON PROPOSED 2022 BUDGET

NOTICE IS HEREBY GIVEN that the proposed preliminary budget of Public Utility District No. 1 of Snohomish County, Washington, for the calendar year 2022 has been filed with the Commission of said Public Utility District No. 1 at its office at 2320 California Street, Everett, Washington, and may be examined by requesting a copy from the Clerk of the Board.

FURTHER, MONDAY, OCTOBER 4, 2021, at the hour of 1:30 p.m., at 2320 California Street, Everett, Washington and/or at a publicly noticed video conference meeting, if appropriate, is set as the date, time, and place for said public hearing on the proposed budget, at which time any citizen may appear and be heard for or against the whole or any part thereof.

DATED this 17th day of August 2021.

Sidney Logan, President

Rebecca Wolfe, Vice-President

Tanya Olson, Secretary

To be Published: September 20, 2021
 September 27, 2021



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 5B

TITLE:

Consideration of a Resolution Ratifying and Adopting the Amended, Restated, and Retitled Employee Health Benefits Program (formerly Flexible Benefit Program) Plan Document Effective January 1, 2020, the Amended and Restated Employee Health Benefits Program Effective January 1, 2021, and the Restated Cafeteria Plan Effective January 1, 2021, for Public Utility District No. 1 of Snohomish County

SUBMITTED FOR: Items for Individual Consideration

<u>Human Resources</u>	<u>Dana Pollow</u>	<u>8735</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing: _____		
Estimated Expenditure: _____		Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- | | | |
|--|-------------------------------------|--|
| <input checked="" type="checkbox"/> Decision Preparation | <input type="checkbox"/> Incidental | <input type="checkbox"/> Monitoring Report |
| <input type="checkbox"/> Policy Discussion | (Information) | |
| <input type="checkbox"/> Policy Decision | | |
| <input checked="" type="checkbox"/> Statutory | | |

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Executive Limitation – EL-8- Compensation and Benefits: With respect to employment, compensation, and benefits to employees, the CEO/General Manager shall not cause or allow jeopardy to fiscal integrity or deviate materially from the compensation and benefit program previously approved by the Board of Commissioners.

On December 30, 1986, the District Board of Commissioners passed Resolution No. 3022 adopting a Flexible Benefit Program, Expandable Trust Fund, and Specific Benefits Plan (“Flexible Benefit Program and Cafeteria Plan”), with an effective date of January 1, 1987. Since that time, the Commission has passed a number of resolutions ratifying and authorizing the amendments and/or and restatements of the Flexible Benefits Program and Cafeteria Plan to ensure compliance with applicable federal and state laws governing this Program and Cafeteria Plan, for ease of use and readability, and to authorize the CEO/General Manager to make amendments to the Flexible Benefits Program documents to the extent such amendments are required by law or are purely administrative or minor in nature.

On April 7, 2020, the Commission passed Resolution No. 5948 authorizing the execution of a Collective Bargaining Agreement between the District and the IBEW Local No. 77 for period of April 1, 2020 through March 31, 2024 (“2020-2024 CBA”), which contained certain changes to the District’s “Insurance and Medical Plan,” including:

(1) Effective July 1, 2020: (a) modifying the eligibility requirements to receive and the effective date of the District-paid monthly benefit contribution; and (b) retitling the Flexible Benefits Program to the Employee Health Benefits Program;

(2) Effective January 1, 2021: modifying the District Benefits monthly contribution percentages and tier options;

(3) Effective July 1, 2021: adding a High Deductible Health Plan and Health Savings Account to the medical plan offerings with a District contribution to the HSA; and

(4) Effective January 1, 2022: (a) changing the benefits offered to part-time employees who work less than thirty (30) hours per week; and (b) creating a new category of full-time employees who work at least thirty (30) but less than forty (40) hours per week and allowing such employees to receive a District contribution toward certain health benefits.

In 2020 and in order to implement the insurance and medical plan changes required by the 2020-2024 CBA, the Flexible Benefits Program was retitled the Employee Health Benefits Program and the eligibility requirements to receive and the effective date of the District-paid monthly benefit contribution were modified; and

In 2021 and in order to implement the insurance and medical plan changes required by the 2020-2024 CBA, the Employee Health Benefits Program was modified as follows: monthly contribution percentages and tier options were modified; the benefits offered to part-time employees who worked less than thirty (30) hours were changed; a new category of full-time employees was created who worked at least thirty (30) hours but less than forty (40) hours per week that are eligible to receive a District contribution toward certain health benefits; and a High Deductible Health Plan and Health Savings Account was added.

Human Resources staff now recommends that the Commission pass the attached resolution to ratify and adopt: the renaming of the Flexible Benefits Program to the Employee Health Benefits Program; the amendments to and restatement of the Employee Health Benefits Program; the restatement of the Cafeteria Plan to reflect the changes made in the 2020-2024 CBA; to ensure compliance with applicable federal and state laws; and to authorize the CEO/General Manager to make amendments to the Employee Health Benefits Program and Cafeteria Plan documents to the extent such amendments are required by law or are purely administrative or minor in nature.

List Attachments:

Resolution
Exhibit A
Exhibit B
Exhibit C

RESOLUTION NO. _____

A RESOLUTION Ratifying and Adopting the Amended, Restated, and Retitled Employee Health Benefits Program (formerly Flexible Benefit Program) Plan Document Effective January 1, 2020, the Amended and Restated Employee Health Benefits Program Effective January 1, 2021, and the Restated Cafeteria Plan Effective January 1, 2021, for Public Utility District No. 1 of Snohomish County

WHEREAS, the Commission of Public Utility District No. 1 (“Commission”) adopted a Flexible Benefit Program, Expandable Trust Fund, and Specific Benefits Plan (collectively referred to as “Flexible Benefit Program and Cafeteria Plan”) through Resolution No. 3022 with an effective date of January 1, 1987; and

WHEREAS, since said adoption, the Commission has passed a number of resolutions ratifying and authorizing the amendments and/or and restatements of the Flexible Benefits Program and Cafeteria Plan to ensure compliance with applicable federal and state laws governing this Program and Cafeteria Plan, for ease of use and readability, and to allow the CEO/General Manager to make amendments to the Flexible Benefits Program documents to the extent such amendments are required by law or are purely administrative or minor in nature; and

WHEREAS, on April 7, 2020, the Commission passed Resolution No. 5948 authorizing the execution of a Collective Bargaining Agreement between the Public Utility District No. 1 of Snohomish County (“District”) and the International Brotherhood of Electrical Workers, Local No. 77 (“IBEW”) for period of April 1, 2020 through March 31, 2024 (“2020-2024 CBA”), which contained certain changes to the District’s “Insurance and Medical Plan,” including:

(1) Effective July 1, 2020: (a) modifying the eligibility requirements to receive and the effective date of the District-paid monthly benefit contribution; and (b) retitling the Flexible Benefits Program to the Employee Health Benefits Program;

(2) Effective January 1, 2021: modifying the District Benefits monthly contribution percentages and tier options;

(3) Effective July 1, 2021: adding a High Deductible Health Plan and Health Savings Account to the medical plan offerings with a District contribution to the HSA; and

(4) Effective January 1, 2022: (a) changing the benefits offered to part-time employees who work less than thirty (30) hours per week; and (b) creating a new category of full-time employees who work at least thirty (30) but less than forty (40) hours per week and allowing such employees to receive a District contribution toward certain health benefits; and

WHEREAS, in 2020 and in order to implement the insurance and medical plan changes required by the 2020-2024 CBA, the Flexible Benefits Program was retitled the Employee Health Benefits Program and the eligibility requirements to receive and the effective date of the District-paid monthly benefit contribution were modified; and

WHEREAS, in 2021 and in order to implement the insurance and medical plan changes required by the 2020-2024 CBA, the Employee Health Benefits Program was modified as follows: monthly contribution percentages and tier options were modified; the benefits offered to part-time employees who worked less than thirty (30) hours were changed; a new category of full-time employees was created who worked at least thirty (30) hours but less than forty (40) hours per week that are eligible to receive a District contribution toward certain health benefits; and a High Deductible Health Plan and Health Savings Account was added; and

WHEREAS, Human Resources staff recommends that the Commission ratify and adopt the renaming of the Flexible Benefits Program to the Employee Health Benefits Program, the amendments to and restatement of the Employee Health Benefits Program, and the restatement of the Cafeteria Plan to reflect the changes made in the 2020-2024 CBA, and to ensure compliance with applicable federal and state laws; and

WHEREAS, Human Resources further recommends the CEO/General Manager be authorized to make amendments to the Employee Health Benefits Program and Cafeteria Plan documents to the extent such amendments are required by law or are purely administrative or minor in nature; and

WHEREAS, the Commission finds that such recommendations are reasonable, prudent and in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED that the Commission of Public Utility District No. 1 of Snohomish County hereby:

1. Ratifies and approves the Public Utility District No. 1 of Snohomish County Employee Health Benefits Program as amended, restated, and retitled in substantially the form set forth in attached and incorporated Exhibit “A” with an effective date of January 1, 2020.
2. Ratifies and approves the Public Utility District No. 1 of Snohomish County Employee Health Benefits Program, as amended and restated in substantially the form set forth in attached and incorporated Exhibit “B” with an effective date of January 1, 2021.

3. Ratifies and approves the Public Utility District No. 1 of Snohomish County Cafeteria Plan as restated in substantially the form set forth in attached and incorporated Exhibit “C” with an effective date of January 1, 2021.
4. Authorizes and directs the CEO/General Manager, in the name of and on behalf of the District, to execute and deliver the Employee Health Benefits Program in substantially the form set forth in Exhibit A, and all other contracts, agreements, acknowledgements, trust instruments, instruments and/or communications that pertain to the implementation, administration, operation, taxation and/or audit of the amended and restated Employee Health Benefits Program and Cafeteria Plan.
5. Authorizes and directs the CEO/General Manager to execute and deliver future amendments to the Employee Health Benefits Program and Cafeteria Plan to the extent such amendments are required by law or are purely administrative or minor in nature.

PASSED AND APPROVED this 17th day of August, 2021.

President

Vice-President

Secretary

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program (EHBP)

**Amended and Restated
Effective July 1, 2020**

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Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective July 1, 2020

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Public Utility District No. 1 of Snohomish County
Employee Health Benefits Program
Effective July 1, 2020

Introduction

The **District** sponsors the Public Utility District No. 1 of Snohomish County Employee Health Benefits Program (the “**EHBP**”) for the **District’s Eligible Employees**. Under the **EHBP**, you elect medical, dental, vision and other **Benefits** and coverages for which you, your **Spouse or eligible Domestic Partner**, and your eligible **Dependent Children** are eligible. (Coverage for your **Domestic Partner** and/or child of your **Domestic Partner** who is not your tax dependent for group health plan purposes is provided on a taxable basis and your contributions towards such coverage are paid on an after-tax basis). **Boldface** terms are defined in *Section X – Definitions* beginning on page 11.

Section I – Participation and Eligibility

a. Am I Eligible to Participate in the EHBP?

Employees of the District are eligible to participate in the **EHBP** if they are **Eligible Employees**. Beginning for Plan Year 2022, eligibility for the **EHBP** will be determined as set forth in Appendix C.

b. I am a New Eligible Employee. When does Coverage Become Effective?

If you are a new **Eligible Employee**, your first day of employment or date of employment status change (e.g. **Part Time Employee** to **Full Time Employee** or vice versa) determines when your coverage becomes effective under the **EHBP**. If your first day of employment or date of employment status change as a newly **Eligible Employee** is on the first day of the month, your coverage is effective immediately on the first day of the month. If your first day of employment or date of employment status change as a newly **Eligible Employee** is after the first day of the month, coverage is effective the 1st day of the next calendar month of employment.

Example: Your first day of employment is July 1. Coverage is effective July 1.

Example: Your first day of employment is July 22. Coverage is effective August 1.

Student Workers are not eligible for the **EHBP** benefits. **Time Limited Employees** are eligible for the **EHBP** on the first day of the month following 60 days of continuous employment. For example, if a **Time Limited Employee** is hired on July 22, coverage is effective October 1.

c. What Benefits Am I Eligible for?

Benefit options for a **Full-Time Eligible Employee** and a **Part-Time Eligible Employee** are listed on *Appendix B – Benefits*. Beginning on January 1, 2022, there will be three classifications of **Employees**, **Part-time**, **Full-Time (with Modified Benefits)** and **Full-Time Employees** as described in *Appendix C*.

d. When must newly Eligible Employees elect coverage?

If you are a **Full-Time Eligible Employee**, you are automatically enrolled in **Default Core Benefits** under the **EHBP** on the effective coverage date. However, if you wish to elect **Alternative Core Benefits**, to elect **Non-Core Benefits**, or to cover your **Spouse or Domestic Partner** and your **Dependent Children** under specific **Benefits**, your initial enrollment elections are effective on the effective date above if you make timely elections within 30 days of the date of hire or date of employment status change. See *“How do I Elect Benefits and Coverages?”*.

If you are a **Part-Time Eligible Employee**, you are not automatically enrolled in **Benefits** under the **EHBP**. You must elect to participate in the **EHBP**, elect the **Benefits** you want, and elect coverage, if any, you want for your **Spouse, Domestic Partner** and/or your **Dependent Children**. Your initial enrollment elections are effective on the effective date above only if you make timely elections within 30 days of your date of hire. See the next section entitled *“How do I Elect Benefits and Coverages.”*

e. How do I Elect Benefits and Coverages?

Human Resources will advise you in writing of the procedures and deadlines for electing to participate in the **EHBP**, electing **Benefits**, electing coverages (for example, single employee coverage, double coverage, multiple coverage, etc.), and electing to reduce your **Pay** to pay your share of the cost. The procedures may require you to complete, sign and return paper forms and elections, or may require you to make all or some of your elections by electronic media.

In most instances, elections must be prospective — that is, **Human Resources** requires you to make your election on a date before that election becomes effective — unless you are a new **Eligible Employee** making a timely initial election or unless a specific exception applies (for example, a special event based on the birth or adoption of your child (see *Appendix A*). Elections made during open enrollment are effective as of the first day of the following **Plan Year**.

Enrollment of you, your **Spouse** or your **Domestic Partner**, or your **Dependent Children** for coverage under a **Benefit** is subject to and governed by the terms and conditions of the **Benefit** (including the terms and conditions of any applicable insurance contract or subscriber booklet), including their applicable rules, regulations, policies, and procedures, as amended from time to time.

As a condition of receiving benefits under the **EHBP**, you are required to (1) notify the Human Resources Department of your divorce, termination of domestic partnership or the death of a **Spouse/Domestic Partner**, or **Dependent Child** who is participating in the **EHBP**; and (2) provide, upon request by the **Plan Administrator**, proof that your **Spouse/Domestic Partner** or **Dependent Child** qualifies or continues to qualify to participate in the **EHBP**, such as providing a copy of your marriage license, a copy of a birth certificate, or proof of a **Dependent Child's** disability.

If you enroll a person who is not eligible for the **EHBP**, or if you fail to disenroll a person when the person first becomes ineligible for the **EHBP**, you are committing fraud against the **EHBP** and the **District**. For example, it is fraudulent for you to (1) enroll someone as your **Spouse/Domestic Partner** when in fact the person is not; or (2) fail to report a divorce if your ex-**Spouse** was participating in the **EHBP** as of the date of the divorce. In addition to other actions which the **EHBP** or the **District** might take in response to your fraudulent actions, you will be responsible for reimbursing the **EHBP** or the **District** for all **EHBP** benefits paid for such ineligible person. In addition, (1) your ex-**Spouse/Domestic Partner** or your **Dependent Child** may lose rights to COBRA continuation coverage if prompt notice is not given to the **Plan Administrator** of your divorce or termination of **Domestic Partnership**; and (2) you are responsible for any federal or state tax liability which you or the **District** may incur as a result of your fraudulent actions.

f. What Happens if I Don't Complete the Necessary Elections by the Applicable Deadlines?

If you are a new or newly eligible **Full-Time Eligible Employee**, and you fail to make necessary elections by the deadlines prescribed by **Human Resources**, you are deemed to elect, and you are automatically enrolled in, **Default Core Benefits**. You are deemed to elect no coverage for your **Spouse**, your **Domestic Partner**, any **Dependent Children** and any other person under any **Benefit**.

If you are a new or newly eligible **Part-Time Eligible Employee**, and you fail to make necessary elections by the deadlines prescribed by **Human Resources**, you are deemed to elect to receive your **Pay** (and not to reduce your **Pay**) with respect to any **Benefit** for which an election is late and you are deemed not to elect coverage for yourself, your **Spouse** or **Domestic Partner**, your **Dependent Children** or any other person under any **Benefit** for which an election is late.

You cannot change your deemed elections until either an event described in *Appendix A — When May I Change My Election Under the EHBP* occurs, or the **EHBP's** next open enrollment period for the following **Plan Year**.

Section II – Payment & Contributions

a. District Contributions

Until July of 2020, if you are a **Full-Time Eligible Employee** who receives at least 80 **Eligible-Paid Hours** in a month, the **District** credits you with a contribution under the **EHBP** for that month. For the last month of employment with the District, a **Full-Time Eligible Employee** is credited with a **District** contribution even if he or she has received fewer than 80 **Eligible Paid Hours** (but greater than zero **Eligible Paid Hours**). **District** monthly contributions reduce the cost you would otherwise pay for **Benefits**. Beginning in July of 2020, if you are a **Full-Time Eligible Employee** who receives at least one **Eligible-Paid Hour** in a month, the **District** credits you with a contribution under the **EHBP** for that month.

If you are a **Part-Time Eligible Employee** you will not receive a **District** contribution under the **EHBP**. A **Part-Time Eligible Employee** receives ‘pay in lieu of’ a **District** contribution.

The **District**, or its delegate, determines the amount of **District** monthly contributions before each **Plan Year** begins. **Human Resources** will communicate the amount of the **District’s** monthly contributions for a **Plan Year** to you in writing during the open enrollment period for that **Plan Year**. These amounts are considered to be incorporated into this **EHBP** by reference.

b. How are My Benefit Premiums Collected?

If you are a **Full-Time Eligible Employee**, the cost for your **Benefits** premiums are paid by the **District’s** monthly contributions credited to you, and, if the monthly contribution is not enough to pay the cost of all your **Benefits** premiums and coverages, by your **Pay** reduction contributions. Generally, your **Pay** reduction contributions are pre-tax reductions of your **Pay**, although some **Pay** reductions are after-tax deductions from your **Pay**.

If you are a **Part-Time Eligible Employee**, you pay all of the cost for your **Benefits** premiums, generally by pre-tax **Pay** reductions, and in some cases by after-tax **Pay** reductions.

District contributions and your pay reductions are deposited into the **VEBA Trust**.

c. How are District Contributions and my Pay Reductions Applied to Pay the Cost of Benefits?

District contributions and your **Pay** reductions are deposited into the **VEBA Trust**. They are applied to pay the cost of **Benefits** in the following order: first to medical, then to dental, long term disability insurance, **Core Benefit** term life insurance, and vision. **District** contributions are not applied to pay contributions or premiums for voluntary term life insurance, accidental death and dismemberment insurance, the **Health Care FSA** and the **Dependent Care FSA**.

d. Cash Benefit

You will receive cash in the form of additional wages to you for any month when all the following conditions are satisfied:

- You are eligible for and the **District** credits you with a **District** contribution for the month; and
- the amount of the cost for all **Benefits** coverages to which the **District’s** contribution is applied for that month is less than the amount of the **District’s** contribution for that month.

The amount of cash is disclosed on your paycheck.

Commissioners are not eligible to receive this **Cash Benefit**.

e. Automatic Increase or Decrease of Your Pay Reduction

If the cost of a **Benefit** you have elected increases (or decreases) during a **Plan Year**, you are required to make a corresponding change in your contribution for coverage under the terms of the **Benefit**, and your **Pay** reduction is automatically prospectively increased (or decreased).

f. District Change of Your Pre-Tax Pay Reduction

The **District** may reduce or cancel your pre-tax **Pay** reductions and make corresponding reductions or cancelations in certain of your Benefits as the **District** deems advisable to satisfy the requirements of the Internal Revenue Code, including the nondiscrimination rules under **Code** section 125.

g. How are Benefit Claims Paid?

When **Benefits** are insured, the insurance carrier pays the benefit claims under the **Benefit** you select.

When **Benefits** are self-insured, funds from the **VEBA Trust** are used to pay the benefit claims under the **Benefits** you select, including the medical **Benefits** offered under this **EHBP**, the **Dependent Care FSA** and the **Health Care FSA**.

All claims to receive benefits under the **Benefit** you select are subject to and governed by the terms and conditions of the **Benefit** (including the terms and conditions of any applicable insurance contract or subscriber booklet), including their applicable rules, regulations, policies, and procedures, as amended from time to time.

h. How Does Electing to Pay Premiums on a Pre-Tax Basis Affect My Federal Income Taxes?

Generally, when you pay all or part of the cost for a **Benefit**, your **Pay** will be reduced on a pre-tax basis by an amount equal to your share of the premium for the **Benefit** coverages you selected. This means that you will pay less in Federal income tax, and that the amount withheld from your **Pay** for your share of such premiums will not be subject to Federal income withholding taxes.

Section III – Election Changes

a. New Election for Each Plan Year

Your election (or deemed election) of **Benefits** and coverages and your elections to pay for your **Benefits** terminates at the end of the **Plan Year**. The **District** will provide you the opportunity to make new elections for the next **Plan Year** during the open enrollment period, under procedures determined and administered by **Human Resources**. The procedures may require you to complete, sign and return paper forms and elections, or may require you to make all or some of your elections by electronic media.

b. May I Change My Election During the Plan Year?

Generally, you cannot change the elections you made (or are deemed to have made) for the rest of the **Plan Year**. This means that if you are enrolled (by active enrollment or default enrollment) in **Benefits**, you can't add or drop the **Benefits** you elected, add or drop coverage for your **Spouse**, **Domestic**

Partner or Dependent Children or change the amount of any reduction of your **Pay** during the rest of the **Plan Year**.

If you elect (or are deemed to elect) your full (unreduced) **Pay** (and elect no **Benefits** coverage), you can't change that election during the rest of the **Plan Year**.

There are, however, several exceptions to this rule, under which you may be permitted to make (or are deemed to make) certain election changes during the **Plan Year**. They are described in *Appendix A — When May I Change My Election under the EHBP?*

Section IV – Leaves of Absences

a. What Happens if I Go on a Leave of Absence?

If you go on a paid or unpaid leave of absence, your leave may affect the **Benefits**, coverages and/or **Pay** reductions you have elected (or affect your ability to make changes to your elections under the **EHBP** with respect to **Benefits**, coverages and/or **Pay** reductions). The **EHBP** will be administered to permit you maximum flexibility to change your **Benefit** election, coverage election and **Pay** reduction in connection with your leave of absence, but only to the extent permitted by State and Federal law and the applicable **District** leave policy. Before you go on a leave of absence, consult **Human Resources**.

Section V – Termination

a. What Happens if my Employment Terminates?

If your employment with the **District** terminates, you cease to participate in the **EHBP**. You cannot pay your share of premiums on a pre-tax basis, unless you are receiving **Pay** after termination (for example, severance pay that qualifies as **Pay**). *Note:* whether or not **Benefits** continue after your termination is determined under the terms of those **Benefits**, not the **EHBP**. If your **Benefits** continue after termination, and you are not receiving **Pay**, you must pay your share of the cost on an after-tax basis.

If you become a participant in the **EHBP** again within 30 days of the date you stopped being a participant and before the end of the same **Plan Year**, to the extent permitted by the applicable **Benefit**, the elections you previously had in effect will automatically be reinstated for the rest of the **Plan Year**.

Section VI – Domestic Partner Coverage

a. Coverage for your Domestic Partner and Children who are not your Tax Dependents

If you elect **Benefit** coverage for your **Domestic Partner** or a child of your **Domestic Partner** who is not your tax dependent for purposes of group health plan coverage, the following rules apply:

Any contribution made by the **District** for Medical or Dental coverage on behalf of the following family members of an **Eligible Employee** is considered taxable income to the **Eligible Employee** under federal tax law if the family member is not an eligible tax dependent of the **Eligible Employee** for health plan purposes as explained below:

- **Domestic Partners.**
- Children of **Domestic Partners** (if the children are not also children of the Eligible Employee).

In addition, any contributions made by the **Eligible Employee** toward the premiums for these family members must be paid on an after-tax basis.

Under federal tax rules, **Domestic Partners** and their children must meet certain qualifications in order for an **Eligible Employee** to claim them as eligible tax dependents for health plan purposes. (Please note that the federal income tax rules for determining whether a **Domestic Partner** or a child of a **Domestic Partner** is a tax dependent of the **Eligible Employee** for health plan purposes are somewhat different from the rules for determining whether a **Domestic Partner** can be claimed as a tax dependent for all purposes under the **Eligible Employee's** individual income tax return.)

Children of **Domestic Partners** who are considered to be the **Eligible Employee's** stepchildren under state law are eligible tax dependents for health plan purposes.

Domestic Partners and children of **Domestic Partners** who are not stepchildren of the **Eligible Employee** under state law must meet the following definition of a "Qualifying Relative" to qualify as an eligible tax dependent for health plan purposes. The requirements are as follows:

- Relationship Test: the **Domestic Partner** (or child of the **Domestic Partner**) must have the same principal place of abode as the **Eligible Employee** and be a member of the **Eligible Employee's** household;
- Support Test: the **Domestic Partner** (or child of the **Domestic Partner**) must receive over half of his or her support from the **Eligible Employee**; and
- Not a Qualifying Child: the **Domestic Partner** (or child of the **Domestic Partner**) is not anyone else's qualifying child under the tax code.

In many instances, **Domestic Partners** or children of **Domestic Partners** who are not stepchildren of the **Eligible Employee** under state law will not qualify as tax dependents of the **Eligible Employee** for health plan purposes because they do not meet the Support Test. Children of **Domestic Partners** who are not stepchildren of the **Eligible Employee** under state law often do not qualify as dependents of the **Eligible Employee** because they are qualifying children of the **Domestic Partner** rather than the **Eligible Employee**.

You should consult your CPA, attorney, or other tax professional if you have any specific questions concerning these tax rules or if you are divorced.

Unless you provide required proof to **Human Resources** that your **Domestic Partner** and/or children of your **Domestic Partner** are your tax dependents for group health plan purposes, the **EHBP** will treat these family members as not being your tax dependents for group health plan purposes.

Section VII – Administration

The **EHBP** is administered by the **Plan Administrator or the Plan Administrator's designee**, who shall perform all such duties as are necessary to supervise the administration of the **EHBP** and to control its operation in accordance with the terms thereof, including, but not limited to, the following:

- make and enforce such rules and regulations as the **Plan Administrator** deems necessary or proper for the efficient administration of the **EHBP**;
- interpret the provisions of the **EHBP** and determine any question arising under the **EHBP**, or in connection with the administration or operation thereof;

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- determine all considerations affecting the eligibility of any **District** employee to participate in the **EHBP**;
- employ and engage such persons, counsel and agents and obtain such administrative, clerical, medical, legal, audit and actuarial services as it may deem necessary in carrying out the provisions of the **EHBP**; and
- delegate any or all of the **Plan Administrator's** administrative responsibilities, obligations, duties and discretion, including appeals under the **EHBP**, to one or more **District** employees or officers or such other persons as the **Plan Administrator** deems appropriate. Day to day administration of the **EHBP** is delegated to **Human Resources**.

The **Plan Administrator** has all powers necessary or appropriate to carry out its duties, including discretionary authority to interpret the provisions of the **EHBP**. Any interpretation or construction of or action by the **Plan Administrator** with respect to the **EHBP** and its administration shall be conclusive and binding upon any and all parties and persons affected thereby.

Section VIII – Appeals

Any person who is adversely affected by an action or failure to act by the **Plan Administrator** in the administration of the **EHBP** (a “claimant”) involving matters concerning eligibility to participate in the **EHBP**, **District** contributions, **Pay** reduction contributions, pay-in-lieu of benefits and cash benefit under the **EHBP** may appeal in writing to the **Plan Administrator** within 60 days after the act or failure to act. The **Plan Administrator** will notify the claimant in writing of its decision reaffirming, modifying or setting aside its former action within sixty (60) days after receipt of the appeal. The **Plan Administrator's** decision shall be final and binding upon the claimant and the **Plan Administrator** and all other persons involved. Appeals concerning individual **Benefits** are subject to the terms and conditions of the individual **Benefit**.

Section IX - Amendment and Termination

The Commission of the **District** may amend or terminate the **EHBP** (including any Appendix) at any time. The **Plan Administrator** also may amend the **EHBP**, but only to the extent the amendments are required by law or are purely administrative or minor in nature. The **Plan Administrator** may not delegate authority to amend the **EHBP**.

Section X – Definitions

Accident or Health Coverage means coverage under an accident or health plan as defined in regulations under **Code** § 105, and includes coverage under a medical, dental or vision **Benefit**, and coverage under a disability insurance **Benefit**.

Benefits means the employee benefits the **District** offers through the **EHBP**. The **Benefits** available as of January 1 of each **Plan Year** are described on *Appendix B — Benefits*.

Cash Benefit is described on page 7.

Code means the Internal Revenue Code of 1986, as amended, and the regulations under the **Code**.

Core Benefits means **Benefits** the **District**, or its delegate, designates as **Core Benefits**. The **Core Benefits** (including **Default** and **Alternative Core Benefits**) as of January 1 of each **Plan Year** are described on *Appendix B — Benefits*.

Default Core Benefits are **Core Benefits** the **District**, or its delegate, designates as **Default Core Benefits**. **Full-Time Eligible Employees** who do not make timely elections of **Alternative Core Benefits** are automatically enrolled in **Default Core Benefits**.

Dependent Child means:

- For purposes of the **Dependent Care FSA**, a **Qualifying Individual**.
- For other benefits, a **Dependent Child** is as defined in the benefit booklet or the Benefits Guide applying to such benefit.

Dependent Care Flexible Spending Account or **Dependent Care FSA** means Public Utility District No. 1 of Snohomish County Section 125 Pre-Tax Salary Reduction Dependent Care Reimbursement Plan.

District means Public Utility District No.1 of Snohomish County, Washington.

Domestic Partner means a domestic partner as defined in the **Benefits** you select, and only to the extent permitted by the terms of the **benefit booklet** or **Benefits Guide** applying to such benefit.

Eligible Employee means any individual who is employed by the **District** as a regular (probationary, non-probationary, or **Time Limited Employee**) **Full-Time Employee** or regular (probationary, non-probationary, or **Time Limited Employee**) **Part-Time Employee**, the **District's** Commissioners (who are classified as **Full-Time Employees** for purposes of this **EHBP**, unless otherwise provided), and employees with individual employment contracts (unless the terms of their contracts indicate they are not eligible). An employee's classification is determined by reference to the **District's** personnel policies, job classification, and related data. **Time Limited Employees** are not eligible for **Benefits** unless and until they work at the **District** at least 60 consecutive days.

- "**Eligible Employee**" does not include an individual who is classified as a **Student Worker**, temporary or contingent worker as determined by reference to the **District's** personnel policies, job classification, and related data; nonresident aliens; leased employees described in **Code**

section 414(n); individuals covered by a collective bargaining agreement where welfare plan benefits were the subject of good faith bargaining which does not provide for participation in this **EHBP**; or individuals who provide services as independent contractors.

- **Eligible Employees** on an approved leave of absence (paid and unpaid, including **FMLA** leave) who were **Eligible Employees** when such leave commenced remain **Eligible Employees** during the applicable period of **District** approved leave.

Eligible Paid Hours includes paid hours (i.e. REG, PTO, HDAY, PTOF, SKLF, STD, etc), except for cashed-out Vacation/PTO/ESL.

Human Resources means the **District's** Human Resources department. Its telephone number is 425-783-8655. Its mailing address is Snohomish County PUD, Human Resources Department, P.O. Box 1107, Everett, WA 98206. The office is located at 2320 California Street, Everett, Washington.

EHBP means this Public Utility District No. 1 of Snohomish County Employee Health Benefits Program, as amended from time-to-time.

FMLA means the Family and Medical Leave Act, as amended, and the regulations thereunder.

Full-Time Employee means a **District** employee who is regularly scheduled to work 40 hours per week.

Full-Time Employee (with Modified Benefits) means, beginning with Plan Year 2020, a District employee who is regularly scheduled to work at least 30 hours but less than 40 hours per week.

Health Care Flexible Spending Account or **Health Care FSA** means the Public Utility District No. 1 of Snohomish County Section 125 Pre-Tax Salary Reduction Health Care Reimbursement Plan.

HIPAA means the group health plan portability provisions of the Public Health Services Act (as added by the Health Insurance Portability and Accountability Act), as amended, and the regulations thereunder.

Non-Core Benefits means **Benefits** that are not **Core Benefits**. The **Non-Core Benefits** as of January 1 of each **Plan Year** are described on *Appendix B — Benefits*.

Pay means the cash compensation you receive from the **District** that is subject to Federal income taxation, and includes your wages or salary, payments for annual leave, sick leave, or other paid time off and severance pay.

Part-Time Employee means a **District** employee who is regularly scheduled to work less than 40 hours per week. Beginning for **Plan Year** 2022, a Part-Time Employee is as defined in Exhibit C.

Plan Administrator means the CEO/General Manager of the **District**, or his or her designee.

Plan Year means the 12-consecutive-month period that begins January 1 and ends December 31.

Qualifying Individual means a Qualifying Individual within the meaning of the **Dependent Care FSA**.

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Spouse means your legal spouse under Washington state law and who is treated as your spouse under the **Code**.

Student Worker means an employee of the District who is hired to provide a work learning opportunity while enrolled as a full or part time student in an accredited higher education institution or trade/vocational school, and who is eligible to work (1) up to sixty-eight (68) hours per calendar month while actively enrolled in school on a full time or part time basis or (2) up to forty (40) hours per week during summer breaks, not to exceed a total of ninety (90) consecutive calendar days. Employees will be informed by the District if they are Student Workers.

Time Limited Employee means an employee of the **District** who is hired on a temporary basis (1) during periods of unusually high workloads; (2) for projects; (3) for temporary job vacancies due to injuries, illnesses, or other extenuating circumstances; or (4) for other temporary business need. In most instances, these employees will not be hired for more than twenty-four (24) continuous months. Employees will be informed by the **District** if they are **Time Limited Employees**.

VEBA Trust means the trust maintained in connection with the Snohomish County PUD Voluntary Employees' Beneficiary Association.

Voluntary Post-Tax Benefits means Accidental Death and Dismemberment Insurance and Voluntary Term Life Insurance.

Questions

If you have any questions or would like additional information, contact **Human Resources**.

IN WITNESS WHEREOF, Public Utility District No. 1 of Snohomish County, by its duly authorized representative, has executed this Employee Health Benefits Program for Employees of Public Utility District No. 1 of Snohomish County – Amended and Restated Effective July 1, 2020.

Public Utility District No. 1 of Snohomish County

By



Its

John Haarlow
CEO/General Manager

Dated 12-23-2020

Appendix A - When May I Change My Election Under the EHBP?

When May I Change My Election under the EHBP?

Generally, you cannot change the elections you make (including elections you are deemed to have made) under the **EHBP** for the rest of the **Plan Year**. This means that if you elected **Benefits**, you can't add or drop the **Benefits** you elected, add or drop coverage for your **Spouse, Domestic Partner** or **Dependent Children** or change the amount of any pre-tax or after-tax reduction of your **Pay** during the rest of the **Plan Year**, except as provided below. If you elect your full (unreduced) **Pay** (and elect no **Benefits** coverage), you can't change that election (or deemed election) during the rest of the **Plan Year**, except as provided below

Are there Exceptions to this Rule? Yes, there are exceptions. You may change certain elections (including deemed elections) during the **Plan Year**, but only if:

1. either
 - ♦ a “change in status” event (defined below) occurs, and the change of your election satisfies the consistency rule (described below); or
 - ♦ a special event (described below) occurs; and
2. the terms of the **Benefits** you elected or elect permit the change.

What is a Change in Status?

A “change in status” occurs when:

- your legal marital status changes (you marry, divorce, become legally separated, your marriage is annulled or your **Spouse** dies);
- the number of your **Dependent Children** changes (including by birth, adoption, placement for adoption, termination of adoption, or your **Dependent Child** dies);
- any of the following events occurs that change your, your **Spouse's** or your **Dependent Child's** employment status:
 - employment begins or terminates;
 - strike or lockout;
 - begin or return from an unpaid leave of absence from employment; or
 - a gain or loss of eligibility due to a change in employment status (for example, due to a change from full-time to part-time status) which affects eligibility:
 - for this **EHBP**;
 - for a **Benefit**;
 - for a **Code** section 125 cafeteria plan; or
 - for a benefit plan of your **Spouse's** or **Dependent Child's** employer.
- your **Dependent Child** becomes eligible for coverage under a **Benefit**; or
- your **Dependent Child** ceases to be eligible, for coverage under a **Benefit** (for example, your child attains a certain age, or, for certain non-medical **Benefits**, marries, or has a change in student status).

- your **Spouse or Dependent Child** becomes eligible for coverage under another employer benefit plan (for example through Spouse's employer).
- any other event as provided by the **Code** and applicable Department of Treasury regulations. Some of these change in status events apply to **Domestic Partner** coverage and coverage for the children of **Domestic Partners**. Please contact the Human Resources Department for more information.

a. What is the Consistency Rule?

Under the "consistency rule," the change of your election must be on account of and correspond with the change in status that affects either eligibility for coverage under a **Benefit** or eligibility for coverage under the benefit plan of another employer. This consistency rule is subject to certain limitations and exceptions described below.

- If a change in status does *not* affect eligibility for the type of coverage described above, then you may *not* change your election under this rule. The coverage must be either coverage under a **Benefit** or coverage under a benefit plan of another *employer*. Any other type of coverage, for example, coverage under Medicaid (for example, through DSHS) or individual insurance, does not satisfy this rule.
- With respect to **Accident or Health Coverage** and group-term life insurance, a change in status that affects eligibility under a **Benefit** or under another employer's plan includes a change in status that results in an increase or decrease in the number of your family members who may benefit from coverage under the **Benefit** or plan.
- An election change that relates to the **Dependent Care FSA** also is deemed to satisfy the consistency rule if the election is on account of and corresponds with a change in status that affects expenses described in **Code** section 129, including employment-related expenses as defined in **Code** section 21(b)(2) with respect to dependent care assistance.
- If the change in status is your divorce, annulment or legal separation, the death of your **Spouse** or **Dependent Child**, or your **Dependent Child** ceasing to satisfy the eligibility requirements for coverage, you cannot elect to cancel **Accident or Health Coverage** for any individual other than the **Spouse** involved in the divorce, annulment or legal separation, the deceased **Spouse** or **Dependent Child** or the **Dependent Child** that ceased to satisfy the eligibility requirements for coverage — because that election would not correspond with the change in status.
- If you, your **Spouse**, or **Dependent Child** gains eligibility for coverage under a cafeteria plan or qualified benefit plan sponsored by the employer of your **Spouse** or your **Dependent Child** as a result of a change in marital status (described above) or a change in employment status (described above), your election to cease or decrease coverage for that individual corresponds with the change in status only if coverage for that individual becomes effective or is increased under his or her employer's plan.

b. What is a Special Event and What Can I Change?

You also may change your election if one of these special events occurs, consistent with the rules below:

1. **Event:** You, your **Spouse** or **Dependent Child** is entitled to special enrollment under a medical, dental or vision **Benefit** as required by **HIPAA** (*i.e.*, due to loss of other coverage or acquisition of new **Spouse** or **Dependent Child** through marriage, birth or adoption, termination of coverage under a Medicaid plan or state children's health insurance program (SCHIP), becoming eligible for a state premium assistance subsidy from a Medicaid plan or through an SCHIP with respect to coverage under a group health plan).

Allowed Change: You may make a change to your election of the medical, dental or vision **Benefit** that corresponds with the special enrollment right (and, if the special enrollment relates to your acquisition of a new **Spouse** or **Dependent Children**, then, to the extent permitted by the **Benefit**, you may also add coverage for your **Dependent Child** who were already eligible, but were not yet covered). When your election change relates to a special enrollment attributable to the birth, adoption, or placement for adoption of a new **Dependent Child**, then, subject to the provisions of the underlying **Benefit**, the change may be effective retroactively (up to 60 days).

2. **Event:** The coverage under a group health plan of the employer of your **Spouse** or **Dependent Child** changes and either:

the other employer's cafeteria plan or health plan permits its participants to make an election change (consistent with IRS cafeteria plan regulations) during that plan's period of coverage (for example, on account of a change in status); or

the **Plan Year** of this **EHBP** is a different period than the period of coverage for which your **Spouse** or **Dependent Child** can make an election under his or her employer's cafeteria plan or health plan.

Allowed Change: You may change your election prospectively, provided the change is on account of and corresponds with the change under the other employer's health plan.

3. **Event:** You, your **Spouse** or **Dependent Child** loses coverage under any group health coverage sponsored by a governmental or educational institution, including an SCHIP, a State health benefits risk pool, a medical care program of an Indian Tribal government, the Indian Health Service, or a tribal organization, or a foreign government group health plan.

Allowed Change: You may add coverage for you, your **Spouse** and **Dependent Children**.

4. **Event:** The issuance of a judgment, decree or order resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order) that requires **Accident or Health Coverage** (including **Health Care FSA** coverage) for your **Dependent Child**.

Allowed Change: You may add or cancel coverage for the **Dependent Child** as required by the order, provided that you may cancel coverage only if the order requires someone else to provide coverage and that coverage is, in fact, provided.

5. **Event:** You, your **Spouse** or **Dependent Child** is enrolled in **Accident or Health Coverage** under this **EHBP** and you, he or she becomes enrolled in Medicare or Medicaid (other than coverage consisting solely of benefits for pediatric vaccines).

Allowed Change: You may prospectively reduce or cancel the **Accident or Health Coverage** of the affected person. However, you may only cancel (but not reduce) **Health Care FSA** coverage, if the total contributions to the **Health Care FSA** for the **Plan Year** are more than the amount already reimbursed for the **Plan Year**.

6. **Event:** You, your **Spouse** or **Dependent Child** were enrolled in Medicare or Medicaid but lost eligibility for that coverage.

Allowed Change: You may prospectively elect to commence or increase **Accident or Health Coverage** of the affected individual and you may commence or increase **Health Care FSA** coverage.

7. **Event:** You have elected coverage under the **Dependent Care FSA** and your dependent care provider — if he or she is not your relative — imposes a change in the cost of dependent care. "Relative" is described in **Code** section 152(d)(2)(A) through (G), incorporating the rules of **Code** section 152(f)(1) and (f)(4).

Allowed Change: You may change your benefit amount election and pre-tax **Pay** reduction with respect to the **Dependent Care FSA** prospectively consistent with the change in cost of dependent care.

8. **Event:** You have elected coverage under the **Dependent Care FSA** and you find a new dependent care provider (who may be your household employee or a family member).

Allowed Change: You may revoke your previous coverage election and make a corresponding new election for coverage under the **Dependent Care FSA** that reflects the cost of the new dependent care provider. For example, if you terminate a dependent care provider because your relative becomes available to take care of your child at no charge, you may cancel coverage under the **Dependent Care FSA**.

9. **Event:** The **Plan Administrator** determines that the cost charged to you for a **Benefit** (other than the **Health Care FSA** or the **Dependent Care FSA**) you have elected significantly increases during the **Plan Year**. Only the **Plan Administrator** may determine whether or not cost has significantly increased. For this purpose, an increase in the cost charged to you refers to an increase in the amount of the **Pay** reduction under the **EHBP**, whether that increase results from an action taken by you (such as switching between full-time and part-time status) or from an action taken by the **District** (such as reducing or eliminating the amount of **District** contribution for a class of employees).

Allowed Change: You may make a corresponding prospective increase in your **Pay** reduction, you may revoke your election for that **Benefit** coverage, and in lieu thereof, receive on a prospective basis coverage under another **Benefit** that provides similar coverage, or you may drop coverage prospectively if there is no other **Benefit** available that provides similar coverage.

You may also make a change due to any other event as provided by the **Code** and applicable Department of Treasury regulations. Some of these events apply to **Domestic Partner** coverage and coverage for the children of **Domestic Partners**. Please contact **Human Resources** for more information.

Voluntary Post-Tax Benefits

During a change in status or special event, you may make changes to your Voluntary Post-Tax Benefits without satisfying consistency rules, so long as the changes are allowed by the Benefit.

How Do I Make a Request to Change my Benefits?

If a change in status or special event occurs and you want to make a change to your election for the remainder of a **Plan Year**, you must make a request to change your election to **Human Resources** on forms provided by **Human Resources**, or by electronic media (for example, through email).

When Must I File my Request to Change my Benefits?

Your request to change your benefits must be made (as described above) within 30 days of the event (60 days when the event is (a) the birth or adoption of a child or placement of a child with you for adoption or (b) special enrollment as required by HIPAA due to termination of coverage under a Medicaid plan or an SCHIP or becoming eligible for a state premium assistance subsidy from a Medicaid plan or through an SCHIP with respect to coverage under a group health plan).

Human Resources will review your request and inform you of its decision.

What if my Election is Not Received within the Allowed Time Frame?

If **Human Resources** receives your change request after the 30-day (or 60-day) request period expires, **Human Resources** will not process the change request. To change your election after this 30-day (60-day) period, you must wait until the next open enrollment period or upon a subsequent change in status or special event.

Example: You become married on May 1. **Human Resources** receives your request to add your new spouse to coverage on June 10, (after the 30-day request period has expired). **Human Resources** will deny this request because it wasn't timely, and your next opportunity to make a change to your election will be at open enrollment, unless you experience a subsequent change in status or special event.

When Will My Change be Effective?

The change to your election will be effective only for **Pay** and for **Benefits** made available to you after you have completed and filed your request with **Human Resources**. Changes are effective the first of the month following the receipt of your request, or coincident with the date your request is received, if it is on the first of the month.

Exception: if your request relates to special enrollment as required by HIPAA in connection with the birth, adoption, or placement for adoption of your new **Dependent Child**, to the extent permitted by the **Benefit**, your election of coverage for new **Dependent Children** can be effective retroactively up to 60 days (and the **District** may reduce your **Pay** pre-tax by an additional amount sufficient to pay your share of the premium for the retroactive coverage).

Example: Assume you get married May 1 and **Human Resources** receives your request to add your new **Spouse** to coverage on May 15. The coverage for your new **Spouse** will be effective June 1, and your **Pay** will be adjusted going forward from that date.

Example: Assume you have a baby born on June 15, and **Human Resources** receives your request to add the child to coverage on July 10. Coverage for the baby will be effective on June 15 and any increase in the cost of your benefit will be effective July 1st; and your **Pay** reduction contribution (including a one-time extra **Pay** reduction contribution to pay the cost of retroactive coverage) will be increased prospectively.

Exception: If the change is **Dependent Child** losing eligibility, changes are effective the first of the following month.

Example: **Dependent Child** loses eligibility on June 1, last day of coverage is June 30.

Exception: If benefits were terminated because of an employee's absence from work due to service in the uniformed services that is governed by USERRA, benefits will be reinstated upon reemployment (the date of return to work) or as required by USERRA.

Appendix B - Benefits (2020 Plan Year)

Full-Time Eligible Employees

Effective July 1, 2020, the **Benefits** offered under the **EHBP** for a **Full-Time Eligible Employee** are:

Core Benefits		
	Default Core Benefits	Alternative Core Benefits
Medical	HMO Plan — single employee coverage	PPO Plan 1 — all coverages PPO Plan 2 — all coverages PPO Plan 3 — all coverages HMO Plan — all other coverages
Dental	DEPO (Willamette Dental Group) — single employee coverage	DEPO (Willamette Dental Group) — all other coverages DPPO (Delta Dental of WA)— all coverages
Long Term Disability (LTD) Insurance	120-day wait period provided by UNUM	60-day wait period provided by UNUM 90-day wait period provided by UNUM
Life Insurance	Basic Term Life Insurance — \$50,000 benefit provided by UNUM	

Absent a timely election of **Alternative Core Benefits**, a **Full-Time Eligible Employee** is automatically covered by **Default Core Benefits**.

Non-Core Benefits	
Vision	Employee-only coverage, double coverage and multiple coverage, provided by EyeMed Vision Care
Voluntary Term Life Insurance	Employee-only coverage or Spouse coverage, Domestic Partner coverage or Dependent Children coverage, provided by UNUM
Accidental Death and Dismemberment Insurance	Employee-only coverage or family coverage provided by UNUM
Health Care Flexible Spending Account	Snohomish County PUD #1 Health Care Flexible Spending Account Plan
Dependent Care Flexible Spending Account	Snohomish County PUD #1 Dependent Care Flexible Spending Account Plan

Part-Time Eligible Employees

Effective January 1, 2020, solely for the 2020 Plan Year, the **Benefits** offered under the **EHBP** for a **Part-Time Eligible Employee** are as follows:

	Default Core Benefits	Alternative Core Benefits
Medical	No coverage	PPO Plan 1 — all coverages PPO Plan 2 — all coverages PPO Plan 3 — all coverages HMO Plan — all coverages
Dental	No coverage	DPPO (Delta Dental of Washington) — all coverages DEPO (Willamette Dental Group) — all coverages
Vision	No coverage	EyeMed Vision Care — all coverages

Absent a timely election of **Alternative Core Benefits**, a **Part-Time Eligible Employee** is automatically defaulted into no coverage for Medical, Dental or Vision benefits (**Default Core Benefits**).

A **Part-Time Eligible Employee** may elect the above **Benefits** in the following combinations:

- Medical only, or
- Medical and dental, or
- Medical and vision, or
- Medical, dental and vision

A **Part-Time Eligible Employee** may elect to participate in the following:

Health Care Flexible Spending Account	Snohomish County PUD #1 Health Care Flexible Spending Account Plan
Dependent Care Flexible Spending Account	Snohomish County PUD #1 Dependent Care Flexible Spending Account Plan

Subject to the terms of the **Benefit**, a **Part-Time Eligible Employee** who was formerly a **Full-Time Eligible Employee** and enrolled in the following **Benefit**, may elect to continue the **Benefit** at the coverage that was in effect prior to becoming Part-Time, without any option to increase the **Benefit**:


Voluntary Term Life Insurance	Employee-only coverage or Spouse coverage, Domestic Partner coverage or Dependent children coverage provided by UNUM
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Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective July 1, 2020

IN WITNESS WHEREOF, Public Utility District No. 1 of Snohomish County, by its duly authorized representative, has executed this Appendix B – Benefits to the Employee Health Benefits Program for Employees of Public Utility District No. 1 of Snohomish County (Effective July 1, 2020).

Public Utility District No. 1 of Snohomish County

By


John Haarlow
Its CEO/General Manager

Dated 12-23-2020

APPENDIX C

Benefits Eligibility Rules for Plan Year 2022 and Subsequent Plan Years

Beginning for **Plan Year 2022**, a **District** employee's status as a **Full-Time Employee**, **Full-Time Employee (with Modified Benefits)** or **Part-Time Employee** for purposes of the **EHBP** will be determined in accordance with this Appendix C.

For purposes of this Appendix, a Standard Measurement Period is the 12-month period from October 1 to the following September 30. The first Standard Measurement Period for the **EHBP** shall be from October 1, 2020 to September 30, 2021, which shall determine eligibility for **Plan Year 2022**.

Beginning on October 1, 2020 and on every October 1 thereafter, the **District** will measure the hours of service of each employee during the Standard Measurement Period. The term "hour of service" means each hour of work by the employee for the District, each hour of paid leave, and such other hours of service as provided by the federal Affordable Care Act requirements.

Beginning for **Plan Year 2022**, the **District** will determine whether a District employee is a **Full-Time Employee**, a **Full-Time Employee (with Modified Benefits)** or a **Part-Time Employee** for purposes of the **EHBP** by determining the average hours of service in the immediately preceding Standard Measurement Period. For example, for **Plan Year 2022**, the **District** will determine the average weekly hours of service for the **District** from October 1, 2020 to September 30, 2021. For **Plan Year 2023**, the **District** will determine the average weekly hours of service for the District from October 1, 2021 to September 30, 2022.

Beginning for **Plan Year 2022**, a **Part-Time Employee** is an employee of the **District** who averaged less than 30 hours per week in the immediately preceding Standard Measurement Period. A **Full-Time Employee** is an employee of the **District** who averaged 40 hours a week or more in the immediately preceding Standard Measurement Period. A Full-Time Employee (with Modified Benefits) is an employee of the District who averaged at least 30, but less than 40, hours, a week. Beginning in **Plan Year 2022**, **Part-Time Employees** shall receive pay-in-lieu of benefits under the **EHBP** and shall be eligible only for the Dependent Care and Health Care Flexible Spending Account Benefits, except that **Part-Time Employees** that were enrolled in the **EHBP** as of April 1, 2020 and who remained as participants in the **Benefits** continuously from April 1, 2020 to December 31, 2021 may elect to continue to remain participants in the **Benefits**.

Beginning for Plan Year 2020, Full-Time Employees (with Modified Benefits), those who averaged 30 hours per week or more but who did not average 40 hours per week, shall be eligible for one of the following two options: (1) decline coverage under the **Benefits** except for the Dependent Care and Health Care Flexible Spending Accounts and receive the same pay-in-lieu of benefits received by **Part-Time Employees**; or (2) receive coverage under the **Benefits** the normal District contributions for such coverage.

If the employee's average weekly hours of service for the **District** during a Standard Measurement Period is less than 30 hours per week, the employee will be deemed to be a **Part-Time Employee** for the following **Plan Year**. If the employee's average hours of service for the District during a Standard Measurement Period is 40 hours or more a week, the employee will be deemed to a **Full-Time Employee** for the following **Plan Year**. If the employee's average hours of service for the District during a **Standard Measurement Period** is at least 30, but less than 40 hours, a week, the employee will be deemed to be a **Full-Time Employee (with Modified Benefits)** for the following Plan Year.

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective July 1, 2020

For employees hired after the beginning of a Standard Measurement Period as Full-Time Employees or Full-Time Employees (with Modified Benefits), such classification shall govern until the employee has completed a full Standard Measurement Period.

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program (EHBP)

**Amended and Restated
Effective January 1, 2021**

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Public Utility District No. 1 of Snohomish County Employee Health Benefits Program

Effective January 1, 2021

Introduction

The **District** sponsors the Public Utility District No. 1 of Snohomish County Employee Health **Benefits** Program (the “**EHBP**”) for the **District’s Eligible Employees**. Under the **EHBP**, you elect medical, dental, vision and other **Benefits** and coverages for which you, your **Spouse** or eligible **Domestic Partner**, and your eligible **Dependent Children** are eligible. (Coverage for your **Domestic Partner** and/or child of your **Domestic Partner** who is not your tax dependent for group health plan purposes is provided on a taxable basis and your contributions towards such coverage are paid on an after-tax basis).

Boldface terms are defined in *Section X – Definitions*.

Section I – Participation and Eligibility

a. Am I Eligible to Participate in the EHBP?

Employees of the District are eligible to participate in the **EHBP** if they are **Eligible Employees**. Beginning for **Plan Year** 2022, eligibility for the **EHBP** will be determined as set forth in *Appendix C*.

b. I Am a New Eligible Employee. When Does Coverage Become Effective?

If you are a new **Eligible Employee**, your first day of employment or date of employment status change (e.g. **Part-Time Employee** to **Full-Time Employee** or vice versa) determines when your coverage becomes effective under the **EHBP**. If your first day of employment or date of employment status change as a newly **Eligible Employee** is on the first day of the month, your coverage is effective immediately on the first day of the month. If your first day of employment or date of employment status change as a newly **Eligible Employee** is after the first day of the month, coverage is effective the 1st day of the next calendar month of employment.

Example: Your first day of employment is July 1. Coverage is effective July 1.

Example: Your first day of employment is July 22. Coverage is effective August 1.

Student Workers are not eligible for the **EHBP Benefits**. **Time Limited Employees** are eligible for the **EHBP** on the first day of the month following 60 days of continuous employment. For example, if a **Time Limited Employee** is hired on July 22, coverage is effective October 1.

c. What Benefits Am I Eligible For?

Benefit options for a **Full-Time Eligible Employee** and a **Part-Time Eligible Employee** are listed on *Appendix B, Benefits*. Beginning on January 1, 2022, there will be three classifications of **Employees: Part-Time, Full-Time (with Modified Benefits) and Full-Time Employees** as described in *Appendix C*.

d. When Must Newly Eligible Employees Elect Coverage?

If you are a **Full-Time Eligible Employee**, you are automatically enrolled in **Default Core Benefits** under the **EHBP** on the effective coverage date. However, if you wish to elect **Alternative Core Benefits**, to elect **Non-Core Benefits**, or to cover your **Spouse or Domestic Partner** and your **Dependent Children** under specific **Benefits**, your initial enrollment elections are effective on the effective date above if you make timely elections within 30 days of the date of hire or date of employment status change. See “*How Do I Elect Benefits and Coverages?*”.

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective January 1, 2021

If you are a **Part-Time Eligible Employee**, you are not automatically enrolled in **Benefits** under the **EHBP**. You must elect to participate in the **EHBP**, elect the **Benefits** you want, and elect coverage, if any, you want for your **Spouse**, **Domestic Partner** and/or your **Dependent Children**. Your initial enrollment elections are effective on the effective date above only if you make timely elections within 30 days of your date of hire. See the next section entitled “*How Do I Elect Benefits and Coverages.*”

e. How Do I Elect Benefits and Coverages?

Human Resources will advise you in writing of the procedures and deadlines for electing to participate in the **EHBP**, electing **Benefits**, electing coverages (for example, single employee coverage, double coverage, multiple coverage, etc.), and electing to reduce your **Pay** to pay your share of the cost. The procedures may require you to complete, sign and return paper forms and elections, or may require you to make all or some of your elections by electronic media.

In most instances, elections must be prospective — that is, **Human Resources** requires you to make your election on a date before that election becomes effective — unless you are a new **Eligible Employee** making a timely initial election or unless a specific exception applies (for example, a special event based on the birth or adoption of your child (see *Appendix A*). Elections made during open enrollment generally are effective as of the first day of the following **Plan Year**, although the **District** may specify another effective date.

Enrollment of you, your **Spouse** or your **Domestic Partner**, or your **Dependent Children** for coverage under a **Benefit** is subject to and governed by the terms and conditions of the **Benefit** (including the terms and conditions of any applicable insurance contract or subscriber booklet), including their applicable rules, regulations, policies, and procedures, as amended from time to time.

As a condition of receiving **Benefits** under the **EHBP**, you are required to (1) notify **Human Resources** of your divorce, termination of domestic partnership or the death of a **Spouse/Domestic Partner**, or **Dependent Child** who is participating in the **EHBP**; and (2) provide, upon request by the **Plan Administrator**, proof that your **Spouse/Domestic Partner** or **Dependent Child** qualifies or continues to qualify to participate in the **EHBP**, such as providing a copy of your marriage license, a copy of a birth certificate, or proof of a **Dependent Child**'s disability.

If you enroll a person who is not eligible for the **EHBP**, or if you fail to disenroll a person when the person first becomes ineligible for the **EHBP**, you are committing fraud against the **EHBP** and the **District**. For example, it is fraudulent for you to (1) enroll someone as your **Spouse/Domestic Partner** when in fact the person is not; or (2) fail to report a divorce if your ex-**Spouse** was participating in the **EHBP** as of the date of the divorce. In addition to other actions that the **EHBP** or the **District** might take in response to your fraudulent actions, you will be responsible for reimbursing the **EHBP** or the **District** for all **EHBP Benefits** paid for such ineligible person. In addition, (1) your ex-**Spouse/Domestic Partner** or your **Dependent Child** may lose rights to COBRA continuation coverage if prompt notice is not given to the **Plan Administrator** of your divorce or termination of **Domestic Partnership**; and (2) you are responsible for any federal or state tax liability which you or the **District** may incur as a result of your fraudulent actions.

f. What Happens if I Don't Complete the Necessary Elections by the Applicable Deadlines?

If you are a new or newly eligible **Full-Time Eligible Employee**, and you fail to make necessary elections by the deadlines prescribed by **Human Resources**, you are deemed to elect, and you are automatically enrolled in, **Default Core Benefits**. You are deemed to elect no coverage for your **Spouse**, your **Domestic Partner**, any **Dependent Children** and any other person under any **Benefit**.

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective January 1, 2021

If you are a new or newly eligible **Part-Time Eligible Employee**, and you fail to make necessary elections by the deadlines prescribed by **Human Resources**, you are deemed to elect to receive your **Pay** (and not to reduce your **Pay**) with respect to any **Benefit** for which an election is late and you are deemed not to elect coverage for yourself, your **Spouse** or **Domestic Partner**, your **Dependent Children** or any other person under any **Benefit** for which an election is late.

You cannot change your deemed elections until either an event described in *Appendix A, Changing My Elections Under the EHBP* occurs, or the **EHBP**'s next open enrollment period.

Section II – Payment and Contributions

a. District Contributions

Until July of 2020, if you are a **Full-Time Eligible Employee** who receives at least 80 **Eligible-Paid Hours** in a month, the **District** credits you with a contribution under the **EHBP** for that month. For the last month of employment with the District, a **Full-Time Eligible Employee** is credited with a **District** contribution even if he or she has received fewer than 80 **Eligible Paid Hours** (but greater than zero **Eligible Paid Hours**). **District** monthly contributions reduce the cost you would otherwise pay for **Benefits**. Beginning in July of 2020, if you are a **Full-Time Eligible Employee** who receives at least one **Eligible-Paid Hour** in a month, the **District** credits you with a contribution under the **EHBP** for that month.

If you are a **Part-Time Eligible Employee** you will not receive a **District** contribution under the **EHBP**. A **Part-Time Eligible Employee** receives 'pay in lieu of' a **District** contribution.

The **District**, or its delegate, determines the amount of **District** monthly contributions before each **Plan Year** begins. **Human Resources** will communicate the amount of the **District**'s monthly contributions for a **Plan Year** to you in writing during the open enrollment period for that **Plan Year**. These amounts are considered to be incorporated into this **EHBP** by reference.

b. How Are My Benefit Premiums Collected?

If you are a **Full-Time Eligible Employee**, the cost for your **Benefits** premiums are paid by the **District**'s monthly contributions credited to you, and, if the monthly contribution is not enough to pay the cost of all your **Benefits** premiums and coverages, by your **Pay** reduction contributions. Generally, your **Pay** reduction contributions are pre-tax reductions of your **Pay**, although some **Pay** reductions are after-tax deductions from your **Pay**.

If you are a **Part-Time Eligible Employee**, you pay all of the cost for your **Benefits** premiums, generally by pre-tax **Pay** reductions, and in some cases by after-tax **Pay** reductions.

District contributions and your **Pay** reductions are deposited into the **VEBA Trust**.

c. How Are District Contributions and My Pay Reductions Applied to Pay the Cost of Benefits?

District contributions and your **Pay** reductions (other than reductions contributions made to an HSA) are deposited into the **VEBA Trust**. They are applied to pay the cost of **Benefits** in the following order: first to medical (including the **HSA** contributions), then to dental, long-term disability insurance, **Core Benefit** term life insurance, and vision. **District** contributions are not applied to pay contributions or premiums for voluntary term life insurance, accidental death and dismemberment insurance, the **Health FSA**, and the **Dependent Care FSA**.

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective January 1, 2021

d. Cash Benefit

You will receive cash in the form of additional wages to you for any month when all the following conditions are satisfied:

- You are eligible for and the **District** credits you with a **District** contribution for the month; and
- the amount of the cost for all **Benefits** coverages to which the **District's** contribution is applied for that month is less than the amount of the **District's** contribution for that month.

The amount of cash is disclosed on your paycheck.

Commissioners are not eligible to receive this **Cash Benefit**.

e. Automatic Increase or Decrease of Your Pay Reduction

If the cost of a **Benefit** you have elected increases (or decreases) during a **Plan Year**, you are required to make a corresponding change in your contribution for coverage under the terms of the **Benefit**, and your **Pay** reduction is automatically prospectively increased (or decreased).

f. District Change of Your Pre-Tax Pay Reduction

The **District** may reduce or cancel your pre-tax **Pay** reductions and make corresponding reductions or cancelations in certain of your **Benefits** as the **District** deems advisable to satisfy the requirements of the Internal Revenue Code, including the nondiscrimination rules under **Code** section 125.

g. How Are Benefit Claims Paid?

When **Benefits** are insured, the insurance carrier pays the benefit claims under the **Benefit** you select.

When **Benefits** are self-insured, funds from the **VEBA Trust** are used to pay the benefit claims under the **Benefits** you select, including the medical **Benefits** offered under this **EHBP**, the **Dependent Care FSA** and the **Health FSA**.

All claims to receive **Benefits** under the **Benefit** you select are subject to and governed by the terms and conditions of the **Benefit** (including the terms and conditions of any applicable insurance contract or subscriber booklet), including their applicable rules, regulations, policies, and procedures, as amended from time to time.

h. How Does Electing to Pay Premiums on a Pre-Tax Basis Affect My Federal Income Taxes?

Generally, when you pay all or part of the cost for a **Benefit**, your **Pay** will be reduced on a pre-tax basis by an amount equal to your share of the premium for the **Benefit** coverages you selected. This means that you will pay less in Federal income tax, and that the amount withheld from your **Pay** for your share of such premiums will not be subject to federal income withholding taxes.

Section III – Election Changes

a. New Election for Each Plan Year

Your election (or deemed election) of **Benefits** and coverages and your elections to pay for your **Benefits** terminates at the end of the **Plan Year**. The **District** will provide you the opportunity to make new elections for the next **Plan Year** during the open enrollment period, under procedures determined and administered by **Human Resources**. The procedures may require you to complete, sign and return paper forms and elections, or may require you to make all or some of your elections by electronic media.

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b. May I Change My Election During the Plan Year?

Generally, you cannot change the elections you made (or are deemed to have made) for the rest of the **Plan Year**. This means that if you are enrolled (by active enrollment or default enrollment) in **Benefits**, you cannot add or drop the **Benefits** you elected, add or drop coverage for your **Spouse, Domestic Partner or Dependent Children** or change the amount of any reduction of your **Pay** during the rest of the **Plan Year**.

If you elect (or are deemed to elect) your full (unreduced) **Pay** (and elect no **Benefits** coverage), you cannot change that election during the rest of the **Plan Year**.

There are, however, several exceptions to this rule, under which you may be permitted to make (or are deemed to make) certain election changes during the **Plan Year**. They are described in *Appendix A, Changing My Elections Under the EHBP?*

Section IV – Leaves of Absences

a. What Happens if I Go on a Leave of Absence?

If you go on a paid or unpaid leave of absence, your leave may affect the **Benefits**, coverages and/or **Pay** reductions you have elected (or affect your ability to make changes to your elections under the **EHBP** with respect to **Benefits**, coverages and/or **Pay** reductions). The **EHBP** will be administered to permit you maximum flexibility to change your **Benefit** election, coverage election and **Pay** reduction in connection with your leave of absence, but only to the extent permitted by state and federal law and the applicable **District** leave policy. Before you go on a leave of absence, consult **Human Resources**.

Section V – Termination

a. What Happens if My Employment Terminates?

If your employment with the **District** terminates, you cease to participate in the **EHBP**. You cannot pay your share of premiums on a pre-tax basis, unless you are receiving **Pay** after termination (for example, severance pay that qualifies as **Pay**). *Note:* Whether or not **Benefits** continue after your termination is determined under the terms of those **Benefits**, not the **EHBP**. If your **Benefits** continue after termination, and you are not receiving **Pay**, you must pay your share of the cost on an after-tax basis.

If you become a participant in the **EHBP** again within 30 days of the date you stopped being a participant and before the end of the same **Plan Year**, to the extent permitted by the applicable **Benefit**, the elections you previously had in effect will automatically be reinstated for the rest of the **Plan Year**.

Section VI – Domestic Partner Coverage

a. Coverage for Your Domestic Partner and Children Who Are Not Your Tax Dependents

If you elect **Benefit** coverage for your **Domestic Partner** or a child of your **Domestic Partner** who is not your tax dependent for purposes of group health plan coverage, the following rules apply:

Any contribution made by the **District** for medical or dental coverage on behalf of the following family members of an **Eligible Employee** is considered taxable income to the **Eligible Employee** under federal tax law if the family member is not an eligible tax dependent of the **Eligible Employee** for health plan purposes as explained below:

- **Domestic Partners.**
- Children of **Domestic Partners** (if the children are not also children of the **Eligible Employee**).

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In addition, any contributions made by the **Eligible Employee** toward the premiums for these family members must be paid on an after-tax basis.

Under federal tax rules, **Domestic Partners** and their children must meet certain qualifications in order for an **Eligible Employee** to claim them as eligible tax dependents for health plan purposes. (Please note that the federal income tax rules for determining whether a **Domestic Partner** or a child of a **Domestic Partner** is a tax dependent of the **Eligible Employee** for health plan purposes are somewhat different from the rules for determining whether a **Domestic Partner** can be claimed as a tax dependent for all purposes under the **Eligible Employee's** individual income tax return.)

Children of **Domestic Partners** who are considered to be the **Eligible Employee's** stepchildren under state law are eligible tax dependents for health plan purposes.

Domestic Partners and children of **Domestic Partners** who are not stepchildren of the **Eligible Employee** under state law must meet the following definition of a "Qualifying Relative" to qualify as an eligible tax dependent for health plan purposes. The requirements are as follows:

- Relationship Test: The **Domestic Partner** (or child of the **Domestic Partner**) must have the same principal place of abode as the **Eligible Employee** and be a member of the **Eligible Employee's** household;
- Support Test: The **Domestic Partner** (or child of the **Domestic Partner**) must receive over half of his or her support from the **Eligible Employee**; and
- Not a Qualifying Child: The **Domestic Partner** (or child of the **Domestic Partner**) is not anyone else's qualifying child under the tax code.

In many instances, **Domestic Partners** or children of **Domestic Partners** who are not stepchildren of the **Eligible Employee** under state law will not qualify as tax dependents of the **Eligible Employee** for health plan purposes because they do not meet the Support Test. Children of **Domestic Partners** who are not stepchildren of the **Eligible Employee** under state law often do not qualify as dependents of the **Eligible Employee** because they are qualifying children of the **Domestic Partner** rather than the **Eligible Employee**.

You should consult your CPA, attorney, or other tax professional if you have any specific questions concerning these tax rules or if you are divorced.

Unless you provide required proof to **Human Resources** that your **Domestic Partner** and/or children of your **Domestic Partner** are your tax dependents for group health plan purposes, the **EHBP** will treat these family members as not being your tax dependents for group health plan purposes.

Section VII – Administration

The **EHBP** is administered by the **Plan Administrator** or the **Plan Administrator's designee**, who shall perform all such duties as are necessary to supervise the administration of the **EHBP** and to control its operation in accordance with the terms thereof, including, but not limited to, the following:

- make and enforce such rules and regulations as the **Plan Administrator** deems necessary or proper for the efficient administration of the **EHBP**;
- interpret the provisions of the **EHBP** and determine any question arising under the **EHBP**, or in connection with the administration or operation thereof;
- determine all considerations affecting the eligibility of any **District** employee to participate in the **EHBP**;

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- employ and engage such persons, counsel and agents and obtain such administrative, clerical, medical, legal, audit and actuarial services as it may deem necessary in carrying out the provisions of the **EHBP**; and
- delegate any or all of the **Plan Administrator**'s administrative responsibilities, obligations, duties and discretion, including appeals under the **EHBP**, to one or more **District** employees or officers or such other persons as the **Plan Administrator** deems appropriate. Day to day administration of the **EHBP** is delegated to **Human Resources**.

The **Plan Administrator** has all powers necessary or appropriate to carry out its duties, including discretionary authority to interpret the provisions of the **EHBP**. Any interpretation or construction of or action by the **Plan Administrator** with respect to the **EHBP** and its administration shall be conclusive and binding upon any and all parties and persons affected thereby.

Section VIII – Appeals

Any person who is adversely affected by an action or failure to act by the **Plan Administrator** in the administration of the **EHBP** (a "claimant") involving matters concerning eligibility to participate in the **EHBP**, **District** contributions, **Pay** reduction contributions, pay-in-lieu of **Benefits** and **Cash Benefit** under the **EHBP** may appeal in writing to the **Plan Administrator** within 60 days after the act or failure to act. The **Plan Administrator** will notify the claimant in writing of its decision reaffirming, modifying or setting aside its former action within 60 days after receipt of the appeal. The **Plan Administrator**'s decision shall be final and binding upon the claimant and the **Plan Administrator** and all other persons involved. Appeals concerning individual **Benefits** are subject to the terms and conditions of the individual **Benefit**.

Section IX – Amendment and Termination

The Commission of the **District** may amend or terminate the **EHBP** (including any Appendix) at any time. The **Plan Administrator** also may amend the **EHBP**, but only to the extent the amendments are required by law or are purely administrative or minor in nature. The **Plan Administrator** may not delegate authority to amend the **EHBP**.

Section X – Definitions

Accident or Health Coverage means coverage under an accident or health plan as defined in regulations under **Code** section 105, and includes coverage under a medical, dental or vision **Benefit**, and coverage under a disability insurance **Benefit**.

Benefits means the employee **Benefits** the **District** offers through the **EHBP**. The **Benefits** available as of January 1 of each **Plan Year** are described on *Appendix B, Benefits*.

Cash Benefit is described on page 3.

Code means the Internal Revenue Code of 1986, as amended, and the regulations under the **Code**.

Core Benefits means **Benefits** the **District**, or its delegate, designates as **Core Benefits**. The **Core Benefits** (including **Default** and **Alternative Core Benefits**) as of January 1 of each **Plan Year** are described on *Appendix B, Benefits*.

Default Core Benefits are **Core Benefits** the **District**, or its delegate, designates as **Default Core Benefits**. **Full-Time Eligible Employees** who do not make timely elections of **Alternative Core Benefits** are automatically enrolled in **Default Core Benefits**.

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Dependent Care Flexible Spending Account or **Dependent Care FSA** means Public Utility District No. 1 of Snohomish County Dependent Care Flexible Spending Account Plan.

Dependent Child means:

- For purposes of the **Dependent Care FSA**, a **Qualifying Individual**.
- For other **Benefits**, a **Dependent Child** is as defined in the benefit booklet or the **Benefits** Guide applying to such benefit.

District means Public Utility District No. 1 of Snohomish County, Washington.

Domestic Partner means a domestic partner as defined in the **Benefits** you select, and only to the extent permitted by the terms of the benefit booklet or **Benefits** Guide applying to such benefit.

EHBP means this Public Utility District No. 1 of Snohomish County Employee Health Benefits Program, as amended from time-to-time.

Eligible Employee means any individual who is employed by the **District** as a regular (probationary, non-probationary, or **Time Limited Employee**) **Full-Time Employee** or regular (probationary, non-probationary, or **Time Limited Employee**) **Part-Time Employee**, the **District's** Commissioners (who are classified as **Full-Time Employees** for purposes of this **EHBP**, unless otherwise provided), and employees with individual employment contracts (unless the terms of their contracts indicate they are not eligible). An employee's classification is determined by reference to the **District's** personnel policies, job classification, and related data. **Time Limited Employees** are not eligible for **Benefits** unless and until they work at the **District** at least 60 consecutive days.

- "**Eligible Employee**" does not include an individual who is classified as a **Student Worker**, temporary or contingent worker as determined by reference to the **District's** personnel policies, job classification, and related data; nonresident aliens; leased employees described in **Code** section 414(n); individuals covered by a collective bargaining agreement where welfare plan **Benefits** were the subject of good faith bargaining which does not provide for participation in this **EHBP**; or individuals who provide services as independent contractors.
- **Eligible Employees** on an approved leave of absence (paid and unpaid, including **FMLA** leave) who were **Eligible Employees** when such leave commenced remain **Eligible Employees** during the applicable period of **District** approved leave.

Eligible Paid Hours includes paid hours (i.e. REG, PTO, HDAY, PTOF, SKLF, STD, etc.), except for cashed-out Vacation/PTO/ESL.

FMLA means the Family and Medical Leave Act, as amended, and the regulations thereunder.

Full-Time Employee means a **District** employee who is regularly scheduled to work 40 hours per week.

Full-Time Employee (with Modified Benefits) means, beginning with **Plan Year** 2020, a District employee who is regularly scheduled to work at least 30 hours but less than 40 hours per week.

Grace Period means a period, immediately following the end of the **Plan Year**, during which claims for eligible expenses incurred in such **Grace Period** may be paid from the **Health FSA** or **Dependent Care FSA**.

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for the previous Plan Year. The **Grace Period** for the **Health FSA** for **Plan Year 2020** is January 1, 2021 to June 30, 2021. The **Grace Period** for the **Health FSA** for **Plan Year 2021** and for subsequent **Plan Years** is the period from January 1 to March 15 of the following calendar year. The **Grace Period** for the **Dependent Care FSA** for **Plan Year 2020** is January 1 to December 31, 2021. There are no **Grace Periods** for the **Dependent Care FSA** for subsequent **Plan Years**.

Health Flexible Spending Account or **Health FSA** means the Public Utility District No. 1 of Snohomish County Health Flexible Spending Account Plan.

HIPAA means the group health plan portability provisions of the Public Health Services Act (as added by the Health Insurance Portability and Accountability Act), as amended, and the regulations thereunder.

HSA means a Health Savings Account, as more fully described in *Appendix D*.

Human Resources means the **District's** Human Resources department. Its telephone number is 425-783-8655. Its mailing address is Snohomish County PUD, Human Resources Department, P.O. Box 1107, Everett, WA 98206. The office is located at 2320 California Street, Everett, Washington.

Non-Core Benefits means **Benefits** that are not **Core Benefits**. The **Non-Core Benefits** as of January 1 of each **Plan Year** are described on *Appendix B, Benefits*.

Part-Time Employee means a **District** employee who is regularly scheduled to work less than 40 hours per week. Beginning for **Plan Year 2022**, a **Part-Time Employee** is as defined in Exhibit C.

Pay means the cash compensation you receive from the **District** that is subject to Federal income taxation, and includes your wages or salary, payments for annual leave, sick leave, or other paid time off and severance pay.

Plan Administrator means the CEO/General Manager of the **District**, or his or her designee.

Plan Year means the 12-consecutive-month period that begins January 1 and ends December 31.

Qualifying Individual means a Qualifying Individual within the meaning of the **Dependent Care FSA**.

Spouse means your legal spouse under Washington state law and who is treated as your spouse under the **Code**.

State Registered Domestic Partner ("SRDP") means a person with whom the Eligible Employee has registered as domestic partners under a state domestic partner registry.

Student Worker means an employee of the **District** who is hired to provide a work learning opportunity while enrolled as a full- or part-time student in an accredited higher education institution or trade/vocational school, and who is eligible to work (1) up to 68 hours per calendar month while actively enrolled in school on a full-time or part-time basis or (2) up to 40 hours per week during summer breaks, not to exceed a total of 90 consecutive calendar days. Employees will be informed by the **District** if they are Student Workers.

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Time Limited Employee means an employee of the **District** who is hired on a temporary basis (1) during periods of unusually high workloads; (2) for projects; (3) for temporary job vacancies due to injuries, illnesses, or other extenuating circumstances; or (4) for other temporary business need. In most instances, these employees will not be hired for more than 24 continuous months. Employees will be informed by the **District** if they are **Time Limited Employees**.

VEBA Trust means the trust maintained in connection with the Snohomish County PUD Voluntary Employees' Beneficiary Association.

Voluntary Post-Tax Benefits means accidental death and dismemberment insurance and voluntary Term life insurance.

Questions

If you have any questions or would like additional information, contact **Human Resources**.

IN WITNESS WHEREOF, Public Utility District No. 1 of Snohomish County, by its duly authorized representative, has executed this Employee Health Benefits Program for Employees of Public Utility District No. 1 of Snohomish County – Amended and Restated Effective January 1, 2021.

Public Utility District No. 1 of Snohomish County

By _____

John Haarlow

Its CEO/General Manager

Dated _____

Appendix A

Changing My Elections Under the EHBP

a. When May I Change My Elections Under the EHBP?

Generally, you cannot change the elections you make (including elections you are deemed to have made) under the **EHBP** for the rest of the **Plan Year**. This means that if you elected **Benefits**, you cannot add or drop the **Benefits** you elected, add or drop coverage for your **Spouse, Domestic Partner** or **Dependent Children** or change the amount of any pre-tax or after-tax reduction of your **Pay** during the rest of the **Plan Year**, except as provided below. If you elect your full (unreduced) **Pay** (and elect no **Benefits** coverage), you cannot change that election (or deemed election) during the rest of the **Plan Year**, except as provided below

b. Are There Exceptions to This Rule?

Yes, there are exceptions. You may change certain elections (including deemed elections) during the **Plan Year**, but only if:

1. either
 - ♦ a “change in status” event (defined below) occurs, and the change of your election satisfies the consistency rule (described below); or
 - ♦ a special event (described below) occurs; and
2. the terms of the **Benefits** you elected or elect permit the change.

c. What is a Change in Status?

A “change in status” occurs when:

- your legal marital status changes (you marry, divorce, or become legally separated or, your marriage is annulled or your **Spouse** dies);
- the number of your **Dependent Children** changes (including by birth, adoption, placement for adoption, or termination of adoption, or your **Dependent Child** dies);
- any of the following events occurs that change your, your **Spouse's** or your **Dependent Child's** employment status:
 - employment begins or terminates;
 - strike or lockout;
 - begin or return from an unpaid leave of absence from employment; or
 - a gain or loss of eligibility due to a change in employment status (for example, due to a change from full-time to part-time status) that affects eligibility:
 - for this **EHBP**;
 - for a **Benefit**;
 - for a **Code** section 125 cafeteria plan; or
 - for a benefit plan of your **Spouse's** or **Dependent Child's** employer.
- your **Dependent Child** becomes eligible for coverage under a **Benefit**; or

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- your **Dependent Child** ceases to be eligible, for coverage under a **Benefit** (for example, your child attains a certain age, or, for certain non-medical **Benefits**, marries, or has a change in student status).
- your **Spouse** or **Dependent Child** becomes eligible for coverage under another employer benefit plan (for example through **Spouse's** employer).
- any other event as provided by the **Code** and applicable Department of Treasury regulations. Some of these change in status events apply to **Domestic Partner** coverage and coverage for the children of **Domestic Partners**. Please contact **Human Resources** for more information.

d. What Is the Consistency Rule?

Under the “consistency rule,” the change of your election must be on account of and correspond with the change in status that affects either eligibility for coverage under a **Benefit** or eligibility for coverage under the benefit plan of another employer. This consistency rule is subject to certain limitations and exceptions described below.

- If a change in status does *not* affect eligibility for the type of coverage described above, then you may *not* change your election under this rule. The coverage must be either coverage under a **Benefit** or coverage under a benefit plan of another *employer*. Any other type of coverage, for example, coverage under Medicaid (for example, through the Washington State Department of Social and Health Services) or individual insurance, does not satisfy this rule.
- With respect to **Accident or Health Coverage** and group-term life insurance, a change in status that affects eligibility under a **Benefit** or under another employer's plan includes a change in status that results in an increase or decrease in the number of your family members who may benefit from coverage under the **Benefit** or plan.
- An election change that relates to the **Dependent Care FSA** also is deemed to satisfy the consistency rule if the election is on account of and corresponds with a change in status that affects expenses described in **Code** section 129, including employment-related expenses as defined in **Code** section 21(b)(2) with respect to dependent care assistance.
- If the change in status is your divorce, annulment or legal separation, the death of your **Spouse** or **Dependent Child**, or your **Dependent Child** ceasing to satisfy the eligibility requirements for coverage, you cannot elect to cancel **Accident or Health Coverage** for any individual other than the **Spouse** involved in the divorce, annulment or legal separation, the deceased **Spouse** or **Dependent Child** or the **Dependent Child** that ceased to satisfy the eligibility requirements for coverage — because that election would not correspond with the change in status.
- If you, your **Spouse**, or your **Dependent Child** gains eligibility for coverage under a cafeteria plan or qualified benefit plan sponsored by the employer of your **Spouse** or your **Dependent Child** as a result of a change in marital status (described above) or a change in employment status (described above), your election to cease or decrease coverage for that individual corresponds with the change in status only if coverage for that individual becomes effective or is increased under his or her employer's plan.

e. What is a Special Event and What Can I Change?

You also may change your election if one of these special events occurs, consistent with the rules below:

1. **Event:** You, your **Spouse** or your **Dependent Child** is entitled to special enrollment under a medical, dental or vision **Benefit** as required by **HIPAA** (*i.e.*, due to loss of other coverage or acquisition of new **Spouse** or **Dependent Child** through marriage, birth or adoption, termination of coverage under a Medicaid plan or state children's health insurance program (SCHIP), or becoming eligible for a state premium assistance subsidy from a Medicaid plan or through an SCHIP with respect to coverage under a group health plan).

Allowed Change: You may make a change to your election of the medical, dental or vision **Benefit** that corresponds with the special enrollment right (and, if the special enrollment relates to your acquisition of a new **Spouse** or **Dependent Child**, then, to the extent permitted by the **Benefit**, you may also add coverage for your **Dependent Child** who was already eligible, but was not yet covered). When your election change relates to a special enrollment attributable to the birth, adoption, or placement for adoption of a new **Dependent Child**, then, subject to the provisions of the underlying **Benefit**, the change may be effective retroactively (up to 60 days).

2. **Event:** The coverage under a group health plan of the employer of your **Spouse** or **Dependent Child** changes and either:

the other employer's cafeteria plan or health plan permits its participants to make an election change (consistent with IRS cafeteria plan regulations) during that plan's period of coverage (for example, on account of a change in status); or

the **Plan Year** of this **EHBP** is a different period than the period of coverage for which your **Spouse** or **Dependent Child** can make an election under his or her employer's cafeteria plan or health plan.

Allowed Change: You may change your election prospectively, provided the change is on account of and corresponds with the change under the other employer's health plan.

3. **Event:** You, your **Spouse**, or your **Dependent Child** loses coverage under any group health coverage sponsored by a governmental or educational institution, including an SCHIP, a State health benefits risk pool, a medical care program of an Indian Tribal government, the Indian Health Service, or a tribal organization, or a foreign government group health plan.

Allowed Change: You may add coverage for you, your **Spouse** and your **Dependent Children**.

4. **Event:** The issuance of a judgment, decree or order resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order) that requires **Accident or Health Coverage** (including **Health FSA** coverage) for your **Dependent Child**.

Allowed Change: You may add or cancel coverage for the **Dependent Child** as required by the order, provided that you may cancel coverage only if the order requires someone else to provide coverage and that coverage is, in fact, provided.

5. **Event:** You, your **Spouse** or your **Dependent Child** is enrolled in **Accident or Health Coverage** under this **EHBP** and you, he or she becomes enrolled in Medicare or Medicaid (other than coverage consisting solely of benefits for pediatric vaccines).

Allowed Change: You may prospectively reduce or cancel the **Accident or Health Coverage** of the affected person. However, you may only cancel (but not reduce) **Health FSA** coverage, if the total contributions to the **Health FSA** for the **Plan Year** are more than the amount already reimbursed for the **Plan Year**.

6. **Event:** You, your **Spouse** or your **Dependent Child** were enrolled in Medicare or Medicaid but lost eligibility for that coverage.

Allowed Change: You may prospectively elect to commence or increase **Accident or Health Coverage** of the affected individual and you may commence or increase **Health FSA** coverage.

7. **Event:** You have elected coverage under the **Dependent Care FSA** and your dependent care provider — if he or she is not your relative — imposes a change in the cost of dependent care. "Relative" is described in **Code** section 152(d)(2)(A) through (G), incorporating the rules of **Code** section 152(f)(1) and (f)(4).

Allowed Change: You may change your benefit amount election and pre-tax **Pay** reduction with respect to the **Dependent Care FSA** prospectively consistent with the change in cost of dependent care.

8. **Event:** You have elected coverage under the **Dependent Care FSA** and you find a new dependent care provider (who may be your household employee or a family member).

Allowed Change: You may revoke your previous coverage election and make a corresponding new election for coverage under the **Dependent Care FSA** that reflects the cost of the new dependent care provider. For example, if you terminate a dependent care provider because your relative becomes available to take care of your child at no charge, you may cancel coverage under the **Dependent Care FSA**.

9. **Event:** The **Plan Administrator** determines that the cost charged to you for a **Benefit** (other than the **Health FSA** or the **Dependent Care FSA**) you have elected significantly increases during the **Plan Year**. Only the **Plan Administrator** may determine whether or not the cost has significantly increased. For this purpose, an increase in the cost charged to you refers to an increase in the amount of the **Pay** reduction under the **EHBP**, whether that increase results from an action taken by you (such as switching between full-time and part-time status) or from an action taken by the **District** (such as reducing or eliminating the amount of **District** contribution for a class of employees).

Allowed Change: You may make a corresponding prospective increase in your **Pay** reduction, you may revoke your election for that **Benefit** coverage, and in lieu thereof, receive on a prospective basis coverage under another **Benefit** that provides similar coverage, or you may drop coverage prospectively if there is no other **Benefit** available that provides similar coverage.

You may also make a change (1) during a mid-year open enrollment period, to the extent changes are allowed by the District; and (2) due to any other event as provided by the **Code** and applicable Department of Treasury regulations. Some of these events apply to **Domestic Partner** coverage and coverage for the children of **Domestic Partners**. Please contact **Human Resources** for more information.

f. Voluntary Post-Tax Benefits

During a change in status or special event, you may make changes to your Voluntary Post-Tax **Benefits** without satisfying consistency rules, so long as the changes are allowed by the **Benefit**.

g. Are There Special Rules for an HSA?

Yes. You may change the amount of your pre-tax **Pay** reduction amount for your HSA at any time during the Plan Year on a prospective basis.

h. How Do I Make a Request to Change My Benefits?

If a change in status or special event occurs and you want to make a change to your election for the remainder of a **Plan Year**, you must make a request to change your election to **Human Resources** on forms provided by **Human Resources**, or by electronic media (for example, through email).

i. When Must I File My Request to Change My Benefits?

Your request to change your **Benefits** must be made (as described above) within 30 days of the event (60 days when the event is (a) the birth or adoption of a child or placement of a child with you for adoption or (b) special enrollment as required by **HIPAA** due to termination of coverage under a Medicaid plan or an SCHIP or becoming eligible for a state premium assistance subsidy from a Medicaid plan or through an SCHIP with respect to coverage under a group health plan).

Human Resources will review your request and inform you of its decision.

j. What if My Election is Not Received Within the Allowed Time Frame?

If **Human Resources** receives your change request after the 30-day (or 60-day) request period expires, **Human Resources** will not process the change request. To change your election after this 30-day (60-day) period, you must wait until the next open enrollment period or upon a subsequent change in status or special event.

Example: You become married on May 1. **Human Resources** receives your request to add your new **Spouse** to coverage on June 10, (after the 30-day request period has expired). **Human Resources** will deny this request because it was not timely, and your next opportunity to make a change to your election will be at open enrollment, unless you experience a subsequent change in status or special event.

k. When Will My Change Be Effective?

The change to your election will be effective only for **Pay** and for **Benefits** made available to you after you have completed and filed your request with **Human Resources**. Changes are effective the first of the month following the receipt of your request, or coincident with the date your request is received, if it is on the first of the month.

Exception: If your request relates to special enrollment as required by **HIPAA** in connection with the birth, adoption, or placement for adoption of your new **Dependent Child**, to the extent permitted by the **Benefit**, your election of coverage for new **Dependent Children** can be effective retroactively up to 60 days (and the **District** may reduce your **Pay** pre-tax by an additional amount sufficient to pay your share of the premium for the retroactive coverage).

Example: Assume you get married May 1 and **Human Resources** receives your request to add your new **Spouse** to coverage on May 15. The coverage for your new **Spouse** will be effective June 1, and your **Pay** will be adjusted going forward from that date.

Example: Assume you have a baby born on June 15, and **Human Resources** receives your request to add the child to coverage on July 10. Coverage for the baby will be effective on June 15, any increase in the cost of your **Benefit** will be effective July 1, and your **Pay** reduction contribution (including a one-time extra **Pay** reduction contribution to pay the cost of retroactive coverage) will be increased prospectively.

Exception: If the change is **Dependent Child** losing eligibility, changes are effective the first of the following month.

Example: **Dependent Child** loses eligibility on June 1, last day of coverage is June 30.

Exception: If **Benefits** were terminated because of an employee's absence from work due to service in the uniformed services that is governed by USERRA, **Benefits** will be reinstated upon reemployment (the date of return to work) or as required by USERRA.

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Appendix B Benefits (2021 Plan Year)

Full-Time Eligible Employees

Effective January 1, 2021, the **Benefits** offered under the **EHBP** for a **Full-Time Eligible Employee** are:

Core Benefits		
	Default Core Benefits	Alternative Core Benefits
Medical	HMO Plan — employee only coverage	PPO Plan — all coverages HMO Plan — all other coverages HDHP — all coverages (effective July 1, 2021)
Dental	DEPO (Willamette Dental Group) — employee only coverage	DEPO (Willamette Dental Group) — all other coverages DPPO (Delta Dental of WA)— all coverages
Long-Term Disability (LTD) Insurance	120-day wait period provided by UNUM	60-day wait period provided by UNUM 90-day wait period provided by UNUM
Life Insurance	Basic Term Life Insurance — \$50,000 benefit provided by UNUM	

Absent a timely election of **Alternative Core Benefits**, a **Full-Time Eligible Employee** is automatically covered by **Default Core Benefits**.

Non-Core Benefits	
Vision	Employee-only coverage, Employee + Spouse/SRDP Employee + Child(ren) and Employee + Family coverage, provided by EyeMed Vision Care
Voluntary Term Life Insurance	Employee-only coverage, Spouse coverage, Domestic Partner coverage or Dependent Children coverage, provided by UNUM
Accidental Death and Dismemberment Insurance	Employee-only coverage or family coverage provided by UNUM
Health Flexible Spending Account	Public Utility District No. 1 of Snohomish County Health Flexible Spending Account Plan- Not available if enrolled in the HDHP
Dependent Care Flexible Spending Account	Public Utility District No. 1 of Snohomish County Dependent Care Flexible Spending Account Plan
Health Savings Account (HSA)	Snohomish County PUD #1 Health Savings Account Program (effective July 1, 2021) - Only available if enrolled in the HDHP

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective January 1, 2021

Part-Time Eligible Employees

Effective January 1, 2021, solely for the 2021 **Plan Year**, the **Benefits** offered under the **EHBP** for a **Part-Time Eligible Employee** are as follows:

	Default Core Benefits	Alternative Core Benefits
Medical	No coverage	PPO Plan — all coverages HMO Plan — all coverages HDHP – all coverages (Effective July 1, 2021)
Dental	No coverage	DPPO (Delta Dental of Washington) — all coverages DEPO (Willamette Dental Group) — all coverages
Vision	No coverage	EyeMed Vision Care — all coverages

Absent a timely election of **Alternative Core Benefits**, a **Part-Time Eligible Employee** is automatically defaulted into no coverage for medical, dental or vision **Benefits** (**Default Core Benefits**).

A **Part-Time Eligible Employee** may elect the above **Benefits** in the following combinations:

- Medical only;
- Medical and dental;
- Medical and vision; or
- Medical, dental and vision.

A **Part-Time Eligible Employee** may also elect to participate in the following:

Health Flexible Spending Account	Public Utility District No. 1 of Snohomish County Health Flexible Spending Account Plan- Not available if enrolled in the HDHP
Dependent Care Flexible Spending Account	Public Utility District No. 1 of Snohomish County Dependent Care Flexible Spending Account Plan
Health Savings Account (HSA)	Only available if enrolled in the HDHP

Subject to the terms of the **Benefit**, a **Part-Time Eligible Employee** who was formerly a **Full-Time Eligible Employee** and enrolled in the following **Benefit**, may elect to continue the **Benefit** at the coverage that was in effect prior to becoming a **Part-Time Eligible Employee**, without any option to increase the **Benefit**:

Voluntary Term Life Insurance	Employee-only coverage, Spouse coverage, Domestic Partner coverage or Dependent Children coverage provided by UNUM
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IN WITNESS WHEREOF, Public Utility District No. 1 of Snohomish County, by its duly authorized representative, has executed this Appendix B, Benefits to the Employee Health Benefits Program for

Public Utility District No. 1 of Snohomish County Employee Health Benefits Program — Amended and Restated Effective January 1, 2021

Employees of Public Utility District No. 1 of Snohomish County (Amended and Restated Effective January 1, 2021).

Public Utility District No. 1 of Snohomish County

By _____

John Haarlow

Its CEO/General Manager

Dated: _____

Appendix C

Benefits Eligibility Rules for Plan Year 2022 and Subsequent Plan Years

Beginning for **Plan Year 2022**, a **District** employee's status as a **Full-Time Employee**, **Full-Time Employee (with Modified Benefits)** or **Part-Time Employee** for purposes of the **EHBP** will be determined in accordance with this Appendix C.

For purposes of this Appendix, a Standard Measurement Period is the 12-month period from October 1 to the following September 30. The first Standard Measurement Period for the **EHBP** shall be from October 1, 2020 to September 30, 2021, which shall determine eligibility for **Plan Year 2022**.

Beginning on October 1, 2020 and on every October 1 thereafter, the **District** will measure the hours of service of each employee during the Standard Measurement Period. The term "hour of service" means each hour of work by the employee for the District, each hour of paid leave, and such other hours of service as provided by the federal Affordable Care Act requirements.

Beginning for **Plan Year 2022**, the **District** will determine whether a **District** employee is a **Full-Time Employee**, a **Full-Time Employee (with Modified Benefits)** or a **Part-Time Employee** for purposes of the **EHBP** by determining the average hours of service in the immediately preceding Standard Measurement Period. For example, for **Plan Year 2022**, the **District** will determine the average weekly hours of service for the **District** from October 1, 2020 to September 30, 2021. For **Plan Year 2023**, the **District** will determine the average weekly hours of service for the **District** from October 1, 2021 to September 30, 2022.

Beginning for **Plan Year 2022**, a **Part-Time Employee** is an employee of the **District** who averaged less than 30 hours per week in the immediately preceding Standard Measurement Period. A **Full-Time Employee** is an employee of the **District** who averaged 40 hours a week or more in the immediately preceding Standard Measurement Period. A **Full-Time Employee (with Modified Benefits)** is an employee of the **District** who averaged at least 30, but less than 40, hours, a week. Beginning in **Plan Year 2022**, **Part-Time Employees** shall receive pay-in-lieu of **Benefits** under the **EHBP** and shall be eligible only for the **Dependent Care** and **Health Flexible Spending Account Benefits**, except that **Part-Time Employees** that were enrolled in the **EHBP** as of April 1, 2020 and who remained as participants in the **Benefits** continuously from April 1, 2020 to December 31, 2021 may elect to continue to remain participants in the **Benefits**.

Beginning for **Plan Year 2020**, **Full-Time Employees (with Modified Benefits)**, those who averaged 30 hours per week or more but who did not average 40 hours per week, shall be eligible for one of the following two options: (1) decline coverage under the **Benefits** except for the **Dependent Care and Health Flexible Spending Accounts** and receive the same pay-in-lieu of **Benefits** received by **Part-Time Employees**; or (2) receive coverage under the **Benefits** and the normal **District** contributions for such coverage.

If the employee's average weekly hours of service for the **District** during a Standard Measurement Period is less than 30 hours per week, the employee will be deemed to be a **Part-Time Employee** for the following **Plan Year**. If the employee's average hours of service for the District during a Standard Measurement Period is 40 hours or more a week, the employee will be deemed to a **Full-Time Employee** for the following **Plan Year**. If the employee's average hours of service for the District during a Standard Measurement Period is at least 30, but less than 40 hours, a week, the employee will be deemed to be a **Full-Time Employee (with Modified Benefits)** for the following **Plan Year**.

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For employees hired after the beginning of a Standard Measurement Period as **Full-Time Employees** or **Full-Time Employees (with Modified Benefits)**, such classification shall govern until the employee has completed a full Standard Measurement Period.

Beginning January 1, 2021, for an employee who is hired as a **Part-Time Employee**, the District will measure the employee's work hours for the first year of employment to determine if the employee is working 30 or more hours a week as follows: The average working hours of the employee will be measured (tested) during the first 12 months of the employee's employment ("Initial Measurement Period"). If the employee works on average at least 30, but less than 40, hours a week during the Initial Measurement Period, the employee will be reclassified as a **Full-Time Employee (with Modified Benefits)** as of the first day of the month following 30 days after the end of the Initial Measurement Period. If the employee works on average 40 or more hours a week during the Initial Measurement Period, the employee will be reclassified as a **Full-Time Employee** as of the first day of the month following 30 days after the end of the Initial Measurement Period. For example, if the employee completes the Initial Measurement Period as of June 15 and is determined to be a **Full-Time Employee** or a **Full-Time Employee (with Modified Benefits)**, the employee will be reclassified as a **Full-Time Employee** or a **Full-Time Employee (with Modified Benefits)** on August 1.

Appendix D

Health Savings Accounts

If you are covered under the HDHP medical plan option and you are an “eligible individual,” you may establish a Health Savings Account (“HSA”). An HSA is a separate special bank account you use to pay for certain health care expenses not covered by the HDHP, the Dental **Benefits**, the Vision **Benefits** or any other health or medical care plan or coverage.

This section provides basic information about HSAs and how they operate. Please note that neither the District’s arrangement for making contributions to HSAs nor the HSAs themselves are employee benefit plans.

a. Highlights

Each **Plan Year**, the District may make contributions to an HSA on behalf of employees who are participating in the HDHP, which qualifies as a high-deductible health plan under federal law. An HSA is a special type of individual bank and/or investment account that can be established with a qualified HSA trustee or custodian. An HSA allows you to use the money in the account to pay for certain medical expenses on a tax-free basis, including expenses which you pay in order to meet the deductible in the HDHP. All HSAs are individual accounts (there are no joint HSA accounts, even for married couples).

HSA account balances are nonforfeitable and automatically carry forward from year to year for future medical expenses. Thus, you can accumulate money to pay for current or future medical expenses and you save money on taxes at the same time.

b. Who Is Eligible to Participate in the HSA?

Employees participating in the HDHP may contribute to the HSA. However, you are not eligible to participate in the HSA if you are not eligible to open a bank account. In order to determine your eligibility to open a bank account, you must provide, or must consent to the District providing, your Social Security number and legal street address to the HSA custodian.

In addition, employees may only open and make contributions to an HSA if they meet the following requirements under federal law necessary to be an “eligible individual” for HSA purposes. To be eligible to fund an HSA, federal tax law requires that:

- you be covered under a qualifying high-deductible health plan, such as the HDHP;
- you not be enrolled in Medicare;
- you cannot be claimed as another person’s tax dependent; and
- you do not have other health coverage, such as coverage under the health plan of your parent, **Spouse** or **Domestic Partner**, or coverage under a health flexible spending account, health reimbursement arrangement, or other similar plan of your parent, **Spouse** or **Domestic Partner**. Certain types of permitted insurance or coverage discussed in IRS Publication 969 (available at www.irs.gov) are allowable and will not disqualify you from funding an HSA.

If you meet these requirements, you are an “eligible individual” even if your parent, **Spouse** or **Domestic Partner** has non-qualifying coverage, provided you are not covered by your parent’s, **Spouse’s** or **Domestic Partner’s** plan.

Your eligibility for an HSA is determined each month, as of the first day of the month. It is your responsibility to track your own eligibility for the HSA.

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If you enroll in the HDHP option as well as the **HSA** during the enrollment period for the HDHP in 2021, your **HSA** participation and HDHP coverage will both be effective from July 1, 2021 to December 31, 2021. Beginning for 2022, if you enroll in the HDHP option under the Plan as well as the **HSA** during the open enrollment period, your **HSA** and HDHP coverage will both be effective the following January 1. Otherwise, you are eligible to participate in the **HSA** on the first day of the month in which you begin HDHP coverage. However, you may not withdraw funds from your **HSA** until it is established, as discussed in the next section.

c. First Time You Establish Your HSA

For administrative convenience, the **District** has chosen to make **HSA** contributions for **Eligible Employees** by direct deposit to **HSAs** established at an authorized **HSA** custodian or trustee selected by the **District** ("Custodian"). The Custodian will provide you with any forms that it may require to establish an **HSA**. You will be responsible for managing your **HSA**, including choosing how your **HSA** funds are invested and following the rules imposed by the Custodian and the IRS.

After you complete the account application and the **District** is notified that your account is open, your **HSA** is established and funds may be placed into the **HSA**. Once your **HSA** is established, you can start using your **HSA** dollars to pay for health care expenses that are incurred after the **HSA** is established and that are not covered by the HDHP or any dental, vision or other health care coverage.

Example: Your **HSA** is established on July 1, 2021. Eligible medical expenses incurred on or after July 1, 2021 can be reimbursed tax-free through your **HSA**.

Once contributions (made by the **District** or by you) have been deposited in your **HSA**, you will have a nonforfeitable interest in the funds, and you will be free to request a distribution of the funds or to move them to another **HSA** custodian. You may be responsible for paying certain fees charged by the Custodian for your **HSA**. You also may be responsible for paying administrative and other trustee fees relating to your **HSA** after you are no longer participating in the HDHP. You are also responsible for paying administrative and other trustee fees if you use an **HSA** provider other than the Custodian selected by the **District**.

d. Contributions to an HSA

The **District** will make the following contributions to your **HSA** depending on what type of coverage (employee-only or employee plus one or more dependents) you have under the HDHP.

Employee-only HDHP Coverage:

HSA contribution of \$350 every year (1st full pay period of each calendar year or upon initial enrollment in HDHP).

One-time **HSA** contribution of \$650 upon initial enrollment in HDHP.

Employee plus one or more Dependents

HSA contribution of \$700 every year (1st full pay period of each calendar year or upon initial enrollment in HDHP).

One-time **HSA** contribution of \$1300 upon initial enrollment in HDHP.

To the extent that the **District's** **HSA** contribution as described above, when considered alone (without considering your contributions, if any, to the **HSA**), exceeds the maximum annual contribution for your **HSA**, such excess will be paid to you as taxable wages rather than being deposited into your **HSA**. The **District** does not make contributions to an **HSA** for employees or ex-employees who have elected COBRA continuation coverage from the HDHP.

The **District's** contributions to your **HSA** are tax-free.

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- You may make tax-free contributions by **Pay** reductions. As long as you are covered by the HDHP, you can start, stop or change your contribution to your **HSA** at any time during the calendar year by contacting **Human Resources**. Please note that the amount of your **HSA** pre-tax election does not automatically carry over to future **Plan Years**, and you must elect what amount, if any, you wish to contribute to your **HSA** during open enrollment each year.
- You may also make contributions directly to your **HSA** (for example, by writing a check or electronic transfer of funds), and such contributions made by an eligible individual qualify for an “above-the-line” tax deduction on your individual federal income tax return (up to the maximum contribution allowed), which means that the amount you contribute will reduce your adjusted gross income, making the contributions deductible regardless of whether or not you itemize.
- Earnings on **HSA** account balances are generally not taxed while held in the **HSA**, which means that these accounts can grow on a tax-free basis.

Thus, **HSAs** offer three kinds of potential federal tax savings: tax-free contributions, tax-free growth on the amounts contributed, and tax-free distributions.

You can make **HSA** contributions each year, into the same or a separate **HSA**, so long as the total contributions made by you, plus any contributions made on your behalf by the **District** or others, do not exceed the maximum annual contribution limit that applies to you. Your maximum annual calendar year **HSA** contribution limit is an indexed amount set by the IRS. If you have a **Spouse** and both you and your **Spouse** are **HSA**-eligible, this contribution limit is divided equally between you and your **Spouse** (unless you agree to a different allocation). If you have a **Domestic Partner**, you do not divide your **HSA** contribution limit with your **Domestic Partner**, and you can contribute up to the full amount. An additional annual “catch-up” amount (also determined on a monthly basis) can be contributed for eligible individuals who are age 55 or older. For example, if you are age 55 or older in 2021, you may contribute an additional \$1,000 above your annual maximum contribution limit. More information about contribution limits, including some examples, can be found in IRS Publication 969, available at www.irs.gov.

The maximum annual contribution generally is available only if you are **HSA**-eligible for all 12 months during the calendar year. If you are **HSA** eligible for only part of the year, your limit is prorated on a monthly basis. However, there is a special rule that allows individuals who are **HSA**-eligible on December 1 to make a full year’s contribution. The IRS refers to this rule as the “full contribution rule.” In other words, if you are covered under the HDHP and are otherwise **HSA**-eligible on December 1, you are eligible to contribute up to the IRS limit. To take advantage of this rule, your **HSA** must be established (as discussed above) on or before December 31, and any expenses that you incur before the **HSA** is established cannot be reimbursed on a tax-free basis by the **HSA**. Individuals who make **HSA** contributions in reliance on the full contribution rule described above must remain eligible for the **HSA** throughout a 13-month testing period to avoid adverse tax consequences. The 13-month testing period is generally measured from December 1 of the year for which **HSA** contributions are being made (year 1) through December 31 of the following year to avoid adverse tax consequences.

If you contribute over your limit, the amount of excess contributions will be taxable to you and you must include this amount in your gross income. In addition, excess **HSA** contributions are subject to a 6% excise tax. However, if any excess contributions and earnings on those contributions are returned to you prior to the filing deadline for your income tax return, the 6% excise tax will not apply — you will only have to pay ordinary income tax on the excess amount and the earnings on the excess amount. You may request a return of excess contributions from the Custodian. Please consult IRS Publication 969 or your tax advisor if you have any questions regarding your **HSA** contributions and/or distributions.

e. Distributions from an HSA

You can receive a tax-free distribution from your **HSA** in one of two ways: (1) using the debit card for your **HSA** account to directly pay for qualifying health expenses; or (2) paying for qualifying health expenses out-of-pocket, and then withdrawing the amount from your **HSA** account. Distributions from your **HSA** will be tax-free if they are for expenses incurred after your **HSA** has been established for your medical care as defined in **Code** section 231(d) or the medical care of your **Spouse** or tax dependents. (Unless your **Domestic Partner** is your tax dependent under **Code** section 152, distributions from the **HSA** for your **Domestic Partner**'s medical expenses cannot be made on a tax-free basis.) Please note that federal health care reform's expanded definition of "children" for which health plan coverage is tax-free (children through the end of the year in which they turn 26) does not apply to **HSA** distributions. Distributions from an **HSA** for medical expenses of children are only tax-free if the child is a tax dependent of the employee.

Example: Employee Harris covers his 25-year married daughter Sonja under the HDHP. Harris does not pay federal income tax on the cost of this coverage for Sonja. However, Sonja is not Harris' tax dependent. Harris cannot pay for Sonja's medical expenses with **HSA** funds on a tax-free basis.

Qualifying health expenses include:

- standard medical services (office visits, laboratory tests, etc. not covered by insurance);
- copayments, coinsurance and deductibles;
- prescription drugs;
- non-prescription drugs and medical supplies;
- menstrual care products;
- personal protective equipment (PPE) for the primary purpose of preventing the spread of COVID-19, such as masks, hand sanitizer, and sanitizing wipes;
- dental and vision care expenses, including eyeglasses and laser eye surgery;
- COBRA premiums;
- Medicare premiums, except for premiums for Medicare supplemental policies;
- health insurance premiums paid while receiving unemployment insurance; and
- premiums for qualified long-term care insurance contracts, up to certain limits.

For a complete list of eligible health care expenses, see IRS Publication 502, available at www.irs.gov.

You may use your **HSA** funds for other purposes, but distributions for non-qualified expenses are taxable to you and you may be required to pay a 20% penalty tax. If you are disabled or age 65 or older, you may take non-qualified distributions without paying the 20% penalty tax. You are not required to submit receipts to the Custodian, but it is a good idea to save receipts and records of your expenses in case of an IRS inquiry. The Custodian will not make determinations on whether your expenses are qualified medical expenses.

To be tax-free, distributions must cover qualified medical expenses that you incur after you have established your **HSA**. Otherwise, there is no time limit on when you can request a distribution to pay a qualifying expense. Please note, however, that there may be some delay between when the **District** withholds amounts from your paycheck for deposit into your **HSA** and when the amounts are available for withdrawal, but usually this delay will not exceed more than one week.

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More information about **HSA** distributions can be found in IRS Publication 969, available at www.irs.gov.

f. Reporting Is Your Responsibility

You are responsible for reporting contributions made to your **HSA** (whether made by you or on your behalf by the **District** or others) and for reporting distributions from your **HSA**. Employees with **HSAs** must file IRS Form 8889 when filing their IRS Form 1040. To complete this form, you will need to know the contributions that were made to the **HSA** and the distributions received from the **HSA**. You must determine whether your **HSA** distributions are taxable or whether they are used for qualified medical expenses (and thus are not taxed by the federal government). You should maintain records sufficient to show that any distributions that you do not report as taxable were made exclusively for qualified medical expenses. See IRS Publication 969, available at www.irs.gov, for more information.

g. HSA Investments

The Custodian may offer investment options for your **HSA** account balance once the balance exceeds \$1,000.00. The **District** has not reviewed these options, if any, and does not endorse or recommend any options. You should consult a tax advisor or financial consultant to determine what, if any, investments are appropriate for you. The **District** and its officers or employees are not fiduciaries with respect to the investment designation or direction you make. You are solely responsible for your actions concerning **HSA** investment decisions. You have the option of transferring some or all of your **HSA** funds to another **HSA** custodian or trustee, for example one that offers different investment options than the Custodian, but if you do so, you are responsible for paying any fees charged by the **HSA** custodian or trustee selected by you.

h. When HSA Participation Ends

If you switch to medical plan option other than the HDHP or otherwise become ineligible to fund an HSA (e.g., you become eligible for Medicare), no further contributions can be made to the HSA, either by you or by the **District**. However, the account balance always belongs to you, and you may continue to take distributions from your HSA. If you die when you still have a balance in your HSA, your beneficiary will receive a payout of the funds. You may make beneficiary designations by contacting the Custodian.

Appendix E

Flexible Spending Accounts

a. Introduction to Flexible Spending Account Benefits

The District sponsors two flexible spending accounts:

1. The **Health Flexible Spending Account**, which may be of interest to you if you are paying for health care expenses that are not fully reimbursed or not covered by your health coverage. The **Health Flexible Spending Account** is available to **Eligible Employees** who are not participating in the HDHP.
2. The **Dependent Care Flexible Spending Account**, which may be of interest to you if you are paying for the care of a child or disabled member of your household in order for you or, if you are married, for you and your **Spouse** to work.

This section explains how these FSAs allow you to pay for certain expenses with pre-tax dollars. By participating, you will receive in expense reimbursement a portion of what would otherwise be your regular **Pay**. This also reduces the amount of taxable income you receive and, therefore, reduces your taxes.

Note: Only **Eligible Employees** who are not enrolled in the HDHP may participate in **Health FSA**. If you participate in the Plan's HDHP, you may not participate in the **Health FSA**, but you may participate in the **Dependent Care FSA**.

b. How to Enroll in an FSA

You elect to participate in an FSA by enrolling. You must specify the amount of pre-tax dollars you wish to contribute to a **Health FSA** and/or **Dependent Care FSA**. If you do not elect to participate when you are first hired as an **Eligible Employee**, you must wait until the next annual open enrollment period to elect to participate, unless you experience a change in status.

c. Contributions to Your Health and Dependent Care FSAs

Each year, you must decide the amount of pre-tax dollars you want to contribute to the **Health FSA** and **Dependent Care FSA**. Please note that amounts contributed to one FSA cannot be used to reimburse expenses under the other FSA. You should carefully estimate your Eligible Health and Dependent Care Expenses (collectively referred to throughout this Appendix as "Eligible Expenses") for the upcoming **Plan Year**, because you must forfeit any unused funds in your **Health FSA** and your **Dependent Care FSA** at the end of each **Plan Year** and any applicable **Grace Period** relating to the **Plan Year**. In general, you have until March 31 of the next year to request reimbursement for Eligible Expenses.

At the start of each **Plan Year**, the entire amount which you have elected to have contributed to the **Health FSA** for the entire **Plan Year** is available to you to pay **Benefits** for qualifying medical expenses. For example, if you have elected to contribute \$50 per month to the **Health FSA** for the **Plan Year**, you may submit claims for **Benefits** for up to a total amount of \$600 at any time during the **Plan Year**.

Under the **Dependent Care FSA**, you are only paid benefits to the extent that your **Pay** has been reduced up to the date the benefit is paid. For example, if you have elected to contribute \$50 per month to the **Dependent Care FSA**, on February 1 you may file a claim for \$50 (the amount you contributed in January).

Once you have elected to participate, the **District** will establish a **Health FSA** and/or a **Dependent Care FSA** for you according to your election for each **Plan Year**. Your account(s) will then have funds added each pay period in an amount equal to the **Pay** reduction contribution you specified for the account(s) on your enrollment form. Please note, however, that there are restrictions on the amount that you may elect to contribute to your accounts:

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- Under the **Health FSA**, the maximum amount you may elect to contribute during 2021 is \$2,750. The **Pay** reductions under the **Health FSA** will be made in equal amounts each pay period during any given **Plan Year**. Beginning in 2022, the minimum amount you may elect to contribute for the **Plan Year** is \$24.
- Under the **Dependent Care FSA**, the maximum amount you may elect to contribute during a **Plan Year** is \$5,000 (or \$2,500 if you are married and you and your **Spouse** file separate tax returns). The **Pay** reductions in your compensation under the **Dependent Care FSA** will be made in equal amounts each pay period during any given **Plan Year**. If you are married and your **Spouse** earns less than \$5,000 in a calendar year, the maximum amount you may contribute to the **Dependent Care FSA** is the amount of your **Spouse's** earned income. For these purposes, a **Spouse** who is attending school as a full-time student for at least five months per year is deemed to earn \$250 per month if you and your **Spouse** have one dependent, and \$500 per month if you and your **Spouse** have two dependents. A disabled **Spouse** who is physically or mentally incapable of caring for himself or herself is also deemed to earn \$250 per month if you have one dependent, and \$500 per month if you have two dependents. Beginning in 2022, the minimum amount you may elect to contribute for the **Plan Year** is \$24. There is a special contribution rule for **Plan Year 2021**: the maximum amount you may elect to contribute to the **Dependent Care FSA** for **Plan Year 2021** is \$10,500.

d. Use-it-or-Lose-It Rule

The amounts contributed to your account(s) can only be used to reimburse you for Eligible Expenses incurred during the **Plan Year** (plus any applicable **Grace Period**), or while you are an eligible participant. In most instances, you must apply for reimbursement on or before March 31 following the close of the **Plan Year**. If any balance remains in your account(s) for any **Plan Year** (plus any applicable **Grace Period**) after all reimbursements are made, this balance will not be carried over to future **Plan Years**. These amounts will instead remain the property of the Cafeteria Plan (and will be used to offset the expenses of the Cafeteria Plan), and you forfeit all of your rights with respect to these amounts. This is commonly referred to as the “use-it-or-lose-it” rule.

There are three exceptions to the “use-it-or-lose-it” rule:

- Beginning with **Plan Year 2022**, the **Health FSA** generally has a 2 ½-month **Grace Period** to incur expenses that apply to the previous year **Health FSA** account. In other words, you have a 14 ½-month period in which to incur expenses to be applied to your **Health FSA**. As an example, for the 2022 **Plan Year**, this 14 ½-month period is from January 1, 2022 through March 15, 2023. You must submit your **Health FSA** claims for the 2022 **Plan Year** by March 31, 2023. However, for **Plan Year 2020**, the **Grace Period** is six months, from January 1, 2021 to June 30, 2021. You have this 18-month period (January 1, 2020 to June 30, 2021) in which to incur expenses to be applied to your **Health FSA** for **Plan Year 2020**. You must submit your **Health FSA** claims for the 2020 **Plan Year** by January 31, 2022.
- Under certain circumstances, you may have COBRA continuation rights under the **Health FSA**. COBRA coverage under the **Health FSA** is offered only to certain qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected under the FSA by the **Eligible Employee**, reduced by reimbursements of expenses incurred up to the time of the qualifying event, is equal to or more than the amount of contributions for **Health FSA** coverage that will be charged for the remainder of the **Plan Year**. COBRA coverage for the **Health FSA**, if elected, will consist of the FSA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the qualifying event) and will continue to the end of the **Plan Year** (plus any applicable **Grace Period**). The use-it-or-lose-it rule will continue to apply. COBRA coverage will last only for the remainder of the **Plan Year** and applicable **Grace Period** in which the COBRA qualifying event occurred. There are no COBRA premiums associated with the **Grace Period**.

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- As a general rule, there is no **Grace Period** for the **Dependent Care FSA**. However, for **Plan Year 2020**, the **Dependent Care FSA** has a 12-month **Grace Period** to incur expenses that apply to the 2020 **Dependent Care FSA** account. You have a 24-month period (from January 1, 2020 to December 31, 2021) in which to incur expenses to be applied to your **Dependent Care FSA** for 2020. Your final deadline for submitting claims for **Plan Year 2020** for qualifying dependent care expenses incurred from January 1, 2020 to December 31, 2021 is January 31, 2022.

e. Eligible Expenses Under the Health FSA

The **Health FSA** is an account that allows you to put money aside to reimburse yourself for “eligible” health care expenses. For expenses to be paid from the **Health FSA**, they must:

- be considered “medical expenses” under the Internal Revenue Code.
- be incurred by you or by a family member who is your tax dependent for health plan purposes. Expenses incurred by a **Domestic Partner** or by a child who is not your tax dependent for health plan purposes will not be paid or reimbursed by the **Health FSA**.
- be incurred while you are participating in the **Health FSA**;
- be incurred during the **Plan Year and applicable Grace Period**; and
- not be reimbursed by any employer-sponsored health/dental plan under which you or your **Spouse** or **Domestic Partner** is covered or by any other source.

Qualifying medical expenses include only those incurred for:

- you;
- your **Spouse**; and
- certain other family members as described below.

An expense is considered incurred when the care or service is provided—not when your provider issues a bill, nor when you receive or pay that bill. You may submit bills for any expense for medical care, as defined in **Code** section 213 (except long-term care premiums and expenses associated with long-term care and other health care premiums), which you are obligated to pay and which are not covered by any plan.

Eligible Expenses may include amounts that are not paid by your employer-sponsored health care plan, such as deductibles, copayments, expenses in excess of plan dollar limits, or those which exceed customary and reasonable fees. You may also submit bills for medical, dental, and vision expenses that are not reimbursed by another plan so long as they are medical expenses you could have claimed on your individual income tax return (Form 1040).

Expenses eligible to be reimbursed from the **Health FSA** include expenses for the diagnosis, cure, treatment or prevention of disease, and for treatments affecting any part or function of the body. Expenses must be to alleviate or prevent a physical or mental defect or illness. Expenses incurred solely for cosmetic reasons or expenses that are merely beneficial to a person’s general health (except smoking cessation and physician-directed weight reduction programs) are not eligible for reimbursement.

All over-the-counter medications, including insulin, are eligible for reimbursement, whether or not they have been prescribed. In addition, menstrual care products, such as tampons, pads, liners, cup, sponge and similar products, are eligible for reimbursement.

Below is a partial list of Eligible Expenses for reimbursement under the **Health FSA**:

- Eligible Medical Expenses

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- Deductible and copayment amounts
 - Routine physical exams
 - Routine lab and x-rays performed for medical reasons
 - Childbirth classes
 - Cardiac rehabilitation class
 - Drug abuse treatment centers
 - Sterilization unless prohibited by law
 - Over-the-counter drugs and medical supplies
 - Menstrual care products
 - Personal protective equipment (PPE) for the primary purpose of preventing the spread of COVID-19, such as masks, hand sanitizer, and sanitizing wipes
- Vision Expenses
 - Routine eye examinations
 - Eyeglasses
 - Contact lenses, including all necessary supplies and equipment
- Hearing Expenses
 - Routine hearing examinations
 - Hearing aids and repairs
 - Cost and repair of special telephone equipment for the deaf
- Dental Expenses
 - Deductible and copayment amounts
 - Dentures and fillings
- Prescription Drug Expenses
 - Deductible and copayment amounts
 - Cost for allowable prescription drugs

f. Ineligible Expenses Under the Health FSA

Below is a partial list of expenses **not** eligible for reimbursement under the **Health FSA**:

- Expenses incurred for cosmetic surgery or other similar procedures, unless the procedure is necessary to improve deformities directly related to a congenital condition, a personal injury or a disfiguring disease.
- Expenses for custodial care in a nursing home.
- Insurance premiums, including Medicare Part B premiums, long term care premiums, and other payments or contributions for health coverage (such as contributions for coverage under an employer-sponsored group health plan or HMO or other health plan and premiums for health insurance purchased at a Health Insurance Marketplace).
- Household or domestic help, even if recommended by a doctor.
- Marriage or family counseling fees.
- Illegal operations, drugs, or services.

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- Travel your doctor told you to take for rest or change.
- Social activities.
- Health club membership or fees.
- Uniforms or special clothing, such as maternity clothing.
- Marijuana and other controlled substances that are in violation of federal laws, even if prescribed by a physician.

Additionally, the IRS does not allow you to deduct the same expenses on your income tax return for which you are reimbursed under the **Health FSA**.

These are general examples of reimbursable expenses and excludible expenses. Actual claims must satisfy the **Code** rules for tax deductibility. For more information, contact the Claims Administrator.

Children and Other Family Members Whose Eligible Expenses May Be Reimbursed Under the Health FSA

The **Health FSA** may reimburse you for Eligible Expenses incurred by your child through the end of the month in which your child turns age 26. For example, if your child's 26th birthday is on March 21, 2021 and you are participating in the **Health FSA** for 2021, the Plan may reimburse for qualifying medical expenses of your child incurred through March 31, 2021. There is no requirement that the child be living with you, be unmarried, be your tax dependent, be a student, or be supported by you, and it does not matter if your child is employed. This rule applies to your children by birth, adoption or placement for adoption, your stepchildren, and your foster children.

The **Health FSA** does not reimburse you or pay for expenses of your **Domestic Partner** or the children of your **Domestic Partner** (who are not your children) unless they are your eligible tax dependent for health plan purposes.

g. Eligible Expenses Under the Dependent Care FSA

Eligible Expenses that can be reimbursed from your **Dependent Care FSA** are expenses incurred for household and dependent care services that enable you and (if married) your **Spouse** to be gainfully employed, which generally means working or actively looking for work.

If you are married, your **Spouse** must be employed or actively looking for work, be a full-time student for a minimum of five months per year, or be physically or mentally incapable of caring for himself or herself, in order for you to participate in the **Dependent Care FSA**.

To qualify for reimbursement, Dependent Care Expenses cannot exceed your earned income or, if married, the earned income of the lesser-earning **Spouse**. Earned income (including any self-employment earnings) is generally the remaining salary after all pre-tax salary reductions have been made. If you are married and your **Spouse** is physically or mentally incapable of caring for himself or herself or is a full-time student, the IRS considers your **Spouse** to have a monthly income of \$250 if you have one dependent, or \$500 if you have two or more dependents, for each month that your **Spouse** is incapable of caring for himself or herself or is a full-time student.

To be eligible, the expenses must be for a "dependent." For purposes of the **Dependent Care FSA**, a dependent is any person under 13 who is your child or any other descendant, your sibling or descendant of a sibling and who shares your household for more than one-half the year and provides no more than one-half of his or her own support. A dependent also includes a **Spouse**, **Domestic Partner**, or other person for whom you can claim a dependency exemption in your income tax return if your **Spouse**, **Domestic Partner**, or other person is physically or mentally unable to care for himself or herself and shares your household for more than one-half the year.

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The following are qualified facilities that provide work-related dependent care services, the expenses of which may be reimbursed from your **Dependent Care FSA**:

- A dependent (day) care center or nursery school, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws.
- Adult daycare center that provides, on a regular basis, a range of services that may include health, medical, psychological, social, nutritional and educational services that allow a person to function within the home.
- An educational institution for pre-school children. For older children (kindergarten and up), only expenses for non-school care are eligible.
- An individual who provides care inside or outside your home. The individual may not be a child of yours under age 19 as of December 31 or anyone you claim as a dependent for federal tax purposes.

h. Ineligible Expenses Under the Dependent Care FSA

You cannot use the money in your **Dependent Care FSA** to pay for:

- Care provided by anyone you claim as a dependent on your federal income tax return.
- Amounts taken as credit on your federal income tax return.
- Transportation expenses to and from the care provider or facility.
- Overnight camp expenses.
- Expenses incurred before participation in the **Dependent Care FSA**.
- School tuition after the child has completed pre-school.

The IRS does not allow you to claim a credit for the same expenses on your income tax return for which you are reimbursed under the FSA.

i. Dependent Care Tax Credit vs. Dependent Care FSA

Some employees may be eligible to claim a dependent care tax credit on their federal income tax return. This credit is available for the same types of expenses as the **Dependent Care FSA**. However, the IRS requires that the dependent care tax credit be reduced, dollar for dollar, by the amount reimbursed under a **Dependent Care FSA**. In other words, you cannot use expenses reimbursed through the **Dependent Care FSA** to claim the tax credit. For more information about how the dependent care tax credit works, see IRS Publication No. 503. In addition, because each employee's situation is different, you should consult with a tax advisor before deciding whether to use the tax credit or the **Dependent Care FSA**.

j. Filing a Claim

To be reimbursed from your **Health FSA** or **Dependent Care FSA**, simply submit a reimbursement or claim form for the Eligible Expenses that have been incurred. A request for withdrawal form is available from the **District** or Claims Administrator. Reimbursement payments may only be made to you, and may not be made to health and/or dependent care providers on your behalf, unless you are paying for an expense with a debit card associated with your FSA. .

For reimbursement from your **Health FSA** or **Dependent Care FSA**, you must include acceptable proof of the expenses incurred. Only expenses that are incurred while you are a participant in the Plan may be reimbursed from your **Health FSA** or **Dependent Care FSA**. In addition, expenses that are incurred during one **Plan Year** cannot be reimbursed during another **Plan Year**. An expense is considered incurred when services are provided, not when you are billed or when you pay for care.

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If you cease to be a participant in the **Dependent Care FSA** during a **Plan Year** for any reason, your election under the **Dependent Care FSA** shall terminate, and you may make no further contributions to your **Dependent Care FSA**. However, you may continue to request reimbursement for qualified expenses you incurred prior to the date you ceased to be a participant in the **Dependent Care FSA** for up to 90 days after the date your participation ceases.

Except if you qualify for and elect COBRA continuation coverage from the **Health FSA**, if you cease to be a participant in the **Health FSA** during a **Plan Year** for any reason, your election under the **Health FSA** shall terminate, and you may make no further contributions to your **Health FSA**. However, you may continue to request reimbursement for qualified expenses you incurred prior to the date you ceased to be a participant in the **Health FSA** for up to 90 days after the date your participation ceases.

k. Reimbursements from the Health FSA

To make a claim for reimbursement of your medical expenses under the **Health FSA**, you can submit a written or electronic claim on a form provided by the Claims Administrator. You must provide the following information and documentation in or attached to the claim form:

- the amount, date and nature of the medical expense;
- the name of the person, organization or entity to which the expense was paid;
- bills, invoices, receipts, or other statements showing the amounts of such expenses;
- the name and relationship of the family member for whom the expense was incurred;
- the amount paid or recovered, or expected to be paid or recovered, under any insurance arrangement or other plan, with respect to the expense;
- a statement that the expense has not otherwise been reimbursed and is not reimbursable through any other source;
- if the claim is for prescribed drugs, a copy of the prescription or a receipt showing the name of the purchaser, the date of the purchase, and the prescription number;
- if the claim is over-the-counter drugs, a copy of the receipt showing the item purchased and the date of the purchase; and
- any additional documentation which the **Plan Administrator** or Claims Administrator for the Plan may request.

Proof can include a bill, an invoice or an Explanation of Benefits (EOB) from any group medical/dental plan under which you are covered. An EOB will be required if the expenses are for services usually covered under group medical and dental plans, such as charges by surgeons, doctors and hospitals. In such cases, an EOB will verify what your out-of-pocket expenses were after payments under other group medical and dental plans.

If you have established a **Health FSA**, your total annual contribution is available immediately. You can request reimbursement for Eligible Expenses up to your annual contribution amount, less any prior reimbursements, as soon as such Eligible Expenses have been incurred.

l. Reimbursements from the Dependent Care FSA

For reimbursement from your **Dependent Care FSA**, you must submit proof of the services rendered, such as a bill, receipt, or invoice from the care provider and the care provider's Social Security or Tax Identification Number.

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You can submit a reimbursement form as often as daily. When a payment is made to you in reimbursement of Eligible Expenses, the amount of such payment is subtracted from the appropriate account.

If you have established a **Dependent Care FSA**, only the amounts you have actually contributed to the account, less any prior reimbursements, are available for reimbursement. If you request reimbursement for more than what you have in your account, you will receive only the amount in your account. As additional contributions are made to your account, outstanding reimbursements will be processed automatically.

For expenses incurred during the **Plan Year**, requests for withdrawal will be accepted and processed through March 31 of the following year. If you participate in the **Dependent Care FSA**, you will receive, on or before January 31 of each year, a written statement showing the amounts you paid for dependent care during the preceding calendar year. The amount will be reflected on your Form W-2 Wage and Tax Statement for the preceding calendar year.

m. Rules for Use of Debit Card for the Health FSA.

The **Health FSA** may allow certain expenses to be paid directly via a debit card rather than reimbursing you through the use of a claim form after you have paid for the covered expense, as described above.

If you choose to use the debit card, you are agreeing to the following rules, and if you do not follow these rules, your claim may be denied:

- You will only use the card to pay for medical expenses that qualify for reimbursement from the **Health FSA**.
- You will not seek reimbursement from any other source for the medical expense paid for with the debit card.
- You will obtain, retain, and give to the **Health FSA** Claims Administrator upon request and within the timeframe required by the Claims Administrator, the information normally required to be submitted with a claim for benefits (see preceding section) for any expenses paid with the card.
- If you use the card improperly or if you cannot provide a receipt or other substantiation requested by the Claims Administrator, one or more of the following may occur:
 - The **District** may withhold the amount in question from your paycheck.
 - Your card may be deactivated or cancelled.
 - You will repay the **Health FSA** in the amount in question.
 - The amount of the improper claim may be offset from future claims for reimbursement you make to the **Health FSA**.
- The amount will be imputed to you as taxable income.
- The card is automatically cancelled when you cease to be employed by the **District**.
- Any other requirements of the Claims Administrator or the issuer of the debit card.

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY
CAFETERIA PLAN

2021 Restatement

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**PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY
CAFETERIA PLAN**

INTRODUCTION

The Public Utility District No. 1 of Snohomish County (Employer) has restated this Cafeteria Plan effective January 1, 2021. Its purpose is to provide benefits for Eligible Employees. The Plan allows Eligible Employees to choose among different types of pre-tax and taxable benefits based on their own particular goals, desires and needs, including the ability to pay certain Premiums on a pre-tax basis. The Plan's name is the Public Utility District No. 1 of Snohomish County Cafeteria Plan (the "Plan").

The Employer intends that the Plan qualify as a "cafeteria plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the pre-tax benefits that an Eligible Employee elects to receive under the Plan be excludable from the Eligible Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

The Health Flexible Spending Account Plan (HFSA Plan), a Component Plan of the Plan, is intended to qualify as a "self-insured medical reimbursement plan" under Code Section 105, and the Qualifying Medical Care Expenses reimbursed by it are intended to be eligible for exclusion from Eligible Employees' gross income under Code Section 105(b).

The Dependent Care Flexible Spending Account Plan (DCFSA Plan) a Component Plan of the Plan, is intended to qualify as a "dependent care assistance plan" under Code Section 129, and the Qualifying Dependent Care Expenses reimbursed by it are intended to be eligible for exclusion from Eligible Employees' gross income under Code Section 129(a).

Beginning in July of 2021, the Plan allows Eligible Employees to make voluntary contributions to their Health Savings Accounts through this Plan, but the Health Savings Accounts are individual accounts are not plans sponsored by the Employer. The Plan also provides certain Employer Health Savings Account benefits under the Plan.

Although both are reprinted in this document, the HFSA Plan and the DCFSA Plan are separate plans for purposes of administration and all applicable reporting and nondiscrimination requirements imposed by Code Sections 105 and 129, and the HFSA Plan is a separate plan for purposes of complying with COBRA, HIPAA, and other applicable laws.

**ARTICLE I
DEFINITIONS**

"Administrator" or "Plan Administrator" means the CEO/General Manager of the Employer unless the CEO/General Manager has designated another Plan Administrator in writing. The CEO/General Manager shall be empowered to appoint and remove the Administrator from time to time as the CEO/General Manager deems necessary for the proper administration of the Plan. The Administrator may delegate its powers and duties to other Employees of the Employer.

"Annual Open Enrollment Period" means a period of time prior to the commencement of the Plan Year during which a Participant may elect coverage under the Plan or a Participant may change elections under the Plan for the following Plan Year and applicable Grace Period.. The

Annual Open Enrollment Period is set by the Employer. When a new Benefit Plan option is first available during the Plan Year, the Employer may also hold enrollment periods during the Plan Year relating to the new Benefit Plan option.

“Benefit Plans” means the Medical, Dental, Life Insurance, and Long-Term Disability Plans to which a Participant is required by the Employer to pay a Premium. If a Premium is required to be paid to the Employer’s Vision Plan after the effective date of this Restatement, the Vision Plan also will be considered to be a Benefit Plan.

“Cause” means fraud or material misrepresentation on the Plan or Component Plan by a Participant, or by a member of a Participant’s family, or by another person acting for or on behalf of a Participant. This may include, but is not limited to, an act or omission committed by a person who, knowingly, and with intent to defraud, commits one or more of the following:

(a) presenting, causing to be presented, or preparing with knowledge or belief that it will be presented to the Plan or Component Plan, false information as part of, in support of, or concerning a fact material relating to one or more of the following:

(1) a form or application to enroll in the Plan or Component Plan;

(2) a claim for payment or benefit pursuant to the Plan or a Component Plan;

(3) Premiums or contributions paid for benefits or coverage under the Plan or a Component Plan;

(4) payments made in accordance with the terms of the Plan or a Component Plan; or

(5) the reinstatement of coverage under the Plan or a Component Plan.

(b) concealing any material information from the Plan or a Component Plan;

(c) failure to provide proof to the Plan Administrator that a family member qualifies or continues to qualify as a Dependent under the Plan;

(d) enrolling a person in the Plan or a Component Plan who is not eligible for the Plan or a Component Plan or failing to disenroll a person who is not eligible for the Plan or a Component Plan; or

(e) willful embezzlement, abstracting, purloining, or conversion of moneys, funds, premiums, credits, or other property of the Plan or a Component Plan; or

(f) attempting to commit or aiding or abetting in the commission of the acts or omissions specified herein.

“Change Event” means any of the events described in Treasury Regulation 26 C.F.R. § 1.125-4. Some or all of these events are described in greater detail in the Employee Benefit Health Plan booklet or in other plan or Employer materials discussing this Plan or the Component Plans.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985 as amended, as applicable to this Plan and including all applicable COBRA regulations.

“COBRA Continuation Coverage” means continued health coverage which is available in certain situations where coverage would otherwise cease, in accordance with COBRA.

“Code” means the Internal Revenue Code of 1986, as amended or replaced from time to time, including all applicable Treasury regulations.

“Compensation” means the regular salary or wages paid to a Participant by the Employer for services rendered during the portion of the Plan Year that the Participant is eligible to participate in this Plan. However, Compensation shall not include amounts which are (1) received by any person in a capacity as a consultant, director or independent contractor; (2) paid to a Participant by the Employer as reimbursement for expenses incurred by the Participant or similar non-wage payments; or (3) excluded from an Participant’s Compensation due to a Participant’s contribution to an employee benefit plan which is not a Component Plan under Section 4.1.

“Compensation Reduction Amounts” means amounts which the Participants elect to contribute to the Flexible Spending Accounts or to a Health Savings Account each Plan Year pursuant to Section 3.1, and amounts which the Participants enrolled in the Benefit Plans are required to contribute to the Premium Payment Plan. For the FSA Plans, these contributions are allocated to the FSA Plan Accounts established under the DCFSA Plan or HFSA Plan, as directed by the Participants, pursuant to the Participants’ elections made under Article V. For the Health Savings Accounts, these contributions are allocated to the Participant’s Health Savings Account pursuant to the Participant’s elections made under Article V.

“Compensation Reduction Agreement” means an agreement between the Participant and the Employer under which the Participant agrees to reduce the Participant’s Compensation and to have such amounts credited to the Premium Payment Plan, the FSA Plans or to the Participant’s HSA (for HSA-Eligible Individuals) on the Participant’s behalf. The Compensation Reduction Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant. This term also includes HSA Contribution Amounts elected by Participants who are HSA-Eligible Individuals.

“Component Plan” means one or more of the following component plans of this Plan:

- (a) the Premium Payment Plan;
- (b) the HFSA Plan; or
- (c) the DCFSA Plan.

“Core Benefits” means certain benefits provided by the Employer that are designated as “Core Benefits” by the Employer.

“Dental Plan” means a dental plan sponsored by the Employer.

“Dependent” means Dependent Spouse or Dependent Child, subject to further limitations set forth in the Benefit or Component Plans, with respect to coverage under each such plan. The Plan Administrator may require proof that a person qualifies as a Dependent under the Plan or any Component or Benefit Plan, and may deny dependency status or eligibility if a Participant does not provide such proof. For example, a Participant may be requested to provide:

- (a) A copy of a marriage license;
- (b) A copy of a child’s birth certificate, adoption decree, or court order granting guardianship.

For purposes of a Health Savings Account, the term “Dependent” has the meaning given it by Code Section 223.

“Dependent Care Reimbursement Account” means the account described in Section 7.3.

“Dependent Care Flexible Spending Account Plan” or “DCFSA Plan” means the Component Plan set forth in Article VII.

“Dependent Child” means the following children:

For purposes of the Health Flexible Spending Account Plan, a Dependent Child is a child of a Participant who is eligible for the Medical Plan, except for children of a Participant’s Domestic Partner who are not considered to be tax dependents of the Participant’s Eligible Employee for group health plan purposes.

For purposes of the Dependent Care Flexible Spending Account Plan, a Dependent Child means a Qualifying Dependent who is a child, and in the case of divorced parents, the Dependent Child shall, as provided in Code Section 21(e)(5), be treated as a Qualifying Dependent of the custodial parent (within the meaning of Code Section 152(e)(3)(A)) and shall not be treated as a Qualifying Dependent with respect to the non-custodial parent.

For purposes of the Benefit Plans, the term means any child who is considered to be a dependent child of the Participant under the terms of each Benefit Plan.

“Dependent Spouse” or “Spouse” means an individual who is legally married to a Participant. For purposes of the Health Flexible Spending Account Plan, the term also includes Domestic Partners who are tax dependents of the Eligible Employee for group health plan purposes. Notwithstanding the foregoing, for purposes of the Dependent Care Flexible Spending Account Plan, the terms “Dependent Spouse” and “Qualifying Dependent” shall not include an individual who, although married to the Participant, files a separate federal income tax return, maintains a principal place of residence separate from the Participant during the last six months of the taxable year, and does not furnish more than half of the cost of maintaining the principal place of abode of the Participant.

“Domestic Partner” means a person who is eligible to participate in the Medical Plan as a Domestic Partner.

“Eligible Employee” means any individual who is employed by the District as a regular (probationary, non-probationary, or Time Limited Employee) Full-Time Employee or regular (probationary, non-probationary, or Time Limited Employee) Part-Time Employee, and

employees with individual employment contracts (unless the terms of their contracts indicate they are not eligible). An employee's classification is determined by reference to the District's personnel policies, job classification, and related data. Time Limited Employees are not eligible for the Plan unless and until they work at the District at least 60 consecutive days.

"Eligible Employee" does not include an individual who is classified as a Student Worker, temporary or contingent worker as determined by reference to the District's personnel policies, job classification, and related data; nonresident aliens; leased employees described in Code section 414(n); individuals covered by a collective bargaining agreement where welfare plan benefits were the subject of good faith bargaining which does not provide for participation in this Plan or individuals who provide services as independent contractors.

"Employee" means any person who is employed by the Employer. The term shall not include leased employees within the meaning of Code Section 414(n)(2). The term also does not include any individual who is not reported on the payroll records of the Employer as a common law employee. These persons are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

"Employer" means the Public Utility District No. 1 of Snohomish County, Washington.

"Flexible Spending Account Plans" or "FSA Plans" means the DCFSA Plan and the HFSA Plan.

"FMLA" means the Family and Medical Leave Act of 1993, as amended, and including all applicable FMLA regulations.

"Full Contribution Rule" means that a Participant who is an HSA-Eligible Individual on December 1 of any calendar year shall be treated as having been an HSA-Eligible Individual during each of the months in the calendar year, but only for purposes of calculating the amount of contributions that can be made to the Participant's HSA for that calendar year and not for purposes of determining when the Participant's HSA is established or the amount of the Employer HSA Benefits.

"Grace Period" means a period, immediately following the end of the Plan Year, during which claims for eligible expenses incurred in such Grace Period may be paid from the Health Flexible Spending Account or Dependent Care Flexible Spending Account for the previous Plan Year. The Grace Period for the Health FSA for Plan Year 2020 is January 1, 2021 to June 30, 2021. The Grace Period for the Health FSA for Plan Year 2021 and for subsequent Plan Years is the period from January 1 to March 15 of the following calendar year. The Grace Period for the Dependent Care FSA for Plan Year 2020 is January 1 to December 31, 2021. There are no Grace Periods for the Dependent Care FSA for subsequent Plan Years.

"Health Savings Account" or "HSA" means an individual trust or custodial account separately established by a Participant with a qualified trustee or custodian under Code Section 223.

"High Deductible Health Plan" or "HDHP" means the high deductible health plan option(s) offered under the Medical Plan sponsored by the Employer that is intended to qualify as a high deductible health plan under Code Section 223(c)(2). This option will not be available under the Medical Plan until July 1, 2021.

"Health Flexible Spending Account" means the account described in Section 6.4.

“Health Flexible Spending Account Plan” or “HFSA Plan” means the Component Plan set forth in Article VI.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended, and the applicable HIPAA regulations.

“HSA Benefits” means the HSA Contributions that a Participant has elected to make through a Compensation Reduction Agreement, plus any contributions which the Employer may make to the HSA through this Plan from time-to-time (**“Employer HSA Benefits”**).

“HSA Contributions” means the contribution amount elected by the Participant to contribute to the Participant’s HSA under a Compensation Reduction Agreement. In no event shall the amount elected exceed the statutory maximum amount for HSA Contributions applicable to the Participant’s High Deductible Health Plan coverage for the calendar year in which the HSA Contribution is made. The maximum HSA Contribution shall be: (a) reduced by any Employer HSA Benefits; and (b) unless the Full Contribution Rule applies, prorated for the number of months in which a Participant is an HSA-Eligible Individual. In certain instances when the maximum HSA contribution has been made by the Employer to the Participant’s HSA (not taking into account the Full Contribution Rule), the Employer may pay cash earnings to the Employee in lieu of making Employer HSA Benefits.

“HSA-Eligible Individual” means a Participant who elects the High Deductible Health Plan and who is otherwise eligible to contribute to an HSA under the Code, determined as of the first day of each month.

“Loss of Coverage” means a complete loss of coverage under, or elimination of, a Component Plan or a Benefit Plan, including the elimination of a Component or Benefit Plan. In addition, the Plan Administrator in its sole discretion, on a uniform and consistent basis, may treat the following as a loss of coverage:

(a) a substantial decrease in the medical or dental care providers available under a Component Plan or Medical or Dental Plan;

(b) a reduction in benefits for a specific type of medical or dental condition or treatment with respect to which the Participant or the Participant’s Dependents are currently in a course of treatment; or

(c) any other similar fundamental loss of coverage.

“Medical Plan” means the medical plan or plans sponsored by the Employer providing medical benefits.

“Participant” means any Eligible Employee who is a Participant pursuant to Section 2.1 and has not for any reason become ineligible to participate in the Plan.

“Plan” means the Public Utility District No. 1 of Snohomish County Cafeteria Plan.

“Plan Year” means the 12-month period beginning January 1 and ending December 31.

“Premium Expenses” or “Premiums” mean the Participant’s cost for Benefit Plans paid through the Premium Payment Plan.

“Premium Payment Plan” means the Component Plan set forth in Article VIII, the sole benefit of which is to pay certain premiums for the Benefit Plans on a pre-tax or post-tax basis.

“Protected Health Information” or “PHI” means any information created or received by the HFSA Plan that relates to:

- (a) a Participant’s or Dependent’s past, present, or future physical or mental health or past, present, or future physical or mental condition;
- (b) the provision of health care to a Participant or Dependent; or
- (c) the past, present, or future payment for health care.

“Student Worker” means an employee of the Employer who is hired to provide a work learning opportunity while enrolled as a full or part time student in an accredited higher education institution or trade/vocational school, and who is eligible to work (1) up to sixty-eight (68) hours per calendar month while actively enrolled in school on a full time or part time basis or (2) up to forty (40) hours per week during summer breaks, not to exceed a total of ninety (90) consecutive calendar days between May and September. Employees will be informed by the Employer if they are Student Workers.

Time Limited Employee” means an employee of the Employer who is hired on a temporary basis (1) during periods of unusually high workloads; (2) for projects; (3) for temporary job vacancies due to injuries, illnesses, or other extenuating circumstances; or (4) for other temporary business need. In most instances, these employees will not be hired for more than twenty-four (24) continuous months. Employees will be informed by the Employer if they are Time Limited Employees.

“Vision Plan” means a vision plan sponsored by the Employer.

ARTICLE II PARTICIPATION

2.1 INITIAL ELIGIBILITY

Any Employee shall automatically become a Participant in this Plan as of the first date of the Employee’s payroll period in which the Employee becomes an Eligible Employee or makes an election, whichever comes first. No Eligible Employee is allowed to elect not to participate in the Plan. However, a Participant may elect not to participate in a Component Plan or contribute to an HSA. A Participant’s right to participate in a Component Plan or contribute to an HSA is dependent upon the Participant’s satisfying the specific terms and conditions or participation applicable to the Component Plan or HSA.

2.2 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- (a) **Termination of employment.** The Participant’s termination of employment, subject to the provisions of Section 2.3;
- (b) **Death.** The Participant’s death, subject to the provisions of Section 2.3;

(c) **Cessation of Eligibility.** The day the Participant ceases to be an Eligible Employee.

(d) **Termination of the Plan.** The termination of this Plan.

(e) **Termination for Cause.** The termination of the Participant's participation by the Employer for Cause.

Any fees or other charges imposed by the HSA custodian or trustee regarding the individual's or Participant's HSA shall be the sole responsibility of the individual or Participant, and shall not be an expense of the Plan, the Plan Administrator or the Employer when: (1) imposed after the individual's or Participant's participation in the Plan has ceased; or (2) imposed after the Participant is no longer participating in the High Deductible Health Plan.

2.3 TERMINATION OF EMPLOYMENT OR DEATH

If a Participant's employment with the Employer is terminated for any reason or the Participant dies, the Participant's participation in the Component Plans provided under Section 4.1 shall be governed in accordance with the following:

(a) **Premium Payment Plan.** The Participant's right to pay Premiums on a pre-tax basis under the Premium Payment Plan shall cease after the final paycheck of the Employer to the Participant.

(b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Compensation Reduction Amounts or other contributions to the DCFSA Plan shall be made or accepted after the final paycheck of the Employer to the Participant. However, to the extent that such Participant has a balance in the Participant's Dependent Care FSA Account as of the date of termination, such Participant may submit claims for eligible Employment-Related Dependent Care Expense reimbursements for claims incurred prior to termination. These claims must be submitted within 90 days of the end of the month in which the termination of employment occurred.

(c) **Health FSA.** With regard to the Health Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Compensation Reduction Amounts or other contributions to the Plan shall be made or accepted, except that (1) the Participant may submit claims for Qualifying Medical Expenses that were incurred during the portion of the Plan Year and/or Grace Period before termination; and (2) the Participant (and other Qualified Beneficiaries) may continue participation for the remainder of the Plan Year and applicable Grace Period if eligible to do so under the provisions of COBRA. A Participant has 90 days following the earliest of (a) the last day of the Plan Year, (b) the last day of the month in which the Participant terminates employment, or (c) the last day of the month in which the Participant ceases to be an Eligible Employee, to submit claims for reimbursement for health care expenses incurred during the Plan Year and/or Grace Period but prior to termination of employment. Any amounts still credited to the Participant's Health Flexible Spending Account(s) after that 90 day period expires shall be forfeited.

(d) **Death.** If a Participant dies, the Participant's Dependents, or the legal representative of the Participant's estate may submit claims and otherwise act on behalf of the Participant and may receive benefit payments to the DCFSA and/or HFSA that would otherwise be payable to the Participant. However, such Participant's beneficiaries, or the representative of the Participant's estate, may only submit claims relating to the deceased Participant's participation

in the DCFSA or the HFSA incurred prior to death if submitted within 90 days of the end of the month in which the Participant died. Unless the Administrator has been informed to the contrary by the Participant prior to the Participant's death, if the Participant has died intestate (without a will), the Administrator may designate the Participant's Spouse, one of the Participant's Dependents or a representative of the Participant's estate for this purpose.

(e) **Employer HSA Benefits.** The Participant shall receive no further Employer HSA Benefits.

2.4 TERMINATION OF HSA ELIGIBILITY

Once a Participant is no longer an HSA-Eligible Individual, no further HSA Benefits will be provided by this Plan.

ARTICLE III CONTRIBUTIONS TO THE PLAN

3.1 CONTRIBUTIONS/COMPENSATION REDUCTION AMOUNTS

Benefits under the Flexible Spending Account Plans and the HSA Contributions shall be financed by Compensation Reduction Amounts elected by Participants for each FSA Plan and/or HSA. The Compensation Reduction Amounts shall be specified in the Compensation Reduction Agreement and shall be applicable for a Plan Year. The contributions to the Flexible Spending Account Plans shall be allocated to the Accounts established under the Flexible Spending Account Plans pursuant to the Participants' elections made under Article V.

3.2 APPLICATION OF CONTRIBUTIONS TO FSA PLANS

As soon as reasonably practical after each payroll period, the Employer shall apply the Compensation Reduction Amounts to provide benefits under to the Component Plans as elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such Accounts.

3.3 SPECIAL RULES FOR CONTRIBUTIONS TO HEALTH SAVINGS ACCOUNTS

Participants in this Plan who are also participating in the High Deductible Health Plan and who are otherwise HSA-Eligible Individuals may elect to reduce their Compensation and have such amounts contributed to their Health Savings Accounts in accordance with the following rules:

(a) Participants may not make contributions to their Health Savings Accounts under this Plan that together with the Employer HSA Benefits exceed the limits set forth in Code Section 223.

(b) Participants may change their elections regarding such contributions at any time during the Plan Year. Changes will be effective on the first day of the following month after the date the election change, or coincident with the date if the change is on the first day of the month.

ARTICLE IV COMPONENT PLANS

4.1 COMPONENT PLANS

Each Participant may elect to enroll one or both of the following optional Component Plans:

(a) **Health Flexible Spending Account Plan.** If enrolled, Article VI shall apply. Participants enrolled in a high deductible medical plan option under the Medical Plan are not eligible for the Health FSA Plan.

(b) **Dependent Care Flexible Spending Account Plan.** If enrolled, Article VII shall apply.

A Participant in the High Deductible Plan who is an HSA-Eligible Individual (1) may elect to have a reduction in Compensation applied as a contribution to the Participant's HSA as provided in Article III of this Plan; and (2) is eligible for the Employer HSA Benefits, if any. Employer HSA Benefits, if any, are communicated to Participants prior to or during the annual Enrollment Period which precedes such Plan Year.

If a Participant elects to participate in the Benefit Plans, the Participant is required to participate in the Premium Payment Plan. Such Participant shall be deemed to have elected to have the Participant's Compensation reduced in the amount of the required Premiums for the Participant to such plans. However, to the extent that a Participant is paying a Premium for coverage in the Benefits Plans for the Participant's Domestic Partner (and/or child of the Domestic Partner), and the Domestic Partner (and/or child of the Domestic Partner) is not a tax dependent of the Participant for group health plan purposes, the Premium is paid on an after-tax basis.

4.2 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of Employees which the U.S. Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 125, the Administrator may, but shall not be required to, reject any election or reduce contributions or non-taxable benefits in order to assure compliance with this Section, or take any other actions necessary to avoid any such discrimination. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any election or reduce contributions or non-taxable benefits, it may be done in the following manner. First, the non-taxable benefits of the affected Participant who has the highest amount of non-taxable benefits for the Plan Year shall have the Participant's non-taxable benefits reduced, until the discrimination tests set forth in this Section are satisfied or until the amount of the Participant's non-taxable benefits equals the non-taxable benefits of the affected Participant who has the second highest amount of non-taxable benefits. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. With respect to any affected Participant who has had benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Plan benefits and Dependent Care Flexible Spending Account Plan benefits, and once all these benefits are expended, to the

contributions to the Benefit Plans. Contributions which are not utilized to provide benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and used by the Plan like other forfeitures.

ARTICLE V PARTICIPANT ELECTIONS

5.1 INITIAL ELECTION

An Eligible Employee who meets the eligibility requirements of Section 2.1 automatically becomes a Participant in the Plan, as of the first day the Eligible Employee is eligible for coverage under the Plan. A Participant must make the initial election to participate in the Component Plans within 30 days of first being eligible to participate in the Plan, which election shall remain in effect until the end of the Plan Year unless the Participant is entitled to change the Participant's elections pursuant to Section 5.4 hereof.

However, no separate election is allowed or required for the Premium Payment Plan: if the Participant is enrolled (including automatic enrollment) in a Benefit Plan, the Participant automatically is enrolled in the Premium Payment Plan. In certain instances, Participants who do not actively enroll in the Benefit Plans will be enrolled in Core Benefits provided by the Employer, and those Participants also will automatically be enrolled in the Premium Payment Plan.

5.2 SUBSEQUENT ANNUAL ELECTIONS

A Participant wishing to receive Flexible Spending Account Plan benefits must complete an election form and a Compensation Reduction Agreement each year during the Annual Open Enrollment Period. The election made on such form shall be irrevocable until the end of the applicable Plan Year and applicable Grace Period unless the Participant is entitled to change the Participant's Benefit elections pursuant to Section 5.4 hereof.

5.3 FAILURE TO COMPLETE ELECTION DURING ANNUAL OPEN ENROLLMENT PERIOD

If a Participant fails to complete an election and/or Compensation Reduction Agreement during the Annual Open Enrollment Period: the Participant (1) shall not receive any benefits under either FSA Plan during the following Plan Year and applicable Grace Period, unless the Participant has a Change Event as described in Section 5.4; (2) shall not be deemed to have elected to continue to make the same HSA contributions in the following Plan Year as in the current Plan Year; and (3) shall be deemed to have elected to participate for the following Plan Year in the Benefit Plans in which the Participant was participating in the current Plan Year.

5.4 CHANGE EVENTS

Except for changes to HSA Contributions, which are governed by Section 3.3 of this Plan and not this Section 5.4, a Participant may not change the Participant's elections during a Plan Year except as provided in this Section 5.4. Participants wishing to change their elections must complete and submit a new election within 30 days of the Change of Status event, except new elections may be submitted within 60 days of certain HIPAA Special Enrollment Change Events to the extent permissible under HIPAA. Notwithstanding anything to the contrary in this Plan, Participants may change their elections to the Health FSA and the Dependent Care FSA during Plan Year 2020 without having a change event. However, a Participant may not reduce contributions to the Health FSA so that the Participant's total contributions to the Health FSA for

the Plan Year 2020 are less than the amount of the claims the Participant had submitted to the Health FSA during Plan Year 2020 as of date the election was made to reduce contributions to the Health FSA.

A Participant may change an election as described below upon the occurrence of an event described below, so long as the elections are made in accordance with the election procedures of the Plan and the election changes meet the required consistency rules of Treasury Regulation 26 C.F.R. Section 1.125-4.

(a) **Change Events.** This provision applies to Premium Payment Plan and the Flexible Spending Account Plans, as limited below. A Participant may change the Participant's election or deemed election under the Plan upon the occurrence of a Change Event provided: (1) such Change Event affects eligibility for coverage under a plan of the Employer or a plan of the Dependent's employer (referred to as the "general consistency requirement"); and (2) the election change is made on account of and corresponds with such Change Event. The Plan Administrator, in its sole discretion and on a uniform and consistent basis, shall determine, based on applicable law, whether a requested change meets these requirements. In addition to satisfying the general consistency requirement, a Change Event may have to meet certain specific consistency requirements set forth as set forth below or as provided in the Treasury regulations.

(1) **Loss of Dependent's Eligibility; Special COBRA Rule.** If the Change Event is the Participant's divorce or annulment from the Participant's Dependent Spouse, the death of a Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, a Participant may revoke or cancel coverage under the Premium Payment Plan relating to the coverage under the Benefit Plans only for: (1) the Dependent Spouse involved in the divorce or annulment; (2) the deceased Dependent; or (3) the Dependent who ceased to satisfy the eligibility requirements.

(2) **New Coverage Eligibility Under Another Employer's Plan.** For a Change Event in which a Participant or the Participant's Dependent gains eligibility for coverage under a cafeteria plan or other benefit plan of the employer of the Participant's Dependent as a result of a change in marital status or employment status, a Participant may elect to cease or decrease coverage for that individual only if coverage for that individual becomes effective or is increased under the Dependent's employer's plan.

(3) **FMLA and Non-FMLA Leaves of Absence.** This provision applies to all Component Plans and Benefit Plans. A Participant may change the Participant's election under the Plan upon an unpaid or paid FMLA leave of absence in accordance with Section 5.7 and upon an unpaid non-FMLA leave of absence in accordance with Section 5.7.

(b) HIPAA Special Enrollment Rights

This provision applies only to coverage under the Medical, Dental and Vision Plans. If a Participant or the Participant's Dependents are entitled to special enrollment rights, as required by HIPAA under Code Section 9801(f), then a Participant may revoke a prior election concerning the Medical, Dental and/or Vision Plan premiums under the Premium Payment Plan and make a new election, provided that the election change corresponds with the HIPAA special enrollment event. This rule does not apply to the Health Flexible Spending Account Plan or the Dependent Care Flexible Spending Account Plan.

(c) Judgments, Decrees and Orders

This provision applies only to the Premium Payment Plan and to the Health Flexible Spending Account Plan.

If a court judgment, decree, or order (an "Order") resulting from a divorce, legal separation, annulment or change in legal custody requires health coverage for a Participant's Dependent Child, a Participant may:

(1) change the Participant's election to provide health coverage for the Dependent Child, provided that the Order requires the Participant to provide health coverage; or

(2) change the Participant's election to revoke health coverage for the Dependent Child if the Order requires that another individual provide coverage under that individual's plan.

(d) Medicare and Medicaid

This provision applies only to the Premium Payment Plan and to the Health Flexible Spending Account Plan, as limited below.

A Participant or the Participant's Dependent Spouse or Dependent Child who receives Medical Plan coverage and who becomes entitled to Medicare or Medicaid (other than coverage consisting solely of benefits under Section 1928 of the Social Security Act providing for pediatric vaccines) may prospectively reduce or cancel the Medical Plan coverage of the individual becoming entitled to Medicare or Medicaid.

Alternatively, if a Participant or the Dependent's Dependent Spouse or Dependent Child who has been entitled to Medicare or Medicaid loses eligibility for such coverage, the Participant may prospectively elect to commence or increase Medical Plan coverage for such individual.

(e) Change in Cost

This provision applies only to Premium Payment and Dependent Care Flexible Spending Account Plans.

(1) **Automatic Cost Changes.** If the Premiums of a Benefit Plan option increase or decrease insignificantly during a Plan Year, the Plan may, on a reasonable and consistent basis, automatically make a prospective increase or decrease in the affected Participant's Premiums. The Employer, in its sole discretion and on a uniform and consistent basis, will determine whether an increase or decrease is insignificant based upon all of the surrounding facts and circumstances, including but not limited to, the dollar amount or percentage of the cost change.

(2) **Significant Cost Increases** If the Employer determines that the cost of the Premiums for any Benefit Plan option significantly increases, or that the cost of Dependent Care under the Dependent Care Flexible Spending Account increases during a Plan Year, the Participant may:

(i) make a corresponding increase in the Participant's elective contributions (by increasing reductions in Compensation);

(ii) revoke the Participant's election for that coverage, and in lieu thereof, receive on a prospective basis, coverage under another Benefit Plan option offered by the Employer that provides similar coverage; or

(iii) drop coverage prospectively if there is no other Benefit Plan option available that provides similar coverage, unless such drop in coverage is prohibited by the Employer.

The Plan Administrator, in its sole discretion and on a uniform and consistent basis, will determine whether a cost increase is significant in accordance with applicable law.

(3) **Significant Cost Decreases.** If the Plan Administrator determines that the Premiums of any Benefit Plan option significantly decrease during a Plan Year, or that or that the cost of Dependent Care under the Dependent Care Flexible Spending Account decrease during a Plan Year the Participant may change the Participant's election on a prospective basis to (1) elect the Benefit Plan option that has decreased in cost; or (2) decrease the Participant's contributions to the Dependent Care Flexible Spending Account.

The Plan Administrator, in its sole discretion and on a uniform and consistent basis, will determine whether a cost decrease is significant in accordance with applicable law.

(4) **Limitation on Change in Cost Provisions for Dependent Care Flexible Spending Account Plan.** The above change in cost provisions apply to the Dependent Care Flexible Spending Account Plan only if the cost change is imposed by a dependent care provider who is not a "relative" of the Participant. For this purpose, a "relative" is an individual who is related as described in Code Sections 152(d)(2)(A) through (G), incorporating the rules of Code Sections 152(f)(1) through (4).

(f) **Change in Coverage.** This provision applies only to the Premium Payment Plan and the Dependent Care Flexible Spending Account Plan.

(1) **Significant Curtailment.** If coverage is significantly curtailed, a Participant may change elections to another Benefit Plan option that provides similar coverage. In addition, as set forth in subsection (ii) below, if the coverage curtailment results in a Loss of Coverage, a Participant may drop coverage if no similar coverage is offered by the Employer, unless such drop in coverage is prohibited by the Employer.

(i) If the Plan Administrator determines that a Participant's coverage under a Benefit Plan (or the Participant's Dependent's coverage under the Dependent's employer's plan) is significantly curtailed without a Loss of Coverage during a Plan Year, the Participant may revoke the Participant's election for the affected coverage, and in lieu thereof, prospectively elect coverage under another Benefit Plan option that provides similar coverage.

(ii) If the Plan Administrator determines that a Participant's benefit (such as the Participant's Dependent coverage under the

Dependent's employer's plan) is significantly curtailed, and such curtailment results in a Loss of Coverage during a Plan Year, the Participant may revoke the Participant's election for the affected coverage, and may either prospectively elect coverage under another Benefit Plan option that provides similar coverage, or drop coverage if no Benefit Plan option providing similar coverage is offered by the Employer, unless such drop in coverage is prohibited by the Employer.

(2) **Addition or Significant Improvement of a Component Plan.** If during a Plan Year the Plan adds a new Benefit Plan option or significantly improves an existing Benefit Plan option, the Plan Administrator may permit a Participant who is enrolled in a Benefit Plan other than the newly-added or significantly improved Benefit Plan, to change the Participant's election on a prospective basis to elect the newly-added or significantly improved Benefit Plan option.

The Plan Administrator, in its sole discretion and on a uniform and consistent basis, will decide whether there has been the addition of, or a significant improvement in, a Benefit Plan option in accordance with applicable law.

(3) **Loss of Coverage Under Other Group Health Coverage.** A Participant may prospectively change the Participant's election to add Medical Dental and/or Vision Plan coverage for the Participant or the Participant's Dependents if such individual(s) loses such coverage under any group health coverage sponsored by a governmental or educational institution, including, but not limited to, the following: a state children's health insurance program (SCHIP) under Title XXI of the Social Security Act; a medical care program of an Indian Tribal government (as defined in Code Section 7701(a)(40)), the Indian Health Service, or a tribal organization; a state health benefits risk pool; or a foreign government group health plan, subject to the terms and limitations of the applicable Medical/ Dental/Vision Plan option.

(4) **Change in Coverage Under Another Employer Plan.** A Participant may make a prospective election change that is on account of and corresponds with a change made under an employer plan (including a plan of the Employer or a plan of the Dependent's employer), as long as:

(i) the other employer plan permits its participants to make an election change that would be permitted under applicable law; or

(ii) the Plan permits Participants to make an election for a Plan Year that is different from the Plan Year under the other employer plan.

The Plan Administrator in its sole discretion and on a uniform and consistent basis, will decide whether a requested change is on account of and corresponds with a change made under the other employer plan, in accordance with prevailing IRS guidance.

(5) **Dependent Care Flexible Spending Account Plan Changes.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care service provider.

(g) Enrollment in Marketplace Coverage

A Participant may revoke coverage for a Dependent under the Medical Plan in order for the Dependent to enroll in a qualified health plan at a health insurance marketplace during the marketplace's special enrollment periods or open enrollment period. Enrollment in such qualified health plan must be effective as of the date immediately following the effective date of the revocation of the Dependent's coverage under this Plan. A Participant who is not a Full-Time Employee may revoke coverage for the Employee and/or Dependent under the Medical Plan in order to enroll in a qualified health plan at a health insurance marketplace during the marketplace's special enrollment periods or open enrollment period. Enrollment in such qualified health plan must be effective as of the date immediately following the effective date of the revocation of the coverage under this Plan.

(h) Other Changes

The Plan Administrator, in its sole discretion and on a uniform and consistent basis, may allow other changes in elections if the Plan Administrator determines that the change is authorized by the Code and corresponding regulations.

5.5 TERMINATION OF PARTICIPATION IN BENEFIT PLANS

A Participant's termination of participation in the Plan is governed by Article II. However Participant's termination of participation in the Benefit Plans or a Component Plan is governed by the specific provisions governing termination under such plans. Termination of participation will automatically revoke the Participant's elections under this Plan.

5.6 REHIRED EMPLOYEES

Notwithstanding anything in this Plan to the contrary, if a Participant loses eligibility for the Plan due to termination of employment and is then rehired or becomes eligible for the Plan within 30 days of the termination of employment, the elections made by the former Participant prior to the termination of employment or loss of eligibility will be reinstated. If the former Participant is rehired more than 30 days following a termination of employment, the newly-Eligible Employee may make new elections as described in Section 5.1.

5.7 LEAVES OF ABSENCE**(a) Paid Leave**

In the event a Participant takes a paid leave of absence, including paid leave pursuant to the FMLA or state law granting similar rights, but does not terminate employment, then participation in the Plan and the Benefit Plans shall continue during such leave of absence, unless the Participant elects to terminate participation in one or more Benefit Plan during a paid FMLA leave, in which case the Participant may change the Participant's election under the Plan to conform to the termination of participation and may reinstate the Participant's elections upon return to work after the paid FMLA leave.

(b) Unpaid Leave**(1) FMLA Leave – Medical, Dental and Vision Plan Coverage.**

Notwithstanding any provisions to the contrary in the Plan, if a Participant goes on a qualifying leave under the FMLA, then to the extent required by the FMLA, the Employer will continue to maintain the Participant's Plan Medical, Dental and

Vision Plan Coverage elected under the Plan on the same terms and conditions as if the Participant was not on FMLA leave.

If the Participant elects to continue coverage while on unpaid FMLA leave, then the Participant may elect to pay the Participant's share of the cost of coverage of the Medical, Dental and Vision Plans and the Health Flexible Spending Account Plan in one of the following ways:

(i) with after-tax dollars, by sending monthly payments within 30 days of the date the payment is due;

(ii) to the extent allowed by applicable law, on a pre-tax basis out of pre-FMLA Compensation by pre-paying all or a portion of the Participant's cost of coverage for the expected duration of the leave. To pre-pay the Participant's cost of coverage, the Participant must make a special election to that effect prior to the date such Compensation would normally be made available; or

(iii) under another arrangement agreed upon by the Participant and the Employer, such as an agreement whereby the Employer funds coverage during the leave and then withholds catch-up amounts from the Participant's Compensation upon the Participant's return on a pre-tax or after-tax basis.

If a Participant's coverage under the Medical, Dental and/or Vision Plans funded through the Premium Payment Plan or coverage under the Health Flexible Spending Account Plan ceased while the Participant was on an unpaid FMLA leave, the Participant is entitled to re-enter these plans previously elected under the Premium Payment Plan and the amount elected under the Health Flexible Spending Account Plan on the same basis as elected prior to the FMLA leave, or as required by the FMLA.

Notwithstanding the preceding paragraph, with respect to the Health Flexible Spending Account Plan, a Participant whose coverage ceased will be entitled to elect whether to be reinstated at the same coverage level as in effect before the unpaid FMLA leave, increase contributions for the remaining Plan Year, or at a coverage level that is reduced pro-rata for the period of the unpaid FMLA leave during which the Participant did not make required contributions. If a Participant elects a coverage level that is reduced pro-rata for the period of unpaid FMLA leave, the amount will be withheld from a Participant's Compensation on a payroll-by-payroll basis for the purpose of paying for the reinstated benefits under the Health Flexible Spending Account Plan.

(2) **FMLA Leave – Coverage for Other Benefits.** If a Participant goes on a qualifying leave under the FMLA, entitlement to coverage other than the Medical, Dental or Vision Plan and HFSA Plan will be determined by the Employer's policy for providing such benefits while the Participant is on a non-FMLA leave, as described in (3) below. If such a policy allows a Participant to discontinue paying Premiums or making contributions while on leave, the Participant will, upon returning from leave be required to repay such Premiums and contributions not paid by the Participant during the leave.

(3) **Non-FMLA Leave of Absence.** If a Participant goes on an unpaid leave of absence that does not affect eligibility for one or more of the Benefit Plans, then the Participant will continue to participate and the Premiums or contributions due for the Participant will be paid by pre-payment before going on leave, by after-tax Premiums or contributions while on leave, or with catch-up Premiums or contributions after the leave ends, as may be determined by the Employer. If a Participant goes on an unpaid leave that affects eligibility for one or more of the Benefit Plans, the Change Event rules of Article V will apply. If a Participant is allowed to discontinue paying Premiums or contributions while on leave, the Participant will, upon returning from leave be required to repay such Premiums or contributions not paid by the Participant during the leave. Payment shall be withheld from the Participant's Compensation either on a pre-tax or after-tax basis, as may be agreed upon by the Employer and the Participant or as the Employer deems otherwise appropriate.

ARTICLE VI HEALTH FLEXIBLE SPENDING ACCOUNT PLAN

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account Plan is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this HFSA Plan may submit claims for the reimbursement of Qualifying Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Participant's Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly. Participants enrolled in the High Deductible Health Plan are not eligible to participate in the Health Flexible Spending Account Plan.

6.2 DEFINITIONS

For the purposes of this Article and the Plan, the terms below have the following meaning:

(a) **"Health Flexible Spending Account"** means the account established for each Participant who makes an election to participate in the HFSA Plan. The Plan, however, will not create a separate fund or otherwise segregate assets for this purpose. The account so established will merely be a recordkeeping account with the purpose of keeping track of contributions, reimbursements paid, and determining forfeitures under Section 6.5 below.

(b) **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:

(1) one of the 5 highest paid officers; or

(2) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).

(c) **"Qualifying Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and as allowed under Code Section 105 and the rulings and Treasury regulations thereunder, and not otherwise

reimbursed or paid to the Participant by the Medical, Vision or Dental Plans or any other group health plan, insurance, or otherwise, including, as of January 1, 2020 (1) over-the-counter drugs and medical supplies, even if not prescribed; (2) menstrual care products; and (3) personal protective equipment (PPE) for the primary purpose of preventing the spread of COVID-19, such as masks, hand sanitizer, and sanitizing wipes.

“Qualifying Medical Expenses” can be incurred by the Participant and the Participant’s Dependents.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or the Participant’s Dependents.

A Participant may not be reimbursed for “qualified long-term care services” as defined in Code Section 7702B(c).

(d) **Other Definitions.** The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account Plan.

6.3 BENEFITS UNDER THE HEALTH FSA PLAN

If a Participant elects to participate in the HFSA Plan, the Participant will receive benefits in the form of reimbursement for Qualifying Medical Expenses. Benefits will be funded by Participant contributions through reductions in Compensation, as provided in Section 3.1, or as otherwise provided by the Plan, and will be equal to the annual reduction in Compensation amount elected for the HFSA Plan. Unless an exception under Section 5.4 applies, such election is irrevocable for the duration of the Plan Year and applicable Grace Period to which it relates.

The maximum amount of benefits elected by the Participant shall be available to a Participant at all times during the Plan Year and applicable Grace Period (reduced by prior reimbursements during the Plan Year and Grace Period), regardless of the actual amount in the Participant’s HFSA Account, pursuant to Section 6.4. Notwithstanding the foregoing, no benefits will be available under the HFSA Plan for Qualifying Medical Care Expenses incurred after coverage under the HFSA Plan has terminated, unless a Participant has elected COBRA Continuation Coverage as described in Section 6.10. Payment shall be made to the Participant in cash as reimbursement for Qualifying Medical Care Expenses incurred during the Plan Year and Grace Period for which a Participant’s election is effective, provided the other requirements of this HFSA Plan are satisfied.

6.4 CREDITING AND DEBITING OF HFSA PLAN ACCOUNT

As described in this Article, a Participant’s HFSA Plan Account shall be credited periodically during the Plan Year with Compensation Reduction Amounts elected pursuant to a Participant’s election. A Participant’s HFSA Plan Account shall have a zero balance at the beginning of the Plan Year and the balance shall increase each pay period in which Compensation is reduced under Section 3.1 (or with each after-tax payment made during an approved leave of absence, during COBRA participation or otherwise) and the balance shall decrease by the amount of any reimbursements made to the Participant under Section 6.3. The maximum amount of benefits elected by the Participant shall be available at all times during the Plan Year and applicable Grace Period (reduced by prior reimbursements during the Plan Year and applicable Grace Period), regardless of the actual amount in the Participant’s HFSA Plan Account.

6.5 FORFEITURES

The amount in the Health Flexible Spending Account as of the end of any Plan Year and applicable Grace Period (and after the processing of all claims for such Plan Year and applicable Grace Period) shall be forfeited and (1) returned to the Employer or (2) used to reduce the cost, as determined by the Employer, of administering the HFSA Plan during the Plan Year or any subsequent Plan Year, or as otherwise permitted by applicable law. In addition, any benefits that have been paid and are unclaimed by the close of the Plan Year following the Plan Year in which the Qualifying Medical Care Expense was incurred shall be forfeited and applied as described in the previous sentence. In such event, the Participant shall have no further claim to such amount for any reason.

6.6 LIMITATION ON ALLOCATIONS

Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, no more than \$2,750 (or such higher amount as allowed by the Code based on index calculations for inflation for taxable years beginning after December 31, 2013) may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year. The minimum annual amount that can be contributed by a Participant in Plan Year to the Participant's Health Flexible Spending Account is \$24.00

6.7 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account Plan not to discriminate in violation of the Code and the Treasury regulations thereunder.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this HFSA Plan, it may, but shall not be required to, reject any elections or reduce contributions or benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or benefits, it shall be done in the following manner. First, the benefits designated for the Health Flexible Spending Account Plan by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account Plan for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and used as set forth in Section 6.5.

6.8 COORDINATION WITH PLAN

Only Participants in the Plan are eligible to receive benefits under this Health Flexible Spending Account Plan. Matters concerning contributions, elections and the like shall be governed by the general provisions of the Plan.

6.9 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS

(a) **Expenses must be incurred during Plan Year.** All Qualifying Medical Expenses incurred by a Participant and the Participant's Dependents shall be reimbursed if a timely claim is made, even if the submission of such a claim occurs after participation hereunder ceases; but provided that the Qualifying Medical Expenses were incurred during the applicable Plan Year and Grace Period while the Participant was a Participant in the Plan. Qualifying Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Qualifying Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year and applicable Grace Period. The minimum reimbursement amount is \$1.00.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Qualifying Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Qualifying Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account Plan, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Claims for reimbursement.** Claims for the reimbursement of Qualifying Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Qualifying Medical Expense claims shall not be considered for reimbursement by the Administrator. However, except as otherwise provided in this Plan, the deadline for filing claims for Plan Year 2020 for the Health FSA is July 31, 2021 (31 days after the end of the Grace Period). All claims must be submitted in accordance with the directions of the Plan Administrator, and must be substantiated in a manner that complies with the applicable Code rules and federal regulations and guidance.

6.10 COBRA CONTINUATION COVERAGE

COBRA Continuation Coverage shall be offered to Participants who are the Health Flexible Spending Account Plan and their qualifying family members in accordance with COBRA and the terms of this Section 6.10.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. The terms used in this Section 6.10, not otherwise defined in the Plan, shall have the meaning given them by COBRA.

A Participant has a qualifying event under COBRA if eligibility for the Health Flexible Spending Account Plan is lost due to termination of employment or reduction of hours of employment. Dependents may qualify for COBRA continuation coverage under these and other qualifying events as provided by COBRA. A Participant is only considered a qualified beneficiary with

COBRA rights and benefits if the Participant was enrolled in the HFSA Plan on the day before the qualifying event which triggered the right to elect COBRA, and if the benefits the Participant could receive from the HFSA Plan during the remaining portion of the Plan Year exceed the total of the contributions which the Participant will be required to pay for the remainder of the Plan Year in accordance with the Participant's enrollment election form. This occurs where a Participant has paid more in contributions to the HFSA Plan during the Plan Year up to the date of the qualifying event than the amount of benefits the Participant has received from the HFSA.

In order to receive COBRA Continuation Coverage, Participants are required to give the Employer notice of following qualifying events: divorce of the Participant and Spouse or a Dependent child's losing eligibility as a dependent child. The Participant must notify the Employer within 60 days after the qualifying event occurs. This notice must be in writing to Employer in accordance with the Notice Procedures in the next paragraph. If a Participant does not give written notice of these events to the Employer, the Participant and the Participant's Dependents lose their rights to COBRA coverage.

Any notice that a Participant is required to provide must be in writing. Oral notice, including notice by telephone, is not acceptable. The Participant must mail, or fax, the notice to the following address:

Benefitfocus COBRA Account Services
P.O. Box 2704
Fargo, ND 58108-2704
Fax: 855-685-7856
Benefitfocus Consumer Services Number (not Fax number) 855-889-6519

Any notice the Participant must provide must state: (1) the name of the HFSA Plan; (2) the name and address of the Participant covered under the HFSA Plan; (3) the name(s) and address(es) of the qualified beneficiary(ies); and (4) the qualifying event and the date it happened. If the qualifying event is a divorce or legal separation, the notice must include a copy of the divorce decree or the legal separation agreement.

For an individual electing COBRA coverage, COBRA coverage will automatically terminate before the end of the Plan Year if one of the following occurs: (1) the Employer terminates the HFSA Plan; (2) a COBRA premium, other than the first premium, is not paid within 30 days of its due date; (3) the individual first becomes covered after the date the individual elects COBRA continuation coverage under another medical reimbursement plan and/or other group health plan which does limit or exclude any of the individual's pre-existing conditions; or (4) the individual first becomes entitled to Medicare benefits after the date the individual elects COBRA coverage.

If a Participant or family member qualifies for COBRA continuation coverage under the HFSA Plan, the COBRA continuation coverage will last only until the end of the Plan Year and applicable Grace Period..

The HFSA Plan charges a premium for COBRA Continuation Coverage, not to exceed 102% of the cost of providing the coverage for the period to similarly situated employees or dependents. However, there are no COBRA premiums due for Grace Period. Participants who qualify for and elect COBRA coverage before the receipt of their final paycheck may, but are not required to, pay their COBRA premiums for the HFSA Plan for all or part of the remainder of the Plan Year from their final paycheck on a pre-tax basis under the Cafeteria Plan. The COBRA premiums must be paid by the following due dates: (1) the first payment is due within 45 days of the date COBRA is elected; (2) the due date for the other premiums is the 1st of the month. COBRA continuation

coverage will be terminated if the first payment is not made within 45 days of the date COBRA is elected or if the subsequent payments are not made within 30 days of the due dates.

6.11 DEBIT AND CREDIT CARDS

If allowed by the Plan Administrator, Participants may, subject to a procedure established by the Plan Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("Cards") provided by the HFSA Plan for payment of certain Qualifying Medical Expenses, subject to the following terms:

(a) **Card Only for Qualifying Medical Expenses.** Each Participant issued a Card shall certify that such Card shall only be used for Qualifying Medical Expenses. The Participant shall also certify that any Qualifying Medical Expense paid with the Card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card Issuance.** Such Card shall be issued upon the Participant's initial enrollment, and reissued periodically as determined by the Plan Administrator while the Participant remains a Participant in the HFSA Plan. At the discretion of the Plan Administrator, a Card may be cancelled as of the date (1) of the Participant's death or termination of employment, or (2) the Participant has a change in status that results in the Participant's withdrawal from the HFSA Plan.

(c) **Maximum Dollar Amount Available.** The dollar amount of coverage available on the Card shall be the amount elected by the Participant under the HFSA Plan for the Plan Year and applicable Grace Period. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year and applicable Grace Period as set forth in Section 6.6. The Card is only available for use with certain service providers. The Cards shall only be accepted by such merchants and service providers as have been approved by the Plan Administrator.

(d) **Card Use.** The Cards shall only be used for Qualifying Medical Expense purchases at these providers, including, but not limited to, the following:

- (1) Co-payments for doctor and other medical care;
- (2) Purchase of prescription drugs;
- (3) Purchase of medical items such as eyeglasses, syringes, or crutches.

The HFSA Plan may charge a Participant's Health Flexible Spending Account a reasonable fee if the Participant requests a replacement Card from the HFSA Plan.

(e) **Substantiation.** Such purchases by the Cards shall be subject to substantiation by the Plan Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Plan Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43, Notice 2006-69, and any other applicable guidance by the Treasury Department or the Internal Revenue Service. All charges shall be conditional pending confirmation and substantiation.

(f) **Correction Methods.** If a Card purchase is later determined by the Plan Administrator to not qualify as a Qualifying Medical Expense, the Plan Administrator, in its discretion, shall use one of the following correction methods to make the HFSA Plan whole. Until

the amount is repaid, the Plan Administrator shall take further action to ensure that further violations of the terms of the Card do not occur, up to and including denial of access to the Card.

- (1) Repayment of the improper amount by the Participant;
- (2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;
- (3) Claims substitution or offset of future claims until the amount is repaid; and
- (4) If subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VII DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT PLAN

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account Plan is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this plan may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article and the Plan the terms below shall have the following meaning:

(a) **"Dependent Care Flexible Spending Account"** means the account established for each Participant who makes an election to participate in the DCFSA Plan. The Plan, however, will not create a separate fund or otherwise segregate assets for this purpose. The account so established will merely be a recordkeeping account with the purpose of keeping track of contributions, reimbursements paid, and determining forfeitures under Section 7.8 below. Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants from the Participant's DCFSA Account.

(b) **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **"Employment-Related Dependent Care Expenses"** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment related expenses under Code Section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any periods for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for the dependent care. The determination of whether an amount qualifies

as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

(1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;

(2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;

(2) a Participant's Dependent Spouse or other Dependent of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).

(e) **Other Definitions.** The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account Plan.

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to contribute to the Dependent Care Flexible Spending Account Plan.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Compensation Reduction Amount that the Participant has elected to apply toward the Participant's Dependent Care Flexible Spending Account for such pay period pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid to the Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT

Subject to limitations contained in Section 7.9 of this Plan, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Plan full reimbursement for the entire amount of such expenses incurred during the Plan Year (and Grace Period, if applicable) and during which the person is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This requirement may be satisfied by providing the required information on benefits in Box 10 of the Employee's Form W-2.

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and Grace Period, if applicable) (and after the processing of all claims for such Plan Year (and Grace Period, if applicable) pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS

Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$5,000 for all Plan Years except Plan Year 2021, and \$10,500 for Plan Year 2021 (\$2,500 (\$5,250 for Plan Year 2021) if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)). In addition, beginning with Plan Year 2022, the minimum annual amount that can be contributed by a Participant in Plan Year to the Participant's Dependent Care Flexible Spending Account is \$24.00

7.10 NONDISCRIMINATION REQUIREMENTS

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code Section 129(d).

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code Section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this

Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or benefits, it shall be done in the following manner. First, the benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION WITH PLAN

All Participants under the Plan who have submitted timely election forms are eligible to receive benefits under this Dependent Care Flexible Spending Account Plan. Except as provided in Section 2.3 of this Plan, the termination of participation under the Plan shall constitute termination of participation under this Dependent Care Flexible Spending Account Plan. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS

The Administrator shall direct the payment of all such Employment-Related Dependent Care Expense claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year (and Grace Period, if applicable) and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Plan for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

- (a) The Dependent or Dependents for whom the services were performed;
- (b) The nature of the services performed for the Participant, the cost of which the Participant wishes reimbursement;
- (c) The relationship, if any, of the person performing the services to the Participant;
- (d) If the services are being performed by a child of the Participant, the age of the child;
- (e) A statement as to where the services were performed;
- (f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;
- (g) If the services were being performed in a day care center, a statement:

(1) that the day care center complies with all applicable laws and regulations of the state of residence,

(2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and

(3) of the amount of fee paid to the provider.

(h) If the Participant is married, a statement containing the following:

(1) the Spouse's salary or wages if the Spouse is employed, or

(2) if the Participant's Spouse is not employed, that

(i) the Spouse is incapacitated, or

(ii) the Spouse is a full-time student attending an educational institution and the months during the year which the Spouse attended such institution.

(i) **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. However, for Plan Year 2020, claims must be submitted by January 31, 2022. The minimum reimbursement amount for any one claim is \$1.

7.13 DEBIT AND CREDIT CARDS

If allowed by the Administrator, Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("Cards") provided by the Administrator and the Plan for payment of Employment-Related Dependent Care Expenses, subject to the following terms:

(a) **Card only for dependent care expenses.** Each Participant issued a Card shall certify that such Card shall only be used for Employment-Related Dependent Care Expenses. The Participant shall also certify that any Employment-Related Dependent Care Expense paid with the Card has not already been reimbursed by any other plan covering dependent care benefits and that the Participant will not seek reimbursement from any other plan covering dependent care benefits.

(b) **Card issuance.** Such Card shall be issued upon the Participant's Effective Date of Participation and reissued for each Plan Year the Participant remains a Participant in the Dependent Care Flexible Spending Account. At the discretion of the Administrator, the Card may be cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Dependent Care Flexible Spending Account.

(c) **Only available for use with certain service providers.** The Cards shall only be accepted by such service providers as have been approved by the Administrator. The Cards shall only be used for Employment-Related Dependent Care Expenses from these providers.

(d) **Substantiation.** Such purchases by the Cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider

describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(e) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as an Employment-Related Dependent Care Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the Card.

(1) Repayment of the improper amount by the Participant;

(2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;

(3) Claims substitution or offset of future claims until the amount is repaid; and

(4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

ARTICLE VIII PREMIUM PAYMENT PLAN

8.1 PREMIUM PAYMENT PLAN

All Participants of the Plan are eligible to participate in the Premium Payment Plan. If a Participant elects to enroll in a Benefit Plan, the Participant is electing to pay the Participant's Premiums for the Benefit Plan through Compensation Reduction Amounts. The Premium Payment Plan only provides for payment of the Premiums for the Benefit Plans. Reimbursement of claims under the Benefit Plans is not provided by the Premium Payment Plan. Benefits under the Flexible Spending Account Plans and the HSA Contributions shall be financed by Compensation Reduction Amounts.

8.2 TERMINATION OF PARTICIPATION

A Participant will cease to be a Participant in the Premium Payment Plan upon the earlier of:

(a) termination of the Premium Payment Plan;

(b) the last payroll period of the month in which the Participant ceases to be an Eligible Employee;

(c) the end of the payroll period in which the Participant ceases to participate in the Benefit Plans; or

(d) the end of the payroll period in which the Participant's coverage under the Premium Payment Plan is terminated for Cause.

8.3 CASH-IN-LIEU-OF-BENEFITS AND CERTAIN OTHER TAXABLE BENEFITS.

Certain Participants, as designated by the Employer, may receive certain cash-in-lieu-of benefits payments when such Participants are not enrolled in some or all of the benefits offered to the Participants by the Employer. These Participants shall receive taxable cash payments in amounts determined by the Employer. In addition, the Employer may allow certain Participants to elect a Long-Term Disability (LTD) Plan option for which the Premiums are lower than the amount that the Employer has designated to contribute towards the Premiums for the LTD Plan. The Employer may allow these Participants to receive taxable cash payments in amounts determined by the Employer. Participants in these two categories may change their elections to receive benefits instead of these cash payments during the Plan Year only in accordance with Section 5.4.

ARTICLE IX CLAIMS REVIEW PROCEDURES

9.1 CLAIM FOR BENEFITS

(a) Any claim for Benefits under this Plan shall be made to the Administrator or its representative. If the Administrator denies a claim, the Administrator shall provide notice to the claimant, in writing within a reasonable time period, not to exceed 90 days. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

(1) specific reason or reasons for the denial; and

(2) specific references to the pertinent Plan provisions or Employer policy on which the denial is based.

(b) Within 180 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or the claimant's duly authorized representative may:

(1) request a review upon written notice to the Administrator; and

(2) submit issues and comments in writing.

(c) A decision on the review by the Administrator will be made not later than 90 days after receipt of a request for review, unless a longer period is required by the Administrator. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based. The decision of the Administrator is final and binding on all parties.

9.2 FORFEITURES AND APPLICATION OF COMPONENT PLAN SURPLUS

Any balance remaining in the Participant's Dependent Care Flexible Spending Account or Health Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and applicable Grace Period shall be forfeited unless the Participant had made a claim for such Plan Year or Grace Period, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in the Participant's account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year and applicable Grace Period shall be forfeited and credited to the benefit plan surplus.

Any forfeited amounts credited to the Component Plan plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year and applicable Grace Period (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year (and applicable Grace Period) for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations.

9.3 HSA TRUSTEE AND NO FIDUCIARY RESPONSIBILITIES FOR HSA INVESTMENTS

All HSA Benefits provided under this Plan will be deposited in an HSA established by the Participant with an HSA trustee or custodian selected by the Employer. The Participant participating in HSA Benefits is responsible for establishing and maintaining a Health Savings Account with such HSA trustee or custodian in a timely fashion as directed by the Employer. After funds have been deposited into the Participant's HSA with such HSA trustee or custodian, the Participant may transfer any amounts so deposited to another HSA trustee or custodian of the Participant's choice ("Alternative Trustee"). However, the Participant is responsible for any and all fees or charges imposed by an Alternative Trustee. Any HSA trustee or custodian, including one selected by the Employer may offer investment options for HSAs. Notwithstanding any other provision of this Plan, neither the Employer, the Plan Administrator, nor any other official or employee of them (1) has reviewed any investment options offered by an HSA trustee or custodian; (2) endorses or recommends any HSA trustee or custodian or any investment options offered by such HSA trustee or custodian; (3) is a Plan fiduciary with respect to the investment designation or direction of a Participant regarding an HSA. Participants are solely responsible for their actions concerning the establishment and maintenance of their Health Savings Account or Accounts and HSA investment decisions and should consult a tax advisor or financial consultant to determine what, if any, investments are appropriate for them.

9.4 NONASSIGNABILITY OF RIGHTS

The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment or any other method, and shall not be subject to the rights of creditors, and any attempt to cause such right to be so subjected shall not be recognized, except to such extent as may be required by law.

ARTICLE X ADMINISTRATION

10.1 PLAN ADMINISTRATION

The operation of the Plan (including all Component Plans) shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan and Component Plans are carried out in accordance with Plan terms and with applicable law. The Administrator shall have full power to administer the Plan and Component Plans in all details, subject, however, to the pertinent provisions of the Code. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. All of the Administrator's decisions relating to the Plan are final and binding on all persons except to the extent found to be arbitrary and capricious. The Administrator's powers shall include,

but shall not be limited to the following authority, in addition to all other powers provided by this Plan and the Component Plans:

(a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan and Component Plans, including procedures to be followed by Participants in obtaining benefits;

(b) To interpret the Plan and Component Plans, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming Plan benefits;

(c) To make factual determinations upon which decisions as to benefits are based, to decide all questions concerning the Plan and the Component Plans and the eligibility of any person to participate in the Plan and Component Plans and to receive benefits provided by operation of the Plan and Component Plans;

(d) To reject elections or to limit contributions or benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan or Component Plans in violation of applicable provisions of the Code;

(e) To provide Employees with a reasonable notification of their Plan benefits and to assist Participants regarding their rights, benefits or elections under the Plan;

(f) To review and settle all claims against the Plan, and to approve reimbursement requests and to authorize the payment of benefits; and

(g) To appoint such agents, counsel, accountants, consultants, actuaries and other persons or entities as may be required to assist in administering the Plan and the Component Plans.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

10.2 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an insurance contract of an independent third party insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

10.3 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

10.4 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any trust fund. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

10.5 ADMINISTRATIVE ERRORS REGARDING HSA BENEFITS

If the Employer makes an administrative or other error under which the Employer contributes funds to a Participant's HSA in excess of the HSA Benefits provided under this Plan ("Excess Contribution"), and the Employer is unable to obtain a refund of the Excess Contribution from the HSA custodian or trustee, the Participant is required to repay the Employer the Excess Contribution. As a condition of participating in this Plan, Participants receiving such excess HSA Benefits agree to repay the Employer any such Excess Contributions. The Employer may require the Participant to repay the Excess Contribution via payroll deduction or may allow the Participant to repay the Excess Contribution in another manner agreed to by the Employer and the Participant. If a Participant's employment is terminated before the Participant has repaid the Excess Contribution, the Employer may deduct the remaining repayment amount of the Excess Contribution from the Participant's last payroll check from the Employer.

ARTICLE XI AMENDMENT OR TERMINATION OF PLAN

11.1 AMENDMENT

The Plan may at any time and from time to time be amended or modified, by (1) written instrument executed by the CEO/General Manager of the Employer or any individual(s) acting pursuant to written authorization of the CEO/General Manager to amend or modify the Plan; or (2) action of the Board of Commissioners of the Employer. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

11.2 TERMINATION

The Employer is establishing this Plan with the intent that it will be maintained for an indefinite period of time. Notwithstanding the foregoing, the Employer reserves the right to terminate this Plan, in whole or in part, at any time, by resolution of the Board of Commissioners by written action of an Employee of the Employer to whom the Board has delegated the right to terminate the Plan.

ARTICLE XII MISCELLANEOUS

12.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 12.9.

12.2 WRITTEN DOCUMENT

This Plan is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

12.3 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

12.4 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

12.5 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

12.6 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements and failure to make required contributions to the Washington State Public Employees' Retirement System. However, such indemnification and reimbursement shall not exceed (1) the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid on such compensation, less any such additional income and Social Security tax actually paid by the Participant; and (2) the amount of contributions to the Washington State Public Employee's Retirement System for which the Employer is liable as a result of the incorrect payment or reimbursement.

12.7 FUNDING

Unless otherwise required by law or Employer policy, contributions to the Plan need not be placed in trust or dedicated to a specific benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

12.8 GOVERNING LAW

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of Washington.

12.9 SEVERABILITY

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

12.10 REFUNDS

If it is determined that the Plan has made a payment or overpayment of benefits to which a Participant is not entitled, the Administrator may deduct the amount of such payment or overpayment from future payments of claims otherwise payable under the Plan to the Participant. If the Plan for any reason is not able to make such a deduction, Participants must repay such payment or overpayment to the Plan. Participants not complying with this Section may, in the discretion of the Employer, lose eligibility to participate in the Plan.

12.11 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Notwithstanding anything in this Plan to the contrary, the HFSA Plan shall be operated in accordance with HIPAA and regulations thereunder.

12.12 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)

Notwithstanding any provision of this Plan to the contrary, the Plan shall comply with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder, to the extent applicable.

12.13 COMPLIANCE WITH HIPAA PRIVACY AND SECURITY STANDARDS FOR HFSA PLAN

(a) **Application.** This Section 12.13 applies only to the HFSA Plan. To the extent any term used in this Section is not defined in the Plan, the term shall have the meaning as defined under HIPAA.

(b) **Disclosure of PHI.** The HFSA Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met.

(c) **Summary Health Information.** The HFSA Plan may disclose summary health information to the Employer if the Employer requests the summary information for the purpose of (1) obtaining premium bids for providing insurance coverage; or (2) modifying, amending, or terminating the HFSA Plan. The Employer may use summary information so received from the HFSA Plan only for these two listed purposes.

(d) **Enrollment Information.** The HFSA Plan may disclose to the Employer, and the Employer may use, information on whether an individual is participating in the HFSA Plan or is enrolling or disenrolling in the HFSA Plan.

(e) **Authorization.** The HFSA Plan may disclose PHI to the Employer and the Employer may use such PHI if the Participant or Dependent has specifically authorized in writing such disclosure and/or use.

(f) **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of HFSA Plan administrative functions. The HFSA Plan's administrative functions shall include all HFSA Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken to determine or fulfill HFSA Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. PHI that is genetic information will not be used or disclosed for underwriting purposes.

(g) **PHI disclosed to certain workforce members.** The HFSA Plan shall disclose Protected Health Information only to members of the Employer's workforce who are designated and authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform the person's duties with respect to the HFSA Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.

(1) An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform the member's duties with respect to the HFSA Plan.

(2) In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the HFSA Plan's privacy officer. The privacy officer shall take appropriate action, including:

(i) investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;

(ii) appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;

(iii) mitigation of any harm caused by the breach, to the extent practicable; and

(iv) documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

(h) **Certification.** By adopting the HFSA Plan, the Employer hereby certifies to the HFSA Plan that it agrees to:

- (1) Not use or further disclose the information other than as permitted or required by the HFSA Plan documents or as required by law;
- (2) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the HFSA Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information. Any agents or subcontractors of the Employer to whom the Employer provides electronic PHI must agree to implement reasonable and appropriate security measures to protect the information;
- (3) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
- (4) Report to the HFSA Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law. The Employer will report to the HFSA Plan any security incident of which the Employer becomes aware.
- (5) Make available Protected Health Information to individual HFSA Plan members in accordance with Section 164.524 of the Privacy Standards;
- (6) Make available Protected Health Information for amendment by individual HFSA Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
- (7) Make available the Protected Health Information required to provide an accounting of disclosures to individual HFSA Plan members in accordance with Section 164.528 of the Privacy Standards;
- (8) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the HFSA Plan available to the Department of Health and Human Services for purposes of determining compliance by the HFSA Plan with the Privacy Standards;
- (9) If feasible, return or destroy all Protected Health Information received from the HFSA Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible;
- (10) Ensure the adequate separation between the HFSA Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards and set out in (d) above; and
- (11) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that the Employer creates, receives, maintains or transmits on behalf of the HFSA Plan, except enrollment/disenrollment information and Summary Information, which are not subject to these restrictions.



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 5C

TITLE

Consideration of a Resolution Authorizing a Memorandum of Agreement with the Washington Military Department for Cybersecurity Testing and Exercises

SUBMITTED FOR: Items for Individual Consideration

Information Technology Services	Kevin Johnston	8101
Department	Contact	Extension
Date of Previous Briefing:		
Estimated Expenditure:	<u>n/a</u>	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- | | | |
|---|-------------------------------------|--|
| <input type="checkbox"/> Decision Preparation | <input type="checkbox"/> Incidental | <input type="checkbox"/> Monitoring Report |
| <input type="checkbox"/> Policy Discussion | (Information) | |
| <input checked="" type="checkbox"/> Policy Decision | | |
| <input type="checkbox"/> Statutory | | |

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Ends Policy E-1 (2)(2.3) – Utilities are Dependable; Reliability is High

Public Utility District No. 1 of Snohomish County (the “District”) has successfully partnered with the Washington Military Department, also known as the Washington National Guard (“National Guard”), to conduct cybersecurity penetration testing and other exercises. The National Guard in Washington State has developed significant expertise in cybersecurity, and prior engagements with the Guard have provided the mutual benefits of enabling the District to obtain high quality cybersecurity penetration testing services and advice, and enabling the National Guard to learn more about critical energy infrastructure.

In late 2019 and early 2020, the District engaged with the National Guard’s Cyber Mission Assurance Team (“CMAT”), through a Memorandum of Agreement, to conduct a new cooperative engagement to demonstrate proactive cyber defense and incident response, by providing technical support for critical infrastructure defense, exercising emergency response to cyber events, and strengthening state and local communication of threat intelligence to critical infrastructure owners and operators.

The District and CMAT are proposing a second Memorandum of Agreement for a new engagement that will include, but not be limited to, a physical security assessment focusing on access to District data centers, a vulnerability assessment of District network hardware and infrastructure, an analysis of network data and traffic flows, and a collaborative penetration test designed to test and validate District cyber controls and defense while promoting the sharing of best practices between District employees and the National Guard.

The Memorandum of Agreement is proposed for Board approval because it is an interlocal agreement that requires Board Approval.

List Attachments:

Resolution

RESOLUTION NO. _____

A RESOLUTION Authorizing a Memorandum of Agreement with
the Washington Military Department for Cybersecurity Testing and
Exercises

WHEREAS, Public Utility District No. 1 of Snohomish County (the “District”) has in the past partnered with the Washington Military Department, also known as the Washington National Guard (“National Guard”), to conduct cybersecurity penetration testing and other exercises; and

WHEREAS, in late 2019 and early 2020, the District began working with the National Guard’s Cyber Mission Assurance Team (“CMAT”), using a Memorandum of Agreement, to conduct a new cooperative engagement to demonstrate proactive cyber defense and incident response, by providing technical support for critical infrastructure defense, exercising emergency response to cyber events, and strengthening state and local communication of threat intelligence to critical infrastructure owners and operators; and

WHEREAS, The District and CMAT have developed a second Memorandum of Agreement for a new engagement in 2021 that will include, but not be limited to, a physical security assessment focusing on access to District data centers, a vulnerability assessment of District network hardware and infrastructure, an analysis of network data and traffic flows, and a collaborative penetration test designed to test and validate District cyber controls and defense while promoting the sharing of best practices between District employees and the National Guard; and

WHEREAS, it is in the best interests of the District and its ratepayers to enter into this Memorandum with the National Guard in support of the District’s cybersecurity program.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County, Washington, that the CEO/General Manager or his designee is authorized to enter into a Memorandum of Agreement and Nondisclosure Agreements with the Washington Military Department for a physical security assessment focusing on access to District data centers, a vulnerability assessment of District network hardware and infrastructure, an analysis of network data and traffic flows, and a collaborative penetration test designed to test and validate District cyber controls and defense, and sharing of best practices, in a form approved by the General Counsel.

PASSED AND APPROVED this 17th day of August, 2021.

President

Vice-President

Secretary



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 6

TITLE

CEO/General Manager's Report

SUBMITTED FOR: CEO/General Manager Report

CEO/General Manager	John Haarlow	8473
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:		
Estimated Expenditure:		Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- | | | |
|---|--|--|
| <input type="checkbox"/> Decision Preparation | <input checked="" type="checkbox"/> Incidental | <input type="checkbox"/> Monitoring Report |
| <input type="checkbox"/> Policy Discussion | (Information) | |
| <input type="checkbox"/> Policy Decision | | |
| <input type="checkbox"/> Statutory | | |

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The CEO/General Manager will report on District related items.

List Attachments:
None



BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 7B

TITLE:

Commissioner Event Calendar

SUBMITTED FOR: Commission Business

Commission

Department

Allison Morrison

Contact

8037

Extension

Date of Previous Briefing: _____

Estimated Expenditure: _____

Presentation Planned ☐

ACTION REQUIRED:

- ☒ Decision Preparation
- ☐ Policy Discussion
- ☐ Policy Decision
- ☐ Statutory

☐ Incidental
(Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The Commissioner Event Calendar is enclosed for Board review.

List Attachments:

Commissioner Event Calendar

Commissioner Event Calendar – 2021

August 2021

August 4 - 6:

Public Power Council/PNUCC Meetings

Virtual

(Logan/Wolfe/Olson)

August 18:

PUD Safety Days

Virtual/Everett, WA

(Olson/Logan)

August 19:

PUD Safety Days

Virtual

(Wolfe)

August 26:

Evergreen State Fair PUD Booth

Monroe

(Logan)

August 2021

Commissioner Event Calendar – 2021

September 2021

September 1 - 3:

Public Power Council/PNUCC Meetings

September 7-9:

NWPPA Annual Conference

Kennewick, WA

(Wolfe)

September 15:

PUD Customer Breakfast

Virtual

(Logan/Wolfe/Olson)

September 2021

Commissioner Event Calendar – 2021

October 2021

October 6 - 8:

Public Power Council/PNUCC Meetings

October 22:

Washington State Solar Summit

Lynnwood, WA

(Logan/Wolfe/Olson)

October 2021

****For Planning Purposes Only and Subject to Change at any Time****

Commissioner Event Calendar – 2021

November 2021

November 3 - 5:

Public Power Council/PNUCC Meetings

November 2021

****For Planning Purposes Only and Subject to Change at any Time****

Commissioner Event Calendar – 2021

December 2021

December 2021

****For Planning Purposes Only and Subject to Change at any Time****

Reclassification of Snohomish PUD to a 5-Member Board

August 17, 2021
Anne Spangler, General Counsel
Clark McIsaac, Government and External Affairs

Agenda

- Eligibility Criteria
- Process Requirements
- Selection of New Commissioners
- Typical Advantages and Disadvantages
- Limits on Participation in the Process

Eligibility Criteria

- Population of 500,000 or more; or
- FERC License to construct a hydroelectric project of an estimated cost of more than \$250 million.
- Snohomish County's population is currently over 800,000.

Process Requirements

- Voters of the District must approve a ballot proposition authorizing the change.
 - A petition to reclassify the District is filed with the County Auditor.
 - The petition must be signed by 10% of the voters who voted in the last general election.
 - 441,921 votes were cast in Snohomish County in the November 2020 election;
 - 10,487 votes were cast in Island County in the November 2020 Commissioner election.
 - The County has 30 days to verify the signatures, notify the petitioners if insufficient number.
 - County Auditor places the measure on the ballot for the next state general election that occurs 60 days or more after verification of the signatures.
 - If the measure is approved, the District's Board has 60 days to divide its territory into 2 equally sized districts, District A and District B.

Selection of New Commissioners

- **The new commissioners are elected by a special election.**
 - The County has 30 days after the Board creates the new District A and District B to call for a special election.
 - The special election to be held at the next special election date that occurs more than 60 days after the call. (Special election dates are set by statute in February, April, August and November)
 - The County opens a special filing period.
 - No primary shall be held.
- **District A and District B commissioners serve 4-year terms.**
 - If the special election is in an even numbered year, initial terms are 2 and 4 years;
 - If the special election is in an odd numbered year, initial terms are 1 and 3 years;
 - The candidate receiving the highest number of votes is awarded the longer initial term.
- **The new commissioners take office immediately upon being elected.**

Potential Advantages

- The growth of the district in terms of population, complexity and risk since the formation of the organization has been substantial;
- Greater opportunity for diversity of experience and viewpoints on the board;
- A larger board reduces the risk of having two individuals dominate the work of the board;
- There are more commissioners who can become involved in the community and in regional and national industry organizations;
- Board members can communicate with one another without violating the Open Public Meetings Act, thereby encouraging stronger working relationships;
- Board members may establish committees more easily;
- There is a reduced risk of the board being unable to act for lack of a quorum.

Potential Disadvantages

- Meetings may take longer to allow participation of five versus three commissioners;
- Finding qualified candidates to run may be difficult;
- Greater expense to support five commissioners versus three commissioners (compensation, administration, committees, events, etc.);
- Additional elections per state statute;
- Allows any two commissioners to discuss district business outside of a public meeting, thus inviting potential claims of lack of transparency, working outside the public process.

Limits on Participation

- District employees have the right to participate fully in campaigns.
- However, employees must act on their own time and use their own resources.
- District employees and elected officials are prohibited from using or authorizing the use of any of the facilities of a public office or agency, directly or indirectly, to assist or oppose a ballot proposition. This includes staff time, stationery, postage, machines, equipment, office space. etc. RCW 42.17A.555.
- Elected Officials:
 - May make statements in support of or in opposition to any ballot proposition in an open press conference or in response to a specific inquiry;
 - The Board may take action or vote on a motion or resolution in an open public meeting to support or oppose a ballot proposition;
 - Provided that the notice of the meeting references the title and number of the ballot proposition; and
 - Board members and members of the public are permitted an approximately equal opportunity to express an opposing view.

Legislative Considerations

- [Chapter 54.40 RCW](#) addresses five-member commissioner districts and covers the provisions addressed in this presentation.
- There are no existing exemptions or “carve-outs” in the chapter for an individual public utility district to pursue a five-member commissioner district without approval of the voters of the district through the ballot initiative process.
- The chapter also does not provide an “option” for a commission to pursue a five-member commissioner district without approval of the voters of the district through the ballot initiative process.
- There is an opportunity to pursue a legislative path that comes with risk.

Questions?



Evaluating CEO/GM Performance

Recommendations: Process & Template Overview

August 17, 2021

Drew Woolley, HR Consultant
Sara Kurtz, Sr. HR Business Partner
Allison Jubb, HR Director

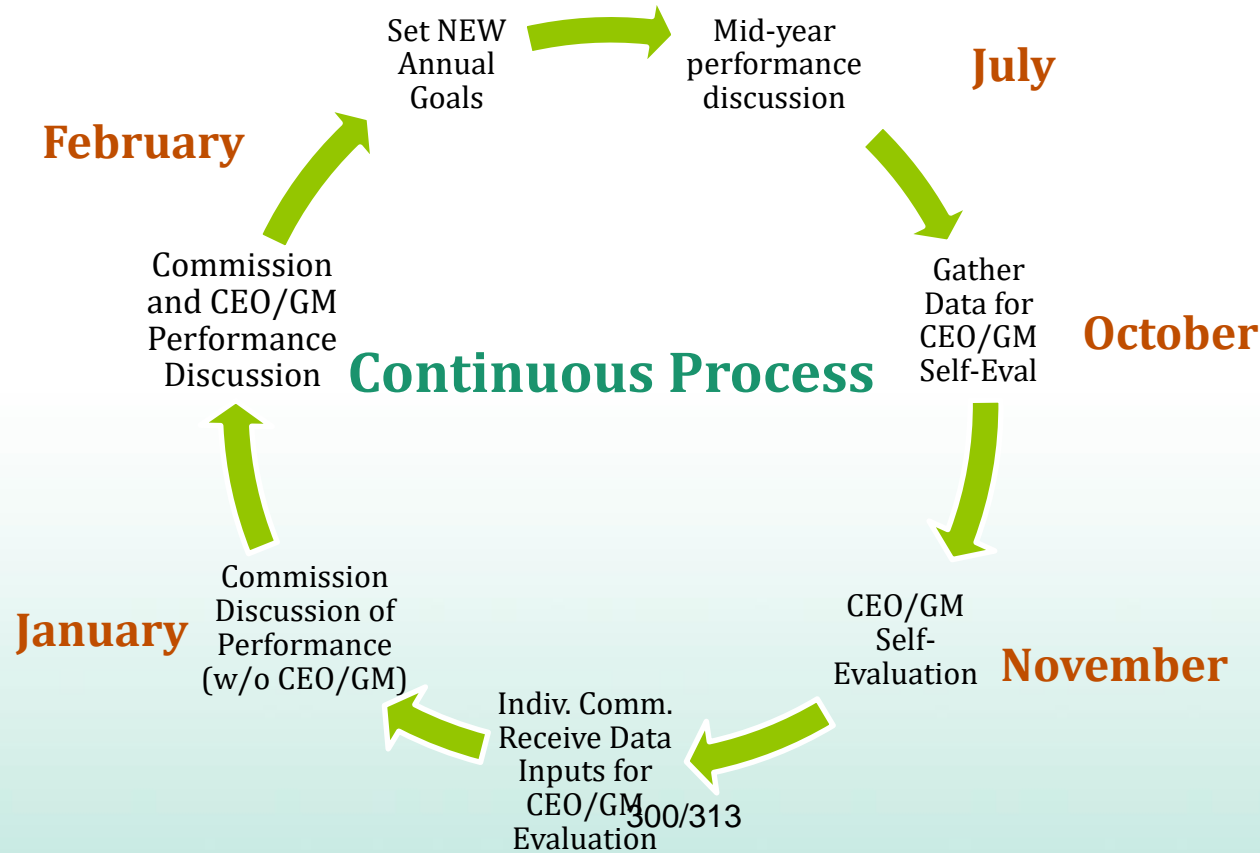
Agenda

- CEO/GM Performance Accountability
- Recommended Performance Management Cycle
- Areas of Consideration for Evaluation & Alignment
- Annual Timeline & Milestones
- Next Steps & Questions

CEO/GM Performance Accountability

- Governance Policy GP-3 (3) states:
 - “The Board will ensure the CEO/General Manager’s performance”
- Previous process has not changed for many years
- Commission and CEO/GM desire a more comprehensive approach to evaluating CEO/GM performance
- Recommendation focuses on CEO/GM accountability, alignment with Strategic Anchors and Values, and District performance outcomes
 - Incorporates multiple sources of input
 - Flexible approach based on Commissioner preference

Recommended CEO/GM Performance Management Cycle



Areas of Consideration for Evaluation

Performance Considerations for Consistency & Continuity

District Vision, Purpose, Anchors, Values (Culture)

Executive Leadership Competency Model

District Dashboard Measures

CEO/GM Self Evaluation

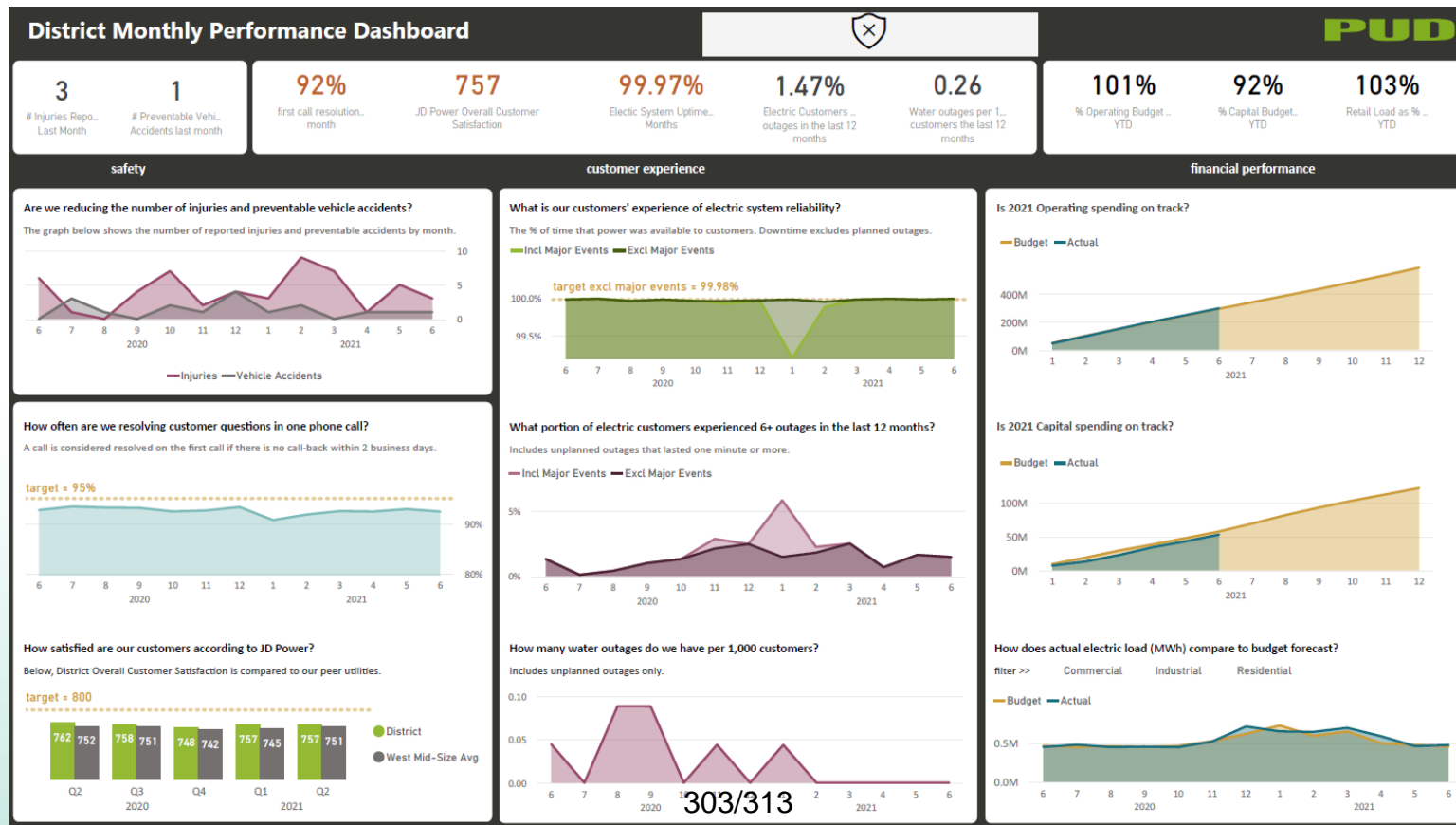
Annual Goals and Objectives

Individual Commissioner Prep Templates (*optional*)

Examples of Alignment with Strategic Anchors



Dashboard Snapshot



Annual Timeline & Milestones



- There are two concurrent processes: Performance Evaluation and Market Analysis/Compensation
 - HR administers and facilitates PE Cycle processes for Board
 - HR coordinates market analysis survey work and data collection for Board
 - The Board makes all final determinations on CEO/GM performance and compensation

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Next Steps & Questions

- Finalizing Performance Evaluation process forms
- Scheduling Commission dates and updating planning calendar
 - Proposed schedule sets Market/Compensation related activities as 1st Commission Meeting of associated month, Performance Evaluation Cycle related activities as 2nd Commission Meeting of associated month (if applicable)

Questions?

Items relating to Evaluating CEO/GM Performance

The first attachment is the CEO/GM Commissioner Preparation Worksheet. This template is optional for individual Commissioners to use in preparation for the performance evaluation discussion with the CEO/GM. It includes the new Domains and Competencies that were established as part of the ELT Leadership Competency Model. Each section gives the Commissioners information on what behaviors the Domains and Competencies encompass and what success looks like. The template also includes our District Values and what to look for, the CEO/GM's goals, and recommended development activities. The goals section will be pre-populated by HR based on the goals that the CEO/GM and Commissioners set earlier in the year. This document is optional, and if it's utilized it will be a public record.

The second attachment is the CEO/GM Self-Evaluation. This will be completed annually by the CEO/GM, administered by HR, and provided to individual Commissioners for consideration. It is similar to the optional preparation worksheet and will be provided annually after the CEO/GM completes the self-evaluation. As with the Commissioner worksheet, the goals will be prepopulated by HR based on what goals were established by the CEO/GM and Commissioners earlier in the year. This will also become public record if utilized.

The third attachment is the memo from the Commission outlining the result of John's evaluation. This would become a public record as the final determination of the CEO/GM evaluation.

The fourth, and final, attachment is the Domain & Competency Model Handout that outlines the full District Model, although for the evaluation purposes they would only need to look at the ELT portion for the CEO/GM. This handout is a reference document on the overall District Domain & Competency Model that is already incorporated into the various performance evaluation metrics but provides it in a consolidated form. This document would be used as an optional reference point for Commissioners to use in preparation for their discussion with the CEO/GM.



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Our Communities*

CEO/GM Performance Evaluation

Commissioner Preparation Worksheet

GENERAL INFORMATION AND INSTRUCTIONS

Chief Executive Officer: _____

Commissioner: _____

Performance Year: _____

Instructions

This worksheet is designed to guide Commissioners in preparing for the Board's performance evaluation discussion of the CEO/GM's performance during the prior performance year. The worksheet provides detailed description of the Domains (and associated competencies), District values, and previously established performance goals. Individual Commissioners may choose to utilize space provided to prepare for Board discussion on the CEO/GM's performance during the prior performance year as well as development areas for the future performance year. The final Board performance determination of the CEO/GM will be reflected on the *CEO/GM Annual Performance Evaluation Memo from the Commission*; therefore, this worksheet is intended for notes and planning purposes only.

EVALUATION DOMAINS

Interpersonal Effectiveness

Interpersonal and communication behaviors that facilitate successful one-on-one and group interactions.

Discussion Preparation Notes:

Competencies related to the Interpersonal Effectiveness Domain

- **Building Customer Relationships:** Ensuring that the customer's internal or external needs are met; building productive relationships with high-priority customers; taking accountability for customer satisfaction and loyalty; using appropriate interpersonal techniques to prevent and resolve escalated customer complaints and regain customer confidence.
- **Compelling Communication:** Clearly and succinctly conveying information and ideas to individuals and groups; communicating in a focused and compelling way that captures and holds others' attention.
- **Cultivating Networks and Partnerships:** Initiating and maintaining strategic relationships with stakeholders and potential partners inside and outside the organization (e.g., customers, peers, cross-functional partners, external vendors, alliance partners) who are willing and able to provide the information, ideas, expertise, and/or influence needed to advance understanding of business issues and achieve business goals.
- **Emotional Intelligence Essentials:** Establishing and sustaining trusting relationships by accurately perceiving and interpreting own and others' emotions and behavior; leveraging insights to effectively manage own responses so that one's behavior matches one's values and delivers intended results.
- **Executive Presence:** Demonstrating a poised, credible, and confident demeanor that reassures others and commands respect; conveying an image that is consistent with the organization's vision and values.

Leadership Impact

Leadership behaviors that guide others in the successful execution of their assigned responsibilities and help them aspire to and achieve organizational outcomes.

Discussion Preparation Notes:

Competencies related to the Leadership Impact Domain

- **Coaching and Developing Others:** Providing feedback, instruction, and development guidance to help others excel in their current or future job responsibilities; planning and supporting the development of individual skills and abilities.
- **Creating a Culture of Trust:** Fostering a work environment that encourages people to act with integrity and treat each other and their ideas with respect; creating and protecting a high-trust environment by setting an example, advocating for others in the face of challenges, removing barriers to trust, and rewarding others for demonstrating behaviors that cultivate trust.
- **Creating an Inclusive Environment:** Making decisions and initiating action to ensure that business unit policies and practices leverage the capabilities and insights of individuals with diverse backgrounds, cultures, styles, abilities, and motivation.
- **Driving Execution:** Translating strategic priorities into operational reality; aligning communication, accountabilities, resource capabilities, internal processes, and ongoing measurement systems to ensure that strategic priorities yield measurable and sustainable results.
- **Energizing the Organization:** Motivating increased employee effort by communicating a compelling view of the organization's purpose and its future state in a way that helps others understand the importance of their contributions and feel how outcomes will be different when progress is achieved.
- **Inspiring Excellence:** Driving high standards; tenaciously working to meet or exceed challenging goals; defining success by goal achievement and continuous improvement.
- **Leading Change:** Driving organizational and cultural changes needed to achieve strategic objectives; catalyzing new approaches to improve results by transforming organizational culture, systems, or products/services; helping others overcome resistance to change.
- **Sharing Responsibility (Delegating):** Sharing authority and responsibilities with others to move decision making and accountability downward through the organization to stretch individual capabilities while accomplishing the business unit's strategic priorities.

Business / Management Skills

Management behaviors that guide or direct the business unit or project in achieving the outcomes necessary for success.

Discussion Preparation Notes:

Competencies related to the Business / Management Domain

- **Business Savvy:** Demonstrates a keen understanding of basic business operations and the organizational levers (systems, processes, departments, functions) that drive profitable growth; draws from personal experience to quickly evaluate business plans and processes to identify data or recommendations that need further investigation.
- **Establishing Strategic Direction:** Establishing and committing to a long-term business direction based on an analysis of systemic information and consideration of resources, market drivers, organizational values, and emerging economic, technological, and regulatory conditions.
- **Financial Acumen:** Utilizing financial data to diagnose business strengths and weaknesses and identify the implications for potential strategies; keeping a financial perspective in the forefront when making strategic decisions.
- **Optimizing Diversity:** Establishing and supporting organizational systems, policies, and practices that reduce barriers and leverage the capabilities and insights of individuals with diverse backgrounds, cultures, styles, abilities, and motivation.

Personal Effectiveness

Individual styles or behavior patterns that facilitate success or failure on the job.

Discussion Preparation Notes:

Competencies related to the Personal Effectiveness Domain

- **Authenticity:** Gaining other people's trust by demonstrating openness and honesty, behaving consistently, and acting in accordance with moral, ethical, professional, and organizational guidelines.
- **Building Self-Insight:** Demonstrating an awareness of own strengths and development needs as well as the impact of own behavior on others; modifying behavior based on self-awareness to improve impact.
- **Courage:** Proactively confronting difficult issues; making valiant choices and taking bold action in the face of opposition or fear.
- **Personal Growth Orientation:** Actively pursuing development experiences to improve interpersonal and business impact.
- **Positive Approach:** Demonstrating a positive attitude in the face of difficult or challenging situations; providing an uplifting (yet realistic) outlook on what the future holds and the opportunities it might present.

DISTRICT VALUES

Use this section to prepare discussion notes on what the CEO/GM is effective at in relation to our District Values, or what they have opportunities to improve in.

DISTRICT VALUES	[FIRST NAME] IS EFFECTIVE / HAS OPPORTUNITIES
<p>we have INTEGRITY</p> <ul style="list-style-type: none"> • We act in good faith • We are transparent and truthful • We share credit and shoulder blame 	
<p>we are a TEAM</p> <ul style="list-style-type: none"> • We treat each other with respect and kindness • We put team over self • We hold each other accountable 	
<p>Every day we SERVE with pride</p> <ul style="list-style-type: none"> • We are humble • We make our communities' priorities our own • We treat everyone with dignity and care 	
<p>Every day we RISE to challenges</p> <ul style="list-style-type: none"> • We embrace our responsibilities • We proactively anticipate and solve problems 	
<p>Every day we SAFEGUARD what matters</p> <ul style="list-style-type: none"> • We protect the people we live and work with • We protect our natural resources 	
<p>We choose to INCLUDE ALL</p> <ul style="list-style-type: none"> • We seek varying opinions, ideas, and perspectives • We ensure every person feels valued and welcomed • We intentionally mentor others and cheer their success 	
<p>We choose to SEEK GROWTH</p> <ul style="list-style-type: none"> • We are curious and seek out new ideas and approaches • We try new approaches and alter, adjust, or abandon ideas as appropriate 	
<p>We choose to BE BOLD</p> <ul style="list-style-type: none"> • We embrace change and take appropriate action • We speak up, irrespective of tenure or position 	

CEO/GM GOAL EVALUATION

Prepare for the discussion to evaluate the CEO/GM’s performance regarding previously established goals identified by the Board for the prior performance year.

ESTABLISHED GOALS		PREPARATION NOTES
1	[INSERT ESTABLISHED GOAL 1]	
2	[INSERT ESTABLISHED GOAL 2]	
3	[INSERT ESTABLISHED GOAL 3]	
4	[INSERT ESTABLISHED GOAL 4]	

CEO/GM KEY ACCOMPLISHMENTS

Use this section to record any key accomplishments of the CEO/GM from the prior performance year.

CEO/GM RECOMMENDED DEVELOPMENT ACTIVITIES PLANNING

Use this section to record any recommendations for development activities the CEO/GM can focus on in the future performance year to broaden and deepen their capabilities as a leader. Review these recommendations with the full Commission for final CEO/GM consideration.

DEVELOPMENT ACTIVITY		RECOMMENDATION, PLAN & COMMENTS
1		
2		
3		
4		

CEO/GM Performance Self-Evaluation

[date-year] Performance Year

Instructions

In accordance with Governance Policy GP-3 (3), the performance of the Chief Executive Officer/General Manager (CEO/GM) is determined by the full Board. This self-evaluation will be provided to individual Commissioners and used by them to assist in their individual preparation for the Board's annual CEO/GM performance evaluation discussion, scheduled for Executive Session on [date].

Please complete your Self-Evaluation, due to the HR Director on [date], as follows:

1. Review the Domain descriptions and associated competencies from the ELT Leadership Competency Model. Identify areas of strength and opportunities for improvement related to the prior performance year for each of the four Domains.
2. Review your previously-set [date-year] Goals (these have already been included on this document, for your convenience). Identify key results/outcomes for each goal.
3. In the Future Development section, please identify areas for your future development based on your own assessment and observations.

Please provide this completed worksheet to the HR Director by [date]. This document, and their own worksheets similar to this document, will be provided to each individual Commissioner by [date], to assist them in preparing for the full Board discussion scheduled for the Executive Session on [date], at which the Board will develop your [date-year] performance evaluation.

EXECUTIVE LEADERSHIP DOMAINS

Interpersonal Effectiveness

Interpersonal and communication behaviors that facilitate successful one-on-one and group interactions.

Outcomes and Examples

Competencies related to the Interpersonal Effectiveness Domain:

- **Building Customer Relationships:** Ensuring that the customer's internal or external needs are met; building productive relationships with high-priority customers; taking accountability for customer satisfaction and loyalty; using appropriate interpersonal techniques to prevent and resolve escalated customer complaints and regain customer confidence.
- **Compelling Communication:** Clearly and succinctly conveying information and ideas to individuals and groups; communicating in a focused and compelling way that captures and holds others' attention.
- **Cultivating Networks and Partnerships:** Initiating and maintaining strategic relationships with stakeholders and potential partners inside and outside the organization (e.g., customers, peers, cross-functional partners, external vendors, alliance partners) who are willing and able to provide the information, ideas, expertise, and/or influence needed to advance understanding of business issues and achieve business goals.
- **Emotional Intelligence Essentials:** Establishing and sustaining trusting relationships by accurately perceiving and interpreting own and others' emotions and behavior; leveraging insights to effectively manage own responses so that one's behavior matches one's values and delivers intended results.
- **Executive Presence:** Demonstrating a poised, credible, and confident demeanor that reassures others and commands respect; conveying an image that is consistent with the organization's vision and values.

Leadership Impact

Leadership behaviors that guide others in the successful execution of their assigned responsibilities and help them aspire to and achieve organizational outcomes.

Outcomes and Examples

Competencies related to the Leadership Impact Domain:

- **Coaching and Developing Others:** Providing feedback, instruction, and development guidance to help others excel in their current or future job responsibilities; planning and supporting the development of individual skills and abilities.
- **Creating a Culture of Trust:** Fostering a work environment that encourages people to act with integrity and treat each other and their ideas with respect; creating and protecting a high-trust environment by setting an example, advocating for others in the face of challenges, removing barriers to trust, and rewarding others for demonstrating behaviors that cultivate trust.
- **Creating an Inclusive Environment:** Making decisions and initiating action to ensure that business unit policies and practices leverage the capabilities and insights of individuals with diverse backgrounds, cultures, styles, abilities, and motivation.
- **Driving Execution:** Translating strategic priorities into operational reality; aligning communication, accountabilities, resource capabilities, internal processes, and ongoing measurement systems to ensure that strategic priorities yield measurable and sustainable results.
- **Energizing the Organization:** Motivating increased employee effort by communicating a compelling view of the organization's purpose and its future state in a way that helps others understand the importance of their contributions and feel how outcomes will be different when progress is achieved.
- **Inspiring Excellence:** Driving high standards; tenaciously working to meet or exceed challenging goals; defining success by goal achievement and continuous improvement.
- **Leading Change:** Driving organizational and cultural changes needed to achieve strategic objectives; catalyzing new approaches to improve results by transforming organizational culture, systems, or products/services; helping others overcome resistance to change.
- **Sharing Responsibility (Delegating):** Sharing authority and responsibilities with others to move decision making and accountability downward through the organization to stretch individual capabilities while accomplishing the business unit's strategic priorities.

Business / Management Skills

Management behaviors that guide or direct the business unit or project in achieving the outcomes necessary for success.

Outcomes and Examples

Competencies related to the Business / Management Skills Domain:

- **Business Savvy:** Demonstrates a keen understanding of basic business operations and the organizational levers (systems, processes, departments, functions) that drive profitable growth; draws from personal experience to quickly evaluate business plans and processes to identify data or recommendations that need further investigation.
- **Establishing Strategic Direction:** Establishing and committing to a long-term business direction based on an analysis of systemic information and consideration of resources, market drivers, organizational values, and emerging economic, technological, and regulatory conditions.
- **Financial Acumen:** Utilizing financial data to diagnose business strengths and weaknesses and identify the implications for potential strategies; keeping a financial perspective in the forefront when making strategic decisions.
- **Optimizing Diversity:** Establishing and supporting organizational systems, policies, and practices that reduce barriers and leverage the capabilities and insights of individuals with diverse backgrounds, cultures, styles, abilities, and motivation.

Personal Effectiveness

Individual styles or behavior patterns that facilitate success or failure on the job.

Outcomes and Examples

Competencies related to the Interpersonal Effectiveness Domain:

- **Authenticity:** Gaining other people's trust by demonstrating openness and honesty, behaving consistently, and acting in accordance with moral, ethical, professional, and organizational guidelines.
- **Building Self-Insight:** Demonstrating an awareness of own strengths and development needs as well as the impact of own behavior on others; modifying behavior based on self-awareness to improve impact.
- **Courage:** Proactively confronting difficult issues; making valiant choices and taking bold action in the face of opposition or fear.
- **Personal Growth Orientation:** Actively pursuing development experiences to improve interpersonal and business impact.
- **Positive Approach:** Demonstrating a positive attitude in the face of difficult or challenging situations; providing an uplifting (yet realistic) outlook on what the future holds and the opportunities it might present.

CEO/GM [YEAR] GOAL SELF EVALUATION

Assess your performance results/outcomes regarding the established goals for the prior performance year. Attach dashboards or other brief documentation as desired.

ESTABLISHED GOALS		KEY RESULTS/OUTCOMES
1	[INSERT ESTABLISHED GOAL 1]	
2	[INSERT ESTABLISHED GOAL 2]	
3	[INSERT ESTABLISHED GOAL 3]	
4	[INSERT ESTABLISHED GOAL 4]	

CEO/GM KEY ACCOMPLISHMENTS

Use this section to record key accomplishments during the prior performance year.

--

CEO/GM FUTURE DEVELOPMENT ACTIVITIES

Identify opportunities to build on your strengths and enhance areas needing greater focus to expand your capabilities as a leader. Consider your own observations during the prior performance year.

FUTURE DEVELOPMENT ACTIVITIES for [next date-year]		COMMENTARY
1		
2		
3		
4		



*Energizing Life in
Our Communities*

Snohomish County PUD No. 1 CEO/GM Annual Performance Evaluation Memo from The Board of Commission

TO: John Haarlow
FROM: The Board of Commission
DATE:

The Board of Commission (Board) has concluded the annual performance evaluation for the Chief Executive Officer/General Manager (CEO/GM) of Snohomish County PUD No. 1, and provided the President of the Board with the authority to present the CEO/GM with the final determination. In conjunction with the review of the CEO/GM's Leadership Domain and Competency expectations as outlined in the *Leadership Domain & Competency Model* for the Executive Leadership Team, the Board also considered the CEO/GM's accomplishments, development activities, customer satisfaction surveys, and the overall health and stability of the organization. Considering all factors involved the Board has concluded that the CEO/GM performed satisfactorily, meeting their expectations.

Signature

Printed Name

Date

President _____

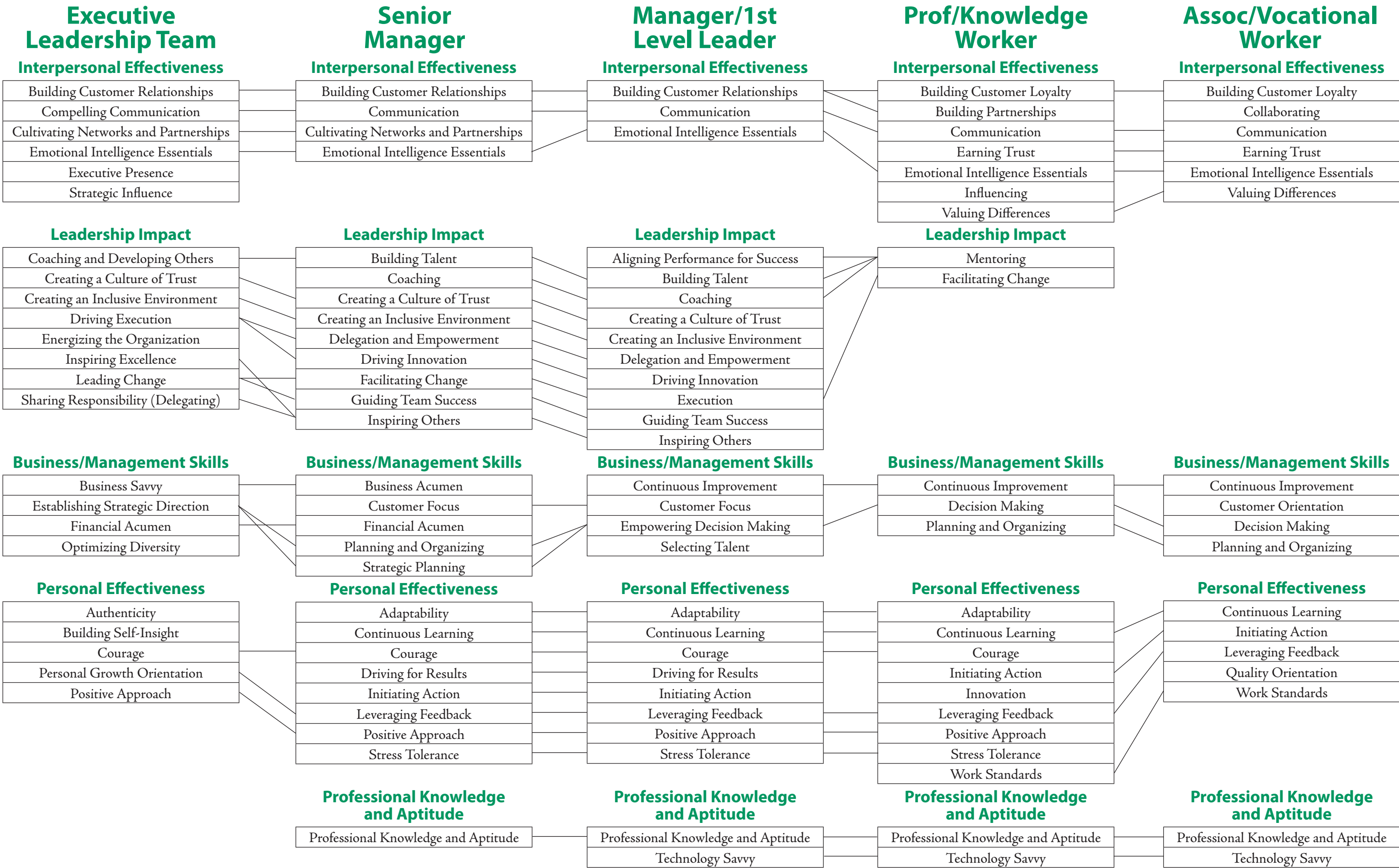
District Competency Domains by Level

Executive Leadership Team	Senior Manager	Manager / 1st Level Leader	Prof / Knowledge Worker	Assoc / Vocational Worker
Interpersonal Effectiveness Interpersonal and communication behaviors that facilitate successful one-on-one and group interactions.	Interpersonal Effectiveness Interpersonal and communication behaviors that facilitate successful one-on-one and group interactions.	Interpersonal Effectiveness Interpersonal and communication behaviors that facilitate successful one-on-one and group interactions.	Interpersonal Effectiveness Interpersonal and communication behaviors that facilitate successful one-on-one and group interactions.	Interpersonal Effectiveness Interpersonal and communication behaviors that facilitate successful one-on-one and group interactions.
Leadership Impact Leadership behaviors that guide others in the successful execution of their assigned responsibilities and help them aspire to and achieve organizational outcomes.	Leadership Impact Leadership behaviors that guide others in the successful execution of their assigned responsibilities and help them aspire to and achieve organizational outcomes.	Leadership Impact Leadership behaviors that guide others in the successful execution of their assigned responsibilities and help them aspire to and achieve organizational outcomes.	Leadership Impact Leadership behaviors that guide others in the successful execution of their assigned responsibilities and help them aspire to and achieve organizational outcomes.	
Business / Management Skills Management behaviors that guide or direct the business unit or project in achieving the outcomes necessary for success.	Business / Management Skills Management behaviors that guide or direct the business unit or project in achieving the outcomes necessary for success.	Business / Management Skills Management behaviors that guide or direct the business unit or project in achieving the outcomes necessary for success.	Business / Management Skills Management behaviors that guide or direct the business unit or project in achieving the outcomes necessary for success.	Business / Management Skills Management behaviors that guide or direct the business unit or project in achieving the outcomes necessary for success.
Personal Effectiveness Individual styles or behavior patterns that facilitate success or failure on the job.	Personal Effectiveness Individual styles or behavior patterns that facilitate success or failure on the job.	Personal Effectiveness Individual styles or behavior patterns that facilitate success or failure on the job.	Personal Effectiveness Individual styles or behavior patterns that facilitate success or failure on the job.	Personal Effectiveness Individual styles or behavior patterns that facilitate success or failure on the job.
	Professional Knowledge and Aptitude Competencies that specify the relevant professional knowledge and aptitude needed in a job or role.	Professional Knowledge and Aptitude Competencies that specify the relevant professional knowledge and aptitude needed in a job or role.	Professional Knowledge and Aptitude Competencies that specify the relevant professional knowledge and aptitude needed in a job or role.	Professional Knowledge and Aptitude Competencies that specify the relevant professional knowledge and aptitude needed in a job or role.

District Competencies by Level

Executive Leadership Team	Senior Manager	Manager / 1st Level Leader	Prof / Knowledge Worker	Assoc / Vocational Worker
Authenticity	Adaptability	Adaptability	Adaptability	Building Customer Loyalty
Building Customer Relationships	Building Customer Relationships	Aligning Performance for Success	Building Customer Loyalty	Collaborating
Building Self-Insight	Building Talent	Building Customer Relationships	Building Partnerships	Communication
Business Savvy	Business Acumen	Building Talent	Communication	Continuous Improvement
Coaching and Developing Others	Coaching	Coaching	Continuous Improvement	Continuous Learning
Compelling Communication	Communication	Communication	Continuous Learning	Customer Orientation
Courage	Continuous Learning	Continuous Learning	Courage	Decision Making
Creating a Culture of Trust	Courage	Courage	Decision Making	Earning Trust
Creating an Inclusive Environment	Creating a Culture of Trust	Creating a Culture of Trust	Earning Trust	Emotional Intelligence Essentials
Cultivating Networks and Partnerships	Creating an Inclusive Environment	Creating an Inclusive Environment	Emotional Intelligence Essentials	Initiating Action
Driving Execution	Cultivating Networks and Partnerships	Customer Focus	Facilitating Change	Leveraging Feedback
Emotional Intelligence Essentials	Customer Focus	Delegation and Empowerment	Influencing	Planning and Organizing
Energizing the Organization	Delegation and Empowerment	Driving for Results	Initiating Action	Professional Knowledge and Aptitude
Establishing Strategic Direction	Driving for Results	Driving Innovation	Innovation	Quality Orientation
Executive Presence	Driving Innovation	Emotional Intelligence Essentials	Leveraging Feedback	Technology Savvy
Financial Acumen	Emotional Intelligence Essentials	Empowering Decision Making	Mentoring	Valuing Differences
Inspiring Excellence	Facilitating Change	Execution	Planning and Organizing	Work Standards
Leading Change	Financial Acumen	Guiding Team Success	Positive Approach	
Optimizing Diversity	Guiding Team Success	Initiating Action	Professional Knowledge and Aptitude	
Personal Growth Orientation	Initiating Action	Inspiring Others	Stress Tolerance	
Positive Approach	Inspiring Others	Leveraging Feedback	Technology Savvy	
Sharing Responsibility (Delegating)	Leveraging Feedback	Positive Approach	Valuing Differences	
Strategic Influence	Planning and Organizing	Professional Knowledge and Aptitude	Work Standards	
	Positive Approach	Selecting Talent		
	Professional Knowledge and Aptitude	Stress Tolerance		
	Strategic Planning	Technology Savvy		
	Stress Tolerance			

District Domain & Competency Model





BUSINESS OF THE COMMISSION

Meeting Date: August 17, 2021

Agenda Item: 8A

TITLE

Governance Planning Calendar

SUBMITTED FOR: Governance Planning

Commission

Department

Allison Morrison

Contact

8037

Extension

Date of Previous Briefing:

Estimated Expenditure:

Presentation Planned ☐

ACTION REQUIRED:

- ☒ Decision Preparation
- ☐ Policy Discussion
- ☐ Policy Decision
- ☐ Statutory

☐ Incidental
(Information)

☐ Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Agenda Planning, GP-4: To accomplish its job products with a governance style consistent with Board policies, the Board will follow an annual agenda

The Planning Calendar is enclosed for Board review.

List Attachments:

Governance Planning Calendar

Governance Planning Calendar – 2021

To Be Scheduled

- Wrap Pilot Program

To Be Scheduled

****For Planning Purposes Only and Subject to Change at any Time****

Governance Planning Calendar – 2021

September 7, 2021

Morning Session:

- Media
- Legislative
- Connect Up - Meter Installation Vendor Contract Presentation
- Clean Energy Fund 3 – Low-Income Community Solar Deployment
- Resource Adequacy Program
- BPA Pass Through

Afternoon Session:

- Public Hearing and Action:
 - Pilot Time-Dynamic Residential Rate Schedule
- Governance Planning Calendar

September 14, 2021

Special Meeting:

- Microgrid Ribbon Cutting

Governance Planning Calendar – 2021

September 21, 2021

Morning Session:

- Legislative
- Community Engagement
- Broadband Study
- Joint Ownership of Poles with Northwest Fiber LLC

Afternoon Session:

- Public Hearing and Action:
 - Disposal of Surplus Property – 4th Quarter
 - BPA Pass Through
- Governance Planning Calendar

Governance Planning Calendar – 2021

October 4, 2021

Morning Session:

- Media
- Legislative
- Board Owner Linkage (Commission Business)

Afternoon Session:

- Public Hearing:
→ Open 2022 Proposed Budget Hearing
- Governance Planning Calendar

October 19, 2021

Morning Session:

- Legislative
- Community Engagement
- Energy Risk Management Report – 3rd Quarter
- Water Supply Update

Afternoon Session:

- Governance Planning Calendar

Governance Planning Calendar – 2021

November 2, 2021

Morning Session:

- Media
- Legislative

Afternoon Session:

- Public Hearing:
→Continue Public Hearing on the 2022 Proposed Budget
- Public Hearing and Action:
- Monitoring Report:
→3rd Quarter Financial Conditions and Activities Monitoring Report
- Governance Planning Calendar

November 16, 2021

Morning Session:

- Legislative
- Community Engagement

Afternoon Session:

- Public Hearing:
→Continue Public Hearing on the 2022 Proposed Budget (if needed)
- Adopt Regular Commission Meeting Dates for the Year 2022
- Governance Planning Calendar

Governance Planning Calendar – 2021

December 7, 2021

Morning Session:

- Media
- Legislative
- Finance Audit Activity

Afternoon Session:

- Public Hearing:
- Monitoring Report:
 - Financial Planning and Budgeting Monitoring Report
- Public Hearing and Action:
 - Adopt 2022 Budget
- Elect Board Officers for the Year 2022
- Proposed 2022 Governance Planning Calendar

December 21, 2021

Morning Session:

- Legislative
- Community Engagement

Afternoon Session:

- Public Hearing and Action:
 - Disposal of Surplus Property - 1st Quarter
- Adopt 2022 Governance Planning Calendar

Governance Planning Calendar – 2021

2021 Year-at-a-Glance Calendar

January

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

	Holiday	#	Commission Meetings
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For Planning Purposes Only and Subject to Change at any Time