

MARIN MUNICIPAL WATER DISTRICT

RESOLUTION NO.

**RESOLUTION OF THE BOARD OF THE MARIN MUNICIPAL WATER DISTRICT
ADOPTING THE MARIN MUNICIPAL WATER DISTRICT HEALTHCARE
REIMBURSEMENT ARRANGEMENT PLAN AND PLAN SUMMARY**

WHEREAS, in November 2023, the Marin Municipal Water District Board of Directors approved a new Memorandum of Understanding (MOU) for employees represented by SEIU Local 1021 and Resolution No. 8760 for unrepresented employees, which set forth new retiree healthcare vesting schedules for all District employees hired after January 1, 2024, and created a tiered benefit system for District retirees (“District’s Retiree Healthcare Contribution Schedule”);

WHEREAS, CalPERS, who the District contracts with for healthcare insurance, will not implement and enforce the new District’s Retiree Healthcare Contribution Schedule;

WHEREAS, to ensure proper implementation and enforcement of the District’s Healthcare Contribution Schedule, the District is required to self-administer the program;

WHEREAS, after a competitive selection process, the District engaged P&A Group to serve as the Claims Administrator and assist with the implementation and administration of the District’s Retiree Healthcare Contribution Schedule;

WHEREAS, in October 2024, District retirees were notified of the necessary changes to how the District’s contribution towards their retiree healthcare would occur and additional steps were taken by District staff to begin the implementation and administration of the District’s Retiree Healthcare Contribution Schedule;

WHEREAS, among one of the remaining steps to implement the retiree healthcare program is the adoption of a Healthcare Reimbursement Arrangement Plan and Plan Summary which will detail the reimbursement process while ensuring that such reimbursements receive tax advantaged status consistent with Section 105 of the Internal Revenue Service Code; and

NOW THEREFORE BE IT RESOLVED that the Board approves and authorizes the following:

1. The form of the Marin Municipal Water District Health Reimbursement Arrangement Plan (Plan), effective January 01, 2025, presented at this meeting (and a copy of which is attached hereto) is hereby approved and adopted, and that the proper agents of the District are hereby authorized

and directed to execute and deliver to the Claims Administrator of said Plan one or more counterparts of the Plan, and to make minor amendments as necessary to keep the Plan current and in compliance with applicable legal requirements.

2. District staff and the Claims Administrator shall be instructed to take such actions that they deem necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures for the provision of benefits under the Plan.
3. The proper agents of the District shall act as soon as possible to notify retired District employees of the adoption of the Plan and to deliver to each retired employee a copy of the Plan Summary, which is attached hereto and is hereby approved.
4. The undersigned further certifies that attached hereto as Exhibits, are true and correct copies of the Marin Municipal Water District's Plan and Plan Summary approved and adopted at this meeting of the Board of Directors on December 17, 2024.

PASSED AND ADOPTED this 17th day of December 2024, by the following vote of the Board of Directors.

AYES:

NOES:

ABSENT:

Matthew Samson
President, Board of Directors

ATTEST:

Terrie Gillen
Board Secretary

Attachments:

1. Marin Municipal Water District Healthcare Reimbursement Arrangement Plan
2. Marin Municipal Water District Healthcare Reimbursement Arrangement Plan Summary

Marin Municipal Water District

Marin Municipal Water District
220 Nellen Avenue
Corte Madera, CA 94925

Marin Municipal Water District Health Reimbursement Arrangement (HRA) Plan

Effective January 01, 2025

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Marin Municipal Water District HRA Plan

INTRODUCTION

Marin Municipal Water District ("District") hereby adopts the District Health Reimbursement Arrangement Plan (the "HRA") with an effective date of January 1, 2025, the terms of which are set forth in this document and appendix hereto. The HRA provides for the reimbursement of healthcare premium expenses, as described in this document, which have been incurred by HRA Participants.

It is intended that the HRA meet the requirements for qualification under Code Section 105 with respect to Retired Employees, and that benefits paid to Retired Employees hereunder be excludible from their gross incomes pursuant to Code Section 105(b).

I. ARTICLE - DEFINITIONS

As used in this HRA, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context:

01. **"Plan Administrator or Administrator"** means the individual(s) or committee appointed by the Employer to carry out the administration of the HRA. In the event the Administrator has not been appointed, or resigns from an appointment, the Employer shall be deemed to be the Administrator.
02. **"Code"** means the Internal Revenue Code of 1986, as amended.
03. **"Coverage Period"** means the period of the current plan year in which the individual is an eligible employee on or after his or her plan entry date.
04. **"Effective Date"** means January 1, 2025.
05. **"Eligible Retired Employee"** means a Retired Employee who meets the eligibility requirements set forth under the HRA and included in the Section titled: "Eligibility".
06. **"Employer"** means the Marin Municipal Water District, a Government Entity or any successor which shall maintain this HRA.
07. **"Employer Contribution"** means the amounts contributed to the HRA by the Employer.
08. **"Participant"** means any Eligible Retired Employee and their qualifying spouse or dependent, if any, who has satisfied the requirements of the Section titled: "Eligibility" and has not for any reason become ineligible to participate further in the HRA.
09. **"Permissible Employee Class(es)"** means the permitted classifications for distinguishing among employees defined by law.
10. **"Plan Year"** means the 12-month period beginning January 01 and ending December 31.
11. **"Premiums"** mean the Participant's cost for any health plan coverage, including Medicare or other similar coverage as provided under the Social Security Act.
12. **"Qualifying Expenses"** means any expenses as described in the Appendix of this document that meets the definition of "qualified expenses" (within the meaning of Code Section 213(d) and as allowed under Code Section 105 and the rulings and Treasury regulations thereunder) of the Participant, the Participant's spouse or a Dependent and that are not otherwise used by the Participant as a deduction in determining the Participant's tax liability under the Code or reimbursed under any other health coverage, including a health Flexible Spending Account.
13. **"Retired Employee"** means any person who has retired from previous employment by the Employer or such other qualification requirements as set forth by the Employer.

II. ARTICLE - PARTICIPATION

01. **Eligibility**

A Participant shall be eligible to participate in the HRA if such person meets the Employer's eligibility requirements as established by the Employer, CalPERS and applicable law.

02. **Effective Date of Participation**

Any Participant shall be eligible to participate in the HRA if such person meets the Employer's eligibility requirements as separately established by the Employer hereunder on the date such individual is enrolled in the Employer's group medical plan.

03. **Termination of Participation**

Participants may continue to participate in the HRA, while amounts remain in the HRA, and any unused amounts shall be forfeited. In the case of the death of the Participant, any remaining balances may only be paid out as reimbursements for Qualifying Expenses as stated in the Section titled: "Health Reimbursement Arrangement Claims" under the Article title: "Benefits" and shall not constitute a death benefit to the Participant's estate and/or the Participant's beneficiaries. Similarly, if there are no surviving Dependent(s) who may be located to be able to utilize any unused amounts upon the Participant's death after a reasonable search, such remaining balances shall be forfeited and returned to the Plan for further use in defraying other Plan administrative costs or as further contribution allocations as determined by the Employer. A Participant shall be permitted at least annually to opt out of the HRA and waive future reimbursements from the HRA. The above notwithstanding, any Participant who is re-hired by the Employer for any period shall cease to be considered as a Participating Retired Employee for that period of time in which such individual remains actively employed, and no further payments can be made to such Participant during that remaining employment period of service with the Employer, except for Retired Employees who are qualifying CalPERS retired annuitants performing temporary work for the Employer

III. ARTICLE - BENEFITS

01. Establishment of HRA

- a. The HRA is intended to qualify as a Health Reimbursement Arrangement under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder.
- b. Claims for the reimbursement of Qualifying Expenses, as defined under the HRA, will be submitted by the Employer.
- c. The Employer shall make available to Participant an Employer Contribution in the amounts listed in the Appendix of this document.

The amounts provided to the HRA by the Employer will be made available pro rata on a monthly basis.

- d. This HRA shall not be coordinated or otherwise connected to the Employer's cafeteria plan (as defined in Code Section 125), except as permitted by the Code and the Treasury regulations thereunder in order for this HRA to be maintained as a Health Reimbursement Arrangement. No salary reduction contributions may be made to this Health Reimbursement Arrangement.

02. Nondiscrimination Requirements

- a. It is the intent of this Health Reimbursement Arrangement to not discriminate in violation of the Code and the Treasury regulations thereunder.
- b. If the Administrator deems it necessary in order to avoid discrimination under this Health Reimbursement Arrangement, it may, but shall not be required to reduce benefits provided to "highly compensated individuals" (as defined in Code Section 105(h)) 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.

03. Health Reimbursement Arrangement Claims

- a. The Employer will submit all claims to the Claims Administrator for processing. The Claims Processor will process claims according to the Employer's HRA plan design then send a check or direct deposit, if Participant enrolls in direct deposit, for the amount that is eligible for reimbursement through this HRA. The Participant is responsible to pay the Provider for billed amounts not covered by this HRA.
- b. Payments under this HRA shall be made directly to the Participant.
- c. If the maximum amount available for reimbursement for a Coverage Period is not utilized in its entirety, refer to Appendix A for information on how these funds will be handled.

04. Recovery of Excess or Mistaken Payments

If any reimbursement or other payment made under this HRA Plan is subsequently found to have been excessive or made in error, the Plan shall notify the Participant and be entitled to recover the amount of such mistaken payments in accordance with the procedures set forth in this subsection. The Administrator and the Employer shall pursue recovery of mistaken payments utilizing one or more of the following correction methods: (a) Require the Participant or other person receiving the mistaken payment to reimburse the Plan for the amount of the mistaken payment; (b) If the HRA Administrator and the Employer are unable to obtain repayment per (a) above, deny the Participant reimbursement of subsequently submitted claims incurred during the same Plan Year until the amount of the mistaken payment is fully recovered by the Plan; or (c) Take such other action that the HRA Administrator and Employer reasonably deem necessary to ensure recovery of mistaken payments and that such mistaken payments do not recur. If none of the above correction methods are successful in recovering a mistaken payment, the Employer, consistent with its business practice, may treat the amount owed by the Participant as it would any other business debt. To the extent the Employer forgives the debt after requesting payment consistent with collection procedures for other business debt, the Employer shall report the amount of the mistaken payment to the Participant and IRS as taxable wages. Any of the above correction methods shall be pursued only in accordance with and to the extent permitted by applicable law.

IV. ARTICLE - PLAN PROVISIONS

01. Claim for Benefits

Any claim for Benefits shall be made by the Employer to the Administrator. The following time frames and the rules below for resolution of Participant claims apply:

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| Notification of whether claim is accepted or denied | 30 days |
| Extension due to matters beyond the control of the Plan | 15 days |

Insufficient information on the claim:

| | |
|-------------------------|---------|
| Notification of | 15 days |
| Response by Participant | 45 days |
| Review of claim denial | 60 days |

The Administrator will provide written or electronic notification of all claim denials to Employer and Participant as deemed necessary by Administrator. The notice will state:

1. Information sufficient to identify the claim involved, including the date,, the claim amount (if applicable),.
2. The specific reason or reasons for the adverse determination.
3. Reference to the specific HRA provisions on which the determination is based.
4. A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary.
5. A description of the HRA's internal review procedures and time limits applicable to such procedures, available external review procedures.
6. That upon request and free of charge, the following will be provided: a copy of any internal rule, guideline, protocol or other similar criterion that was relied upon in making the adverse determination regarding the claim.

When the Participant receives a notice of a decision of denial, the Participant shall have 180 days following receipt of the notification within which to appeal the decision. The Participant may submit written comments, documents, records, and other information relating to the Claim. If the Participant requests, the Participant shall be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the HRA. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

1. was relied upon in making the claim determination;
2. was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;
3. demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with HRA documents and that HRA provisions have been applied consistently with respect to all claimants; or
4. constituted a statement of policy or guidance with respect to the HRA concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the HRA who is neither the individual who made the adverse determination nor a subordinate of that individual.

After receiving notice of an adverse benefit determination or a final internal adverse benefit determination, a claimant may file with the HRA a request for an external review. A claimant may request from the Administrator additional information describing the HRA's external review procedure.

02. Named Fiduciary

The "named Fiduciaries" of this HRA are (1) the Employer and (2) the Administrator. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the HRA including, but not limited to, any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. In general, the Employer shall have the sole responsibility for providing benefits under the HRA; and shall have the sole authority to appoint and remove the Administrator; and to amend or terminate, in whole or in part, the HRA. The Administrator shall have the sole responsibility for the administration of the HRA, which responsibility is specifically described in the HRA. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the HRA, and is not required under the HRA to inquire into the propriety of any such direction, information or action. It is intended under the HRA that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the HRA. Any person or group may serve in more than one Fiduciary capacity.

03. General Fiduciary Responsibilities

The Administrator and any other fiduciary shall discharge their duties with respect to this HRA solely in the interest of the Participants and their beneficiaries and

- a. for the exclusive purpose of providing Benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the HRA;
- b. with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

04. Nonassignability of Rights

The right of any Participant to receive any reimbursement under the HRA 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.

V. ARTICLE - ADMINISTRATION

01. HRA Administration

The operation of the HRA shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the HRA is carried out in accordance with its terms, and for the exclusive benefit of Participants entitled to participate in the HRA. The Administrator shall have full power to administer the HRA in all of its details. The Administrator's powers shall include, but shall not be limited to the following authority, in addition to all other powers provided by this HRA:

- a. To make and enforce such rules and regulations as the Administrator deems necessary or proper for the efficient administration of the HRA;
- b. To interpret the HRA, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits under the HRA;
- c. To decide all questions concerning the HRA and the eligibility of any person to participate in the HRA and to receive benefits provided under the HRA;
- d. To limit benefits for certain highly compensated individuals if it deems such to be desirable in order to avoid discrimination under the HRA in violation of the applicable provisions of the Code;
- e. To approve reimbursement requests and to authorize the payment of benefits;
- f. To appoint such agents, counsel, accountants, consultants, and actuaries as may be required to assist in administering the HRA; and

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 HRA shall continue to comply with the terms of Code Section 105(h) and the Treasury regulations thereunder.

02. Examination of Records

The Administrator shall make available to each Participant for examination at reasonable times during normal business hours, such records as pertain to that person's interest under the HRA.

03. Indemnification of Administrator

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee of the Employer who otherwise assists the Administrator in its obligations under this Plan 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 HRA, if such act or omission is or was in good faith.

VI. ARTICLE - AMENDMENT OR TERMINATION OF HRA

01. Amendment

The Employer, at any time or from time to time, may amend any or all of the provisions of the HRA without the consent of any Participant.

02. Termination

The Employer is establishing this HRA with the intent that it will be maintained for an indefinite period of time. Notwithstanding the foregoing, the Employer reserves the right to terminate the HRA, in whole or in part, at any time. In the event the HRA is terminated, no further reimbursements shall be made.

VII. ARTICLE - MISCELLANEOUS

01. HRA Interpretation

All provisions of this HRA shall be interpreted and applied in a uniform, nondiscriminatory manner. This HRA shall be read in its entirety and not severed except as provided in the Section titled: "Severability".

02. Gender and Number

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

03. Written Document

This HRA, in conjunction with any separate written document which may be required by law, is intended to satisfy the written HRA requirement of Code Section 105 and any Treasury regulations thereunder.

04. Exclusive Benefit

This HRA shall be maintained for the exclusive benefit of Participants who participate in the HRA.

05. Not Employment Contract

This HRA shall not be deemed to constitute an employment contract between the Employer and any Participant or Retired Employee, or to be a consideration or an inducement for the employment of any Participant or Retired Employee. Nothing contained in this HRA shall be deemed to give any Participant or Retired 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 Retired Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this HRA.

06. Action by the Employer

Whenever the Employer under the terms of the HRA is permitted or required to do or perform any act or matter or thing, it shall be done and performed by an authorized representative of the Employer.

07. 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 HRA 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 HRA 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.

08. Indemnification of Employer by Participants

If any Participant receives one or more payments or reimbursements under the HRA that are not for a permitted Expense 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. However, such indemnification and reimbursement shall not exceed 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.

9. **Funding**

Unless otherwise required by law, amounts made available by the Employer need not be placed in trust, 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 HRA may be made.

10. **Governing Law**

This HRA and Trust shall be construed and enforced according to the Code and the laws of the state of California.

11. **Severability**

If any provision of the HRA is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the HRA, and the HRA shall be construed and enforced as if such provision had not been included herein.

12. **Headings**

The headings and subheadings of this HRA have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

13. **Health Insurance Portability and Accountability Act**

Notwithstanding anything in this HRA to the contrary, this HRA shall be operated in accordance with HIPAA and the regulations thereunder.

14. **Uniformed Services Employment and Reemployment Rights Act**

Notwithstanding any provision of this HRA to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with USERRA and the regulations thereunder.

15. **HIPAA Privacy Standards**

- a. If this HRA is subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.
- b. The HRA shall not disclose Protected Health Information to any member of Employer's workforce unless each of the conditions set out in this Section is met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including information about treatment or payment for treatment.
- c. Protected Health Information disclosed to members of Employer's workforce shall be used or disclosed by them only for purposes of HRA administrative functions. The HRA's administrative functions shall include all HRA 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 HRA responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care.
- d. The HRA shall disclose Protected Health Information only to members of the Employer's workforce who are authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the HRA. "Members of the Employer's workforce" shall refer to all Retired 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.
 - i. 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 his or her duties with respect to the HRA.
 - ii. 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 HRA's privacy officer. The privacy officer, or the Employer, shall take appropriate action, including:

1. 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;
 2. 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;
 3. mitigation of any harm caused by the breach, to the extent practicable; and
 4. documentation of the incident and all actions taken to resolve the issue and mitigate any damages.
- e. The Employer must provide certification to the HRA that it agrees to:
- i. Not use or further disclose Protected Health Information other than as permitted or required by the HRA documents or as required by law;
 - ii. Ensure that any agent or subcontractor to whom it provides Protected Health Information received from the HRA, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
 - iii. Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or Retired Employee benefit plan of the Employer;
 - iv. Report to the HRA 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;
 - v. Make available Protected Health Information to individual HRA members in accordance with Section 164.524 of the Privacy Standards;
 - vi. Make available Protected Health Information for amendment by individual HRA members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
 - vii. Make available the Protected Health Information required to provide an accounting of disclosures to individual HRA members in accordance with Section 164.528 of the Privacy Standards;
 - viii. Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the HRA available to the Department of Health and Human Services for purposes of determining compliance by the HRA with the Privacy Standards;
 - ix. If feasible, return or destroy all Protected Health Information received from the HRA 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, or, if and only if such return or destruction is not feasible, limit further uses and disclosures to those permitted purposes that make the return or destruction of the information infeasible; and
 - x. Ensure adequate separation between the HRA 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.

16. HIPAA Electronic Security Standards

If this HRA is subject to the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"), then this Section shall apply as follows:

- a. The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the HRA. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.
- b. The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.
- c. The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in the Section titled: "HIPAA Privacy Standards".
- d. The HRA shall not disclose Protected Health Information to any member of Employer's workforce unless each of the conditions set out in this Section is met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including information about treatment or payment for treatment.
- e. Protected Health Information disclosed to members of Employer's workforce shall be used or disclosed by them only for purposes of HRA administrative functions. The HRA's administrative functions shall include all HRA 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 HRA responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care.
- f. The HRA shall disclose Protected Health Information only to members of the Employer's workforce, who are authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the HRA. "Members of the Employer's workforce" shall refer to all Retired 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.
 - i. 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 his or her duties with respect to the HRA.
 - ii. 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 HRA's privacy officer. The privacy officer, or the Employer, shall take appropriate action, including:
 1. 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;
 2. 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;
 3. mitigation of any harm caused by the breach, to the extent practicable; and
 4. documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

- g. The Employer must provide certification to the HRA that it agrees to:
- i. Not use or further disclose Personal Health Information other than as permitted or required by the HRA documents or as required by law;
 - ii. Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the HRA, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
 - iii. Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or Retired Employee benefit plan of the Employer;
 - iv. Report to the HRA 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;
 - v. Make available Protected Health Information to individual HRA members in accordance with Section 164.524 of the Privacy Standards;
 - vi. Make available Protected Health Information for amendment by individual HRA members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
 - vii. Make available the Protected Health Information required to provide an accounting of disclosures to individual HRA members in accordance with Section 164.528 of the Privacy Standards;
 - viii. Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the HRA available to the Department of Health and Human Services for purposes of determining compliance by the HRA with the Privacy Standards;
 - ix. If feasible, return or destroy all Protected Health Information received from the HRA 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, or, if and only if such return or destruction is not feasible, limit further uses and disclosures to those permitted purposes that make the return or destruction of the information infeasible; and
 - x. Ensure the adequate separation between the HRA 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.

APPENDIX A – HRA PLAN DOCUMENT

Employee Class

Retirees

Qualified Benefits

The purpose of this plan is to reimburse Participants for all or a portion of their Employer Sponsored Retiree health insurance premiums.

Reimbursement Schedule

The amount reimbursed will depend on the bargaining unit, years of service (“District Retiree Healthcare Contribution Schedule”) and CalPERS plan the Retired Employee and any qualifying dependent or spouse, if any, have enrolled in. Premiums for the Retired Employee and any qualifying dependent or spouse, if any, will be deducted from the Retired Employee’s CalPERS retirement check each month, or will be paid to CalPERS by Participant if CalPERS benefits are less than the premium amount due, the HRA will reimburse them for those healthcare premiums or a portion of those premiums in accordance with the District Retiree Healthcare Contribution Schedule.

Unused HRA Funds

Unused benefits, if any, at the end of the coverage period shall be carried forward to the next coverage period.

Marin Municipal Water District

Marin Municipal Water District
220 Nellen Avenue
Corte Madera, CA 94925

Marin Municipal Water District Health Reimbursement Arrangement Plan Summary Effective January 01, 2025

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INTRODUCTION

This is the Summary Plan Description (the "SPD") for the Marin Municipal Water District HRA Plan, a Health Reimbursement Arrangement (the "HRA"). This SPD summarizes your rights and obligations as a Participant (or beneficiary) in the HRA.

Read this SPD carefully so that you understand the provisions of our HRA and the benefits you will receive. You should direct any questions you have to the Plan Administrator. There is a plan document on file, which you may review if you desire. In the event there is a conflict between this SPD and the plan document, the plan document shall control.

I. ELIGIBILITY

01. What Are the Eligibility Requirements for this HRA?

Participants shall be eligible to participate in the HRA if you meet the Employer's eligibility requirements as established by the Employer.

02. When is My Entry Date?

Any Participant shall be eligible to participate in the HRA if such person meets the Employer's eligibility requirements as separately established by the Employer hereunder on the date such individual is enrolled in the Employer's group medical plan.

03. Are There Any Retired Employees Who Are Not Eligible?

Yes, current employees who are otherwise eligible but do not elect to retire on the dates set forth by the Employer are not eligible to join the HRA until the next period in which the Employer provides the opportunity to participate in the HRA. Retired Employees will also cease to be eligible to continue participating in the Plan or receive further payment distributions at the point in which they become re-employed by the Employer at any time after their previous retirements, except for Retired Employees who are qualifying CalPERS retired annuitants performing temporary work for the Employer. Payment may continue for such individual for any previously unpaid amounts at such point as that individual ceases any further employment with the Employer as of any date thereafter.

II. BENEFITS

01. **What Benefits Are Available?**

The Plan allows eligible Participants to be reimbursed for their medical insurance premiums or a portion thereof. Because these premiums are deducted from the Retired Employee's CalPERS retirement check each month, or paid directly to CalPERS when CalPERS benefits are insufficient to cover Participants healthcare premium, the HRA will reimburse them for those premiums or a portion of those premiums. The amount reimbursed will depend on the Retired Employee's bargaining unit or date of hire, years of service with the District ("District's Retiree Healthcare Contribution Schedule") and CalPERS/Medicare plan the eligible retiree and qualifying spouse or dependent, if any, are enrolled in.

02. **What is the "Plan Year"?**

The "Plan Year" begins January 01 and ends December 31.

03. **What is the "Coverage Period"?**

The period of the current "Coverage Period" in which the individual is an eligible employee on or after his or her plan entry date.

04. **How are payments made from the HRA?**

Because the premiums for Participants will be deducted from the Retired Employee's retirement check each month, or in the case of insufficient CalPERS benefits paid directly to CalPERS by Participant, the Employer will notify P&A of the amount to reimburse each Retired Employee under the HRA for those premiums or a portion of those premiums based on the District's Retiree Healthcare Contribution Schedule. Retirees will not submit any claims, or out-of-pocket expenses for reimbursement. Reimbursements will be issued on or before the first of each month. Retirees can receive their reimbursements by check (3-5 business days to receive) or direct deposit into Retiree's bank account (1-2 business days).

05. **Uniformed Services Employment and Reemployment Rights Act (USERRA)**

If you are going into or returning from military service, the Uniformed Services Employment and Reemployment Rights Act of 1994 may give you special rights to health care coverage under the HRA. If you may be affected by this law, ask your Plan Administrator for further details.

06. **What Happens If I Die?**

If you die before the entirety of all remaining balances under your HRA account have been paid or distributed, your remaining balance may continue to be used by your spouse or other qualifying dependent(s) under the same terms and conditions as would be applicable to you during your lifetime. If your spouse predeceases you, or there are no other remaining dependents who can be reasonably located for further use and distribution, any unpaid remaining balances will be forfeited and returned to the Plan.

III. GENERAL INFORMATION ABOUT OUR HRA

This Section contains certain general information, which you may need to know about the HRA.

01. General HRA Information

"Marin Municipal Water District HRA Plan" is the name of the Plan.

Your Employer has assigned Plan Number 502 to your Plan.

The company adopted this Plan, and the Plan shall be effective as of January 01, 2025.

Your Plan's records are maintained on the basis of a period of time known as the "Plan Year." The Plan Year begins on January 01 and ends December 31 (the "Plan Year").

02. Employer Information

Your Employer's name, address, and identification number are:

Marin Municipal Water District
220 Nellen Avenue
Corte Madera, CA 94925
EIN: 94-6000878

03. Plan Administrator Information

The name and address of your Plan Administrator are:

Marin Municipal Water District
220 Nellen Avenue
Corte Madera, CA 94925

The Plan Administrator will also answer any questions you may have about our HRA. The Plan Administrator has the exclusive right to interpret the appropriate HRA provisions. Decisions of the Plan Administrator are conclusive and binding. You may contact the Plan Administrator for any further information about the HRA.

04. Agent for Service of Legal Process

Should it ever be necessary, you or your personal representative may serve legal process on the agent for service of legal process for the HRA. The HRA Agent of Service is:

Marin Municipal Water District
Attn: Legal Department
220 Nellen Avenue
Corte Madera, CA 94925

Legal process may also be served on the Plan Administrator.

05. Type of Administration

The HRA is a health reimbursement arrangement. The HRA is not funded or insured. Benefits are paid from the general assets of the Employer.

06. Claims Administrator Information

The name and address of your Claims Administrator are:

P&A Group
6400 Main Street, Suite 210
Williamsville, NY 14221

The Claims Administrator keeps the claims records for the HRA and is responsible for the claims administration of the HRA. The Claims Administrator will also answer any claims-related questions you may have about the HRA.

IV. ADDITIONAL HRA INFORMATION

01. How claims are submitted

When you have a Claim to submit for payment, you must:

1. File the claim in accordance with the instructions of the Plan Administrator.
2. Submit copies of all supporting documentation and a detailed explanation for which you are requesting reimbursement.

A Claim is defined as any request for a HRA benefit, made by a claimant or by a representative of a claimant that complies with the HRA's reasonable procedure for making benefit Claims. The times listed are maximum times only. A period of time begins at the time the Claim is filed. Unless otherwise specified, decisions will be made within a reasonable period of time appropriate to the circumstances. "Days" means calendar days.

| | |
|---|---------|
| Notification of whether claim is accepted or denied | 30 days |
| Extension due to matters beyond the control of the Plan | 15 days |

Insufficient information on the claim:

| | |
|-------------------------|---------|
| Notification of | 15 days |
| Response by Participant | 45 days |
| Review of claim denial | 60 days |

The Claims Administrator will provide written or electronic notification of any Claim denial. The notice will state:

1. Information sufficient to identify the claim involved, including the date, the claim amount (if applicable).
2. The specific reason or reasons for the adverse determination.
3. Reference to the specific HRA provisions on which the determination is based.
4. A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary.
5. A description of the HRA's internal review procedures and time limits applicable to such procedures and available external review procedures.
6. Upon request and free of charge, a copy of any internal rule, guideline, protocol or other similar criterion that was relied upon in making the adverse determination regarding the claim.

When you receive a denial, you will have 180 days following receipt of the notification in which to appeal the decision to the Claims Administrator. You may submit written comments, documents, records, and other information relating to the Claim. If you request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the HRA. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

1. was relied upon in making the Claim determination;
2. was submitted, considered, or generated in the course of making the Claim determination, without regard to whether it was relied upon in making the Claim determination;
3. demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that Claim determinations are made in accordance with HRA documents

and HRA provisions have been applied consistently with respect to all claimants;

4. or constituted a statement of policy or guidance with respect to the HRA concerning the denied Claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial Claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the HRA who is neither the individual who made the adverse determination nor a subordinate of that individual.

After receiving notice of an adverse benefit determination or a final internal adverse benefit determination, a claimant may file with the HRA a request for an external review. A claimant may request from the Plan Administrator additional information describing the HRA's external review procedure.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your rights, you should keep the Plan Administrator informed of any changes in your contact information. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

APPENDIX A – HRA PLAN DOCUMENT

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