TRIUNFO
WATER & SANITATION DISTRICT

Providing Outstanding Service Since 1963

December 20, 2021

Board of Directors
Triunfo Water & Sanitation District
Ventura County, California

TRIUNFO WATER & SANITATION DISTRICT (TWSD) EMPLOYEE BENEFITS PLAN SECTION 125 CAFETERIA PLAN DOCUMENT

Summary

On November 22, 2021, the Triunfo Water & Sanitation District (District) Board approved TWSD Employee Resolution No. TWSD 2021-006. This resolution established compensation, benefits, and personnel policy manual for management and other unrepresented employees of the District. Section 125 of the Internal Service Revenue Code ("Cafeteria Plan") allow certain benefits to be granted to employees on a pre-tax basis.

The District's Section 125 Cafeteria Plan Document is attached for the Board's review and approval. The plan is back dated to January 1, 2021 to cover the plan year 2021. The District's plan will be amended from time to time to comply with Internal Service Revenue Code changes.

Please contact me at 805-658-4649 or email vickiedragan@triunfowsd.com if you have any questions or need additional information.

Recommendation

It is recommended the Board approve the TWSD Employee Benefits Plan, Section 125 Cafeteria Plan Document and approve the Chair to sign the Plan Document.

Vickie Dragan
VICKIE DRAGAN – DIRECTOR OF FINANCE

REVIEWED AND APPROVED _____
Mark Norris - General Manager

Attachments: TWSD Employee Benefits Plan, Section 125 Cafeteria Plan Document

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TRIUNFO
WATER & SANITATION DISTRICT

EMPLOYEE BENEFITS PLAN

SECTION 125 CAFETERIA PLAN DOCUMENT

Including:
Dental, Medical, Vision Care Plans
Health Care Reimbursement Account
Dependent Care Reimbursement Account

Plan Effective Date: January 1, 2021

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PLAN PROVISIONS

ARTICLE I - Introduction

1.1 **Purpose of Plan.** The purpose of the Section 125 Plan is to provide employees of Triunfo Water & Sanitation District a choice between cash and benefits under the dental care, vision care, health care reimbursement, dependent care reimbursement, and medical care plans maintained by Triunfo Water & Sanitation District.

1.2 **Plan status.** The Section 125 Plan is intended to qualify as a "cafeteria" or "flexible benefits plan" under Section 125 of the Internal Revenue Code of 1986, as amended, and is to be interpreted in a manner consistent with the requirements of Section 125.

The Health Care Reimbursement Plan is intended to qualify as a Health Care Reimbursement Account under Section 105(b) of the Internal Revenue Code of 1986, as amended, and is to be interpreted in a manner consistent with the requirements of Section 105(b). The purpose of the Plan is to enable Participants to elect to receive payments or reimbursements of Qualifying Health Care Expenses that are excludable from the Participant's gross income under Section 105(b) of the Code.

The Dependent Care Reimbursement Plan is intended as a Dependent Care Reimbursement Account under Section 129 of the Internal Revenue Code of 1986, as amended, and is to be interpreted in a manner consistent with the requirements of Section 129. The purpose of the Plan is to enable Participants to elect to receive payments or reimbursements of their dependent care expenses that are excludable from the Participant's gross income under Section 129 of the Code.

A pronoun or adjective in the masculine gender includes the feminine gender, and the singular includes the plural, unless the context clearly indicates otherwise.

ARTICLE II - Definitions

2.1 **"Administrator"** means the District or such other person or committee as may be appointed from time to time by the District to supervise the administration of the Plan.

2.2 **"Cafeteria or "Flexible Benefits Plan"** means the Triunfo Water & Sanitation District Flexible Benefits Plan and Trust effective October 4, 2020, as amended from time to time.

2.3 **"Code"** means the Internal Revenue Code of 1986, as amended from time to time. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces such section or subsection.

2.4 **"Dental Care Plan"** means any Dental Plan maintained by the District, as amended from time to time.

2.5 **"Dependent"** means any person who falls within the definition of dependent provided in Section 152 of the Code. For the purposes of the Dependent Care Reimbursement Account Plan, it means any individual who is (a) a dependent of the Participant who is under the age of 19 and with respect to whom the Participant is entitled to an exemption under section 151(e) of the code, or (b) a dependent or spouse of the Participant who is physically or mentally incapable of caring for himself.

2.6 **"Dependent Care Expenses"** means expenses incurred by a Participant which (a) are incurred for the care of a Dependent of the Participant or for related household services, (b) are paid or are payable to a Dependent Care Service Provider, and (c) are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Dependents with respect to the Participant. "Dependent Care Expenses" shall not include expenses incurred for services outside the Participant's household for the care of a Dependent unless such Dependent is described in Section 2.5(a) or regularly spends at least eight hours each day in the Participant's household. Dependent Care Expenses shall be deemed to be incurred at the time the services to which the expenses relate are rendered.

2.7 **"Dependent" Care Reimbursement Account"** means the account described in Article V hereof.

2.8 **"Dependent Care Service Provider"** means a person who provides care or other services described in Section 2.7(a) above, but shall not include (a) a Dependent Care Center (as defined in Section 21(b)(2)(D) of the Code), unless the requirements of the Code Section 21(b)(2)(C) are satisfied or (b) a related individual described in Section 129(c) of the Code.

2.9 **"District"** means Triunfo Water & Water Sanitation District.

2.10 **"Effective Date"** means October 4, 2020.

2.11 **"Employee"** means any regular status employee employed by the District.

2.12 **"ERISA"** means the Employee Retirement Income Security Act of 1974.

2.13 **"Health Care Reimbursement Account"** means the account described in Article V hereof.

2.14 **"Key Employee"** means any person who is a key employee as defined in section 415(i)(l) of the Code.

2.15 **"Medical Care Plan"** means any medical plan maintained by the District, as amended from time to time.

2.16 **"Participant"** means any individual who participates in the Plan in accordance with Article III.

2.17 **"Plan"** means the Triunfo Water & Sanitation District Section 125 Plan as set forth herein, together with the TRIUNFO WATER & SANITATION DISTRICT Health Care and Dependent Care Reimbursement Account plans and all amendments and supplements hereto.

2.18 **"Plan Year"** means the period beginning on the Effective Date and ending on 01/01/2021 and the 12-month period ending on each December 31 thereafter.

2.19 **"Qualifying Health Care Expense"** means an expense incurred by a Participant, or by the spouse or Dependent of such Participant, for medical care as defined in Section 213 of the Code (including without limitation amounts paid for hospital bills, doctor and dental bills, and drugs, but only to the extent that the Participant or other person incurring the expense is not reimbursed for the expense through insurance or otherwise (other than under the Plan). Premiums for private insurance are excluded as are premiums for a spouse's plan with another employer.

2.20 **"Vision Care Plan"** means the Vision Plan maintained by the District, as amended from time to time.

ARTICLE III - Participation

3.1 **Commencement of participation.** Effective January 1, 2021 all regular status employees are eligible for all benefit options under 4.1. Each employee whose customary employment, excluding overtime work, is at least 20 hours per week will be eligible to participate in the Plan. An employee will become a Participant on (1) the Effective Date or (2) the first day of the month following the date he becomes eligible to participate under the preceding sentence.

3.2 **Cessation of participation.** A Participant will cease to be a Participant as of the earlier of the date on which the Plan terminate or on the date on which he ceases to be eligible to participate under Section 3.1 (except when the participant elects to continue Health Care Reimbursement Account or other health care participation under the rules of COBRA discussed in Article VIII).

3.3 **Reinstatement of former Participant.** A former Participant will become a Participant again if and when he meets the eligibility requirements of Section 3.1.

ARTICLE IV - Optional Benefits

4.1 **Benefit options.** A Participant may choose under this Plan to receive his full compensation for any Plan Year in cash or to have a portion of it applied by the District toward the cost of one or more of the following optional benefits:

a. Benefits available to the Participant under the Medical Care Plans;
b. Benefits available to the Participant under the Dental Care Plan;
c. Benefits available to the Participant under the Vision Care Plan;
d. Benefits available to the Participant under the Dependent Care Reimbursement Account; and/or
e. Benefits available to the Participant under the Health Care Reimbursement Account.

4.2 **Description of benefits other than cash.** While the election to receive one or more of the optional benefits described in Section 4.1. may be made under this Plan, the benefits will be provided not by this Plan but by the Medical Care Plan, Dental Care Plan, Vision Care Plan, the Health Care Reimbursement Plan, and/or the Dependent Care Reimbursement Plan. The types and amounts of benefits available under each option are described in Section 4.1., the requirements for participating in such option, and the other terms and conditions of coverage and benefits under such option are as set forth from time to time in the Plans and in the group insurance contracts and prepaid health plan contracts that constitute (or are incorporated by reference in) certain of those Plans. The benefit descriptions in such Plans and contracts, as in effect from time to time, are hereby incorporated by reference into this Plan.

4.3 **Election of cash in lieu of optional benefits.** If an employee does not participate in the optional benefits, their cash compensation will not be reduced.

4.4 **Election of optional benefits in lieu of cash.** An Eligible Participant (Sec. 3.1) may elect under this plan to receive one or more of the optional benefits described in Section 4.1. in accordance with the procedure described in Section 4.5. If a Participant elects an optional benefit described in Section 4.1.(d-e), the Participant's cash compensation will be reduced, and an amount equal to the reduction will be credited by the District to a reimbursement account in accordance with the Reimbursement Plans. If a Participant elects an optional benefit described in Section 4.1.(a-c), the Participant's cash compensation will be reduced, and an amount equal to the reduction will be contributed by the District under the Medical, Vision, or Dental Care Plan in question to cover the Participant's share of the cost in excess of District allotted insurance option dollars of such benefit as determined by the District.

4.5 **Election procedure.** Approximately 30 days prior to the commencement of each Plan Year, the Administrator shall provide one or more written election forms and compensation reduction agreements to each Participant and to each other Employee who is expected to become a Participant at the beginning of the Plan Year. The election forms shall be effective as of the first day of the Plan Year. Each participant who desires one or more optional benefit coverages described in section 4.1 for the Plan year shall so specify on the appropriate election form or forms and shall agree to a reduction in his compensation. The amount of the reduction of the Participant's compensation for the Plan Year for each optional benefit described in Section 4.1(a-e) that is elected by the Participant shall equal the Participant's share of the cost of such optional benefit, and shall be adjusted automatically in the event of a change in such cost. The amount of the reduction in the Participant's compensation for the Plan Year for each optional benefit described in Section (d) or (e) shall be the amount elected by the Participant, subject to the limitations of the Dependent Care and Health Care Reimbursement Accounts. Each election form must be completed and returned to the Administrator on or before such date as the Administrator shall specify, which date shall be no later than the beginning of the first pay period for which the Participant's compensation reduction agreement will apply.

4.6 **New Participants.** As soon as practicable before an Employee becomes a Participant under Section 3.1 or 3.3, the Administrator shall provide the written election forms and compensation reduction agreements described in Section 4.5 to the Employee. If the Employee desires one or more optional benefit coverages described in Section 4.1 for the balance of the Plan Year, he shall so specify on the election forms and shall agree to a reduction in his compensation as provided in Section 4.5. The election forms must be completed and returned to the Administrator on or before such date as the Administrator shall specify, which date shall be no later than the beginning of the first pay period for which the Participant's compensation reduction agreements will apply.

4.7 **Failure to elect.** A participant failing to return a completed election form to the Administrator on or before the specified due date for the initial Plan Year of the Plan, or for the Plan Year in which he became a Participant, shall be deemed to have elected his full compensation in cash. A Participant failing to return a completed election form to the Administrator on or before the specified due date for any subsequent Plan Year shall be deemed to have made the same election as was in effect just prior to the end of the preceding Plan Year. The Participant shall also be deemed to have agreed to a reduction in his compensation for the subsequent Plan Year equal to the Participant's share of the cost from time to time during such Plan Year of each benefit he is deemed to have elected for such Plan Year. Reimbursement Account deposits will cease for failure to elect.

4.8 **Changes by Administrator.** If the Administrator determines, before or during any Plan Year, that the Plan may fail to satisfy for such Plan Year any nondiscrimination requirement imposed by the Code or any limitation on benefits provided to Key Employees, the Administrator shall take such action as the Administrator deems appropriate, under rules uniformly applicable to similarly situated participants, to assure compliance with such requirement or limitation. Such action may include, without limitation, a modification of elections by highly compensated Employees or Key Employees with or without the consent of such Employees.

4.9 **Irrevocability of election by the Participant during the Plan Year.** Elections made under the Plan (or deemed to be made under Section 4.6) shall be irrevocable by the Participant during the Plan Year, subject to a change in family status. A Participant may revoke a benefit election for the balance of a Plan Year and file a new election only if both the revocation and the new election are on account of and consistent with a change in family status. A change in family status for this purpose includes marriage, divorce, death of a spouse or child, birth or adoption of a child, termination of employment of a spouse, and such other events that the Administrator determines will permit a change or revocation of an election during a Plan Year under regulations and rulings of the Internal Revenue Service.

Any new election under this Section shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator.

4.10 **Automatic termination of election.** Elections made under this Plan, or deemed to be made under Section 4.7, shall automatically terminate on the date on which the Participant ceases to be a Participant in the Plan, although coverage or benefits under the Plans may continue if and to the extent provided by such Plans.

4.11 **Maximum employer contributions.** The maximum amount of employer contributions under the plan for any Participant shall be the sum of the maximum amounts which the Participant may receive in the form of dependent care reimbursement under the Dependent Care Reimbursement Account and as health care reimbursement under the Health Care Reimbursement Account, as set forth in such Plans.

4.12 **Maximum reimbursements.** The maximum amount which the Participant may receive under the Health Care Reimbursement Plan in the form of payments or reimbursements for Qualifying Health Care Expenses incurred in any Plan Year shall be $5,000. The maximum amount which the Participant may receive under the Dependent Care Reimbursement Plan in the form of payments or reimbursements for Qualifying Dependent Care Expenses incurred in any Plan Year shall be $5,000 which is the maximum currently allowable under IRS regulations.

ARTICLE V - Reimbursement Account Transactions

5.1 **The Trust.** If and to the extent required by law, the employer may establish a trust by the execution of a trust agreement between the employer and the trustee. The trustee shall hold all monies received by it and invest and reinvest the balance, together with the income therefrom, on behalf of the participants collectively in accordance with the provisions of the trust agreement. The trustee shall make distributions from the trust fund at such time or times to such person or persons and in such amounts as the District shall direct in accordance with the Plan.

5.2 **Establishment of accounts.** The District will establish and maintain on its books a Health Care and/or Dependent Care Reimbursement Account for each Plan Year with respect to each Participant who has elected to receive reimbursement of Qualifying Health Care and/or Dependent Care Expenses incurred during the Plan Year.

5.3 **Crediting of accounts.** There shall be credited to a Participant's Reimbursement Account for each Plan Year, as of each date compensation is paid to the Participant in such Plan Year, an amount equal to the reduction, if any, to be made in such compensation in accordance with the Participant's election and compensation reduction agreement under the Flexible Benefits Plan. All amounts credited to each such Reimbursement Account shall be the property of the District until paid out pursuant to Article VI.

5.4 **Debiting or accounts.** A Participant's Reimbursement Account for each Plan Year shall be debited from time to time in the amount of any payment under Article VI to or for the benefit of the Participant for Qualifying Expenses incurred during such Plan Year.

5.5 **Forfeiture of accounts.** The amount credited to a Participant's Reimbursement Account for any Plan Year shall be used to reimburse the Participant for Qualifying Expenses incurred during the Plan Year, and only if the Participant applies for reimbursement on or before the 90th day following the close of the Plan Year. If any balance remains in the Participant's Health Care Reimbursement Account at the end of a Plan Year it may be carried forward and utilized to March 15th of the subsequent Plan Year for qualifying expenses incurred during the period of January 1 to March 15, of said subsequent Plan Year.

If any balance remains in the Participant's Dependent Care Reimbursement Account at the end of a Plan Year, and any balance remaining in a participant's Health Care Reimbursement Account for the preceding Plan Year as of March 15th of the subsequent Plan Year must be forfeited.

Forfeited balances shall not be available to a Participant in any other form or manner, but shall remain the property of the District, and the Participant shall forfeit all rights with respect to any such balance(s).

ARTICLE VI - Payment of Qualifying Reimbursement Account Expenses

6.1 **Claims for reimbursement.** A Participant who has elected to receive reimbursements for a Plan Year may apply to the Administrator for reimbursement of Qualifying Expenses incurred by the Participant during the Plan Year by submitting an application in writing to the Administrator in such form as the District may prescribe, setting forth:

a. the amount, date and nature of the expense with respect to which a benefit is requested;
b. the name of the person, organization or entity to which the expense was or is to be paid;
c. the name of the person for whom the expense was incurred and, if such person is not the Participant requesting the benefit, the relationship of such person to the Participant; and
d. the amount recovered or expected to be recovered, under any insurance arrangement or other plan, with respect to the expense.
e. the provider tax identification number, and the name of the person, organization or entity to which the expense was or is to be paid (Dependent Care only).

Such application shall be accompanied by bills, invoices, receipts, canceled checks or other statements showing the amounts of such expenses, together with any additional documentation which the Administrator may request.

6.2 **Reimbursement or payment of expenses.** The District shall reimburse the Participant from the Participant's Reimbursement Account for Qualifying Expenses incurred during the Plan Year, for which the Participant submits a written application and documentation in accordance with Section 6.1. The District may, at its option, pay any such Qualifying Expenses directly to the person providing or supplying the qualifying care in lieu of reimbursing the Participant. No reimbursement or payment under this Section 6.2 of expenses incurred during the Plan Year for eligible Dependent Care expenses shall at any time exceed the amount then available in a Participant's Dependent Care account. No reimbursement or payment under this Section 6.2 of expenses incurred during the Plan Year for eligible Health Care expenses shall exceed the total amount to be contributed to a Participant's Health Care account for the entire plan year.

6.3 **Report to Participants on or before January 31 of each year.** On or before January 31 of each year, the Administrator shall furnish to each Participant who has received Reimbursement during the prior calendar year a written statement showing the amount of such Reimbursement paid during such year with respect to the Participant (Dependent Care only).

ARTICLE VII - Termination of Participation

7.1 **Dependent Care.** In the event that a Participant ceases to be a Participant for any reason, any election to receive reimbursements for Qualifying Expenses and any related compensation reduction agreement made under the Flexible Benefits Plan shall cease for the remainder of the Plan Year. the Participant (or his estate) shall be entitled to reimbursement only for Qualifying Expenses incurred within the same Plan Year and prior to the 90th day after the date participation is terminated, and only if the Participant (or his estate) applies for such reimbursement in

accordance with Section 6.1. on or before the earlier of (1) the 180th day following the date participation is terminated, and (2) the 90th day after the close of the Plan year. No such reimbursement shall exceed the total deposit in the Participant's Reimbursement Account for the Plan Year in which the expenses were incurred.

7.2 **Health Care.** In the event that a Participant ceases to be a Participant for any reason, any election to receive reimbursements for Qualifying Expenses and any related compensation reduction agreement made under the Flexible Benefits Plan shall cease for the remainder of the Plan Year. The Participant (or his estate) shall be entitled to reimbursement in accordance with Section 6.1. on or before the earlier of (1) the 180th day following the date participation is terminated, and (2) the 90th day after the close of the Plan Year. No such reimbursement shall exceed the total deposit in the Participant's Reimbursement Account for the Plan Year in which the expenses were incurred. This account may be continued under the provision of Article VIII.

ARTICLE VIII - Continuation of Health Care Reimbursement

8.1 **Health Coverage Continuation Rights.** A Participant and/or his dependents are eligible for temporary extension of health coverage (called "continuation coverage") available in accordance with Federal law (Public Law 99-272, Title X). If health care reimbursement coverage under the plan would end for any of the reasons stated below, the Participant and/or his dependents should contact the District.

8.2 **Continuation rights.** If the health care reimbursement coverage provided to Participant or a covered dependent as a result of the Participant's employment with the Employer would end due to a Qualifying Event shown in the table below, the Participant and/or the Participant's covered dependents have the right to pay the cost to continue the coverages during the corresponding Continuation Period, subject to the following guidelines:

a. Only health plan coverages (medical, dental, vision or the Health Care Reimbursement Account) may be continued. In addition, a Participant and/or his dependents can only add the Health Care Reimbursement Account coverage after first refusing such coverages if a similar election would be available to active employees and dependents.
b. Coverage may be continued for the Participant alone or for the Participant and any covered dependents. Covered dependents may elect to continue their coverage alone even if the Participant does not continue his and their election of which benefits to continue may differ from the Participant's.
c. If the Continuation Period is 18 months, it may be extended if another Qualifying Event occurs during that 18 months, but the total Continuation Period for any person cannot exceed 36 months.
d. There can be no interruption in coverage. If continuation is elected, the coverage must be continued and paid for from the date it would otherwise have ended, even though the election is made at a later date.

If continuation coverage is not elected, the health coverages will terminate in accordance with Plan provisions.

8.3 **Qualifying events & continuation periods.**

Qualifying Event If coverage under the Plan ends for the Participant or covered dependents because of one of the following events:	Continuation Period The Continuation Period is:
1. Employment terminates for reasons other than gross misconduct	18 months

2.	Work hours are reduced	18 months
3.	Death	36 months
4.	Divorce or legal separation	36 months
5.	Dependent reaches the maximum age limit or no longer meets the Plan's other eligibility requirements	36 months
6.	Eligibility for Medicare and elect to end coverage under the Employer's Plan	36 months

8.4. **Notification.** The Employer will notify the Participant or Covered dependents of these continuation rights if coverage is going to end due to a Qualifying Event shown in item 1, 2, 3 or 6 above. The Participant or Covered dependents must notify the Employer within 60 days after a Qualifying Event shown in item 4 or 5. The employer will then send notice of the continuation rights to the Participant's covered dependents.

8.5. **Request for Coverage.** The Participant or Covered dependents have 60 days in which to elect to continue coverage. This 60-day period starts on the date the coverage ends due to a Qualifying Event or the date the Employer notifies the Participant or Covered dependent of the continuation rights, whichever is later. If the Participant elects continuation coverage, the Participant may also elect to include covered dependents. An election of continuation coverage by a Covered Spouse may include covered dependents who reside with the Participant's spouse.

8.6 **Cost of Continuation Coverage.** A person who elects to continue coverage under this provision must pay the cost of the coverage.

Beginning on the date the Employer is notified that coverage is to be continued, a grace period of 45 days is allowed for the payment due for the coverage continued through the month in which the election is made. The payment for each month of coverage after the date the election is made is due on the first day of that month. A grace period of at least 30 days is allowed for these payments.

8.7 **Type of Coverage.** The coverages elected for continuation coverage will be identical to such coverages provided to similarly situated employees and dependents who are covered under the Plan.

8.8. **When Continuation Coverage Ends.** A person's continuation coverage will end if any of the following events occurs:

a. The Continuation Period expires.
b. The payment for the continued coverage is not made within the grace period.
c. The person becomes fully covered under another group health plan.
d. The person becomes eligible for Medicare.
e. The Employer stops providing any group health plan to all its active employees.

8.9 **Reinstatement.** The continuation coverage may not be reinstated after it ends. However, a person whose continuation coverage ends because the Continuation Period expires may be entitled to convert to an individual plan of medical coverage through the Plan if the applicable requirements are met.

ARTICLE IV - Administration of Plan

9.1 **Plan Administrator.** The administration of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan without discrimination among them. The Administrator will have full power to administer the

Plan in all of its details, subject to applicable requirements of law. For the purpose, the Administrator's powers will include, but will not be limited to, the following authority, in addition to all other powers provided by this Plan:

a. To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedures that may be required by applicable provisions of the law;
b. To interpret the Plan, its interpretation thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;
c. To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;
d. To appoint such agents, counsel, accountants, consultants and other persons as may be required to assist in administering the Plan, and
e. To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities under the Plan, any such allocation, delegation or designation to be in writing.

Notwithstanding the foregoing, any claim which arises under the Dental Care Plan or any Medical Care Plan shall not be subject to review under this Plan, and the Administrator's authority under this section shall not extend to any matter as to which an administrator under any such other plan is empowered to make determinations under such plan.

9.2 **Examination of records.** The Administrator will make available to each Participant such of his records under the Plan as pertains to him, for examination at reasonable times during normal business hours.

9.3 **Reliance on tables, etc.** In administering the Plan, the Administrator will be entitled to the extent permitted by law to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by, or in accordance with the instructions of, the administrators of the Dental, Vision, and Medical Care Plans or by accountants, counsel or other experts employed or engaged by the Administrator.

9.4 **Nondiscriminatory exercise of authority.** Whenever, in the administration of the Plan, any discretionary action by the Administrator is required, the Administrator shall exercise its authority in a nondiscriminatory manner so that all person similarly situated will receive substantially the same treatment.

9.5 **Indemnification of Administrator.** The District agrees to indemnity and to defend to the fullest extent permitted by law any Employee service as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who formerly served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the District) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

ARTICLE X - Amendment and Termination of Plan

The Plan may at any time be amended or terminated by a written instrument signed by an Officer of the District.

ARTICLE XI - Miscellaneous Provisions

11.1 **Information to be furnished.** Participants shall provide the District and Administrator with such information and evidence, and shall sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plan.

11.2 **Limitation of rights.** Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits, will be construed as giving to any Participant or other person any legal or equitable right against the District or Administrator, except as provided herein.

11.3 **Benefits solely from general assets.** The benefits provided hereunder will be paid solely from the general assets of the District. Nothing herein will be construed to require the District 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 District from which any payment under the Plan may be made.

11.4 **Non-assignability of rights.** The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment under the Plan or any other method, and will not be subject to be taken by his creditors by any process whatsoever, and any attempt to cause such right to be so subjected will not be recognized, except to such extent as may be required by law.

11.5 **No guarantee of tax consequences.** Neither the Administrator nor the District makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under Article VI 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 Article VI is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the District if the Participant has reason to believe that any such payment is not so excludable.

11.6 **Indemnification of District by Participants.** If any participant receives one or more payments or reimbursements under Article VI that are not for Qualifying Health care Expenses, such Participant shall indemnify and reimburse the District for any liability it may incur for failure to withhold federal or state income tax or Social Security tax form such payment or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax 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.

11.7 **Governing law.** This Plan shall be construed, administered and enforced according to the laws of the State of California.

IN WITNESS WHEREOF, the District has caused this plan to be executed in its name on this day of December 20, 2021, by its officer thereunto duly authorized.

TRIUNFO WATER & SANITATION DISTRICT

By: _____

RAY TJULANDER, Chair
Board of Directors

ATTEST:

By: _____

Clerk of the Board