

**KING COUNTY WATER DISTRICT NO. 125  
KING COUNTY, WASHINGTON**

**RESOLUTION NO. 16-9-13-479**

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KING COUNTY WATER DISTRICT NO. 125, KING COUNTY, WASHINGTON, AUTHORIZING HEALTH INSURANCE BENEFITS FOR DISTRICT COMMISSIONERS; AND AUTHORIZING USE OF THE HEALTH REIMBURSEMENT ARRANGEMENT/VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION ("MRA/VEBA") PLAN FOR DISTRICT COMMISSIONERS.

**WHEREAS**, pursuant to RCW 57.08.100, a district with five thousand or more customers, that provides health, group or life insurance to its employees, is authorized to provide its commissioners with the same coverage; provided, that the per person amounts for such coverage paid by the district shall not exceed the per person amounts paid by the district for its employees; and

**WHEREAS**, King County Water District No. 125 ("District") currently provides health insurance coverage benefits for its employees through the Washington State Health Care Authority (HCA); and

**WHEREAS**, in accordance with RCW 57.08.100, the District's Board of Commissioners has determined that it is in the best interests of the District to make health insurance coverage available to the District's Commissioners; provided, that the per person amounts of such coverage shall not exceed the per person amounts paid by the District for District employees; and

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

**WHEREAS**, such tax-exempt plans are available to governmental employers in the State of Washington; and

**WHEREAS**, in 1991, the "Voluntary Employees' Beneficiary Association for Public Service Employees in the State of Washington" (the "Trust") was established for governmental employees; and

**WHEREAS**, the Trust offers a Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association ("HRA/VEBA")(previously referred to as a Medical Savings Account/Voluntary Employees' Beneficiary Association or MSA/VEBA) Plan, which provides a tax-free savings account for employees to pay for medical, dental and vision expenses that are not paid by any other District provided medical plan; and

**WHEREAS**, in 2001, the District's Board of Commissioners adopted Resolution No. 01-0111-332, electing to participate in the Trust, using REHN and Associates, Inc. as its Plan administrator, establishing the HRA/VEBA (referred to at the time as the MSA/VEBA Plan) for all District employees, and providing that the Plan will be funded for District employees with unused sick leave cash out above the maximum allowed in accordance with District policy; and

**WHEREAS**, the District has determined that it is in the best interest of the District to establish the HRA/VEBA Plan for its Commissioners, as an alternative to a Commissioner's receipt of the health insurance coverage authorized for Commissioners in this Resolution; and

**WHEREAS**, the District now desires to establish the Plan for the District's Commissioners; and

**WHEREAS**, the District desires to continue to use the services of the Trust to administer such Plan; and

**WHEREAS**, the Plan will be administered in accordance with the Plan documents provided by the Trust on file in the District's main office;

NOW, THEREFORE, the Board of Commissioners of King County Water District No. 125 hereby resolves as follows:

Section 1. Effective as of October 1, 2016, the District shall provide to its Commissioners the same health insurance benefits that the District provides to District full time employees; provided, that the per person amounts of such coverage shall not exceed the per person amounts paid by the District for District employees.

Section 2. Effective as of October 1, 2016, the District hereby elects to participate in the Plan and Trust as presently constituted or hereafter amended using the Trust as its Plan administrator for the benefit of eligible District Commissioners, and to continue to participate in the Plan and Trust as presently constituted or hereafter amended using the Trust as its Plan administrator for the benefit of eligible District employees.

Section 3. District Commissioners shall have the option to either receive the health insurance benefits authorized under Section 1 above, or to participate in the HRA/VEBA Plan authorized and established in Section 2 above. In the event that a Commissioner elects to participate in the HRA/VEBA Plan, the District shall fund the Plan with a District contribution in the amount that the District would otherwise have expended to provide health insurance benefits for the Commissioner; provided, that in no case shall the District's contribution to the HRA/VEBA Plan exceed that authorized by RCW 57.08.100.

Section 4. The General Manager of Water District No. 125 is authorized to execute any documents and to establish procedures consistent with Plan and Trust provisions and applicable District policies, necessary to effect the adoption and administration of the Plan.

Section 5. The District's Board of Commissioners retains the right to modify the HRA/VEBA Plan at its discretion and without prior notice to District employees.

ADOPTED by the Board of Commissioners of King County Water District No. 125, King County, Washington, at the regular open public meeting thereof held on the 14th day of September, 2016.

  
Commissioner

  
Commissioner

  
Commissioner